

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name  BAB, Inc.		2 Issuer's employer identification number (EIN)  36-4389547	
3 Name of contact for additional information  Geri Conn	4 Telephone No. of contact  847-948-7520	5 Email address of contact  gconn@babcorp.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  500 Lake Cook Road		7 City, town, or post office, state, and ZIP code of contact  Deerfield, IL 60015	
8 Date of action  2020		9 Classification and description  Distributions affecting basis of stock	
10 CUSIP number  055183	11 Serial number(s)	12 Ticker symbol  BABB	13 Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Organization made 2020 cash distributions that will not be taxable as a dividend to the shareholders.  
Determination was based on taxable earnings through December 2020.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ Investor will need to reduce basis in each share of stock by the return of capital percentage.  
2020 return of capital percentage for each \$.01 of cash distribution is 19.09%

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Return of capital percentage included our taxable earnings and profit computed through December 31, 2020.  
The return of capital percentage represents: percentage the cash distributions are in excess of taxable earnings and profit.

