

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
See attached statement

Lined area for providing the applicable Internal Revenue Code section(s) and subsection(s) for question 17.

18 Can any resulting loss be recognized? ▶ See attached statement

Lined area for providing information regarding the recognition of resulting loss for question 18.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attached statement

Lined area for providing any other information necessary to implement the adjustment for question 19.

Sign Here
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.
Signature ▶ _____ Date ▶ _____
Print your name ▶ _____ Title ▶ _____

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

First Mid Bancshares, Inc.
Attached Statement for IRS Form 8937

Item 14

First Mid Bancshares, Inc. (“First Mid”) acquired by merger LINCO Bancshares, Inc. (“LINCO”) pursuant to an Agreement and Plan of Merger by and among First Mid, Eval Sub Inc, a wholly owned subsidiary of First Mid (“Merger Sub”), LINCO, and the shareholders of LINCO (the “Sellers”), dated as of September 25, 2020 (the “Merger Agreement”). The merger closed on February 22, 2021, and on that date, Merger Sub merged with and into LINCO. In the merger, the issued and outstanding shares of LINCO common stock were converted into (a) \$116,500,000 in cash, less a special dividend of \$13,000,000 paid by LINCO to the Sellers prior to the closing of the merger, and (b) 1,262,246 shares of First Mid common stock, subject to certain adjustments and allocations agreed to by the Sellers, as set forth in the Merger Agreement (the “Merger Consideration”). No fractional shares were issued, and no cash in lieu of fractional shares was paid, in the merger.

Item 15

For US federal income tax purposes, the merger will generally be treated as a taxable exchange by the Sellers of their shares of LINCO common stock for the Merger Consideration. The initial tax basis of First Mid common stock received by a Seller that exchanges its shares of LINCO common stock for a portion of the Merger Consideration will be equal to the fair market value of First Mid common stock on the date of the merger.

Item 16

The fair market value of each share of First Mid common stock received in the merger was \$35.69 per share (closing price of First Mid’s common stock on February 22, 2021, the date of the merger).

Item 17

Sections 1001 and 1012(a) of the Internal Revenue Code of 1986, as amended.

Item 18

The Sellers will generally be permitted to recognize a loss (if any) realized on the merger.

Item 19

The reportable tax year for the merger should be the 2021 tax year.