

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

## Part I Reporting Issuer

<b>1</b> Issuer's name  Lumen Technologies, Inc.		<b>2</b> Issuer's employer identification number (EIN)  72-0651161	
<b>3</b> Name of contact for additional information  Investor Relations	<b>4</b> Telephone No. of contact  720-888-1000	<b>5</b> Email address of contact  Investor.relations@lumen.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  100 CenturyLink Drive		<b>7</b> City, town, or post office, state, and ZIP code of contact  Monroe, LA 71230	
<b>8</b> Date of action  See attached statement		<b>9</b> Classification and description  Debt Exchange	
<b>10</b> CUSIP number  See attached statement	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> 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 ►

See attached statement

**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 ►

See attached statement

**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 ►

See attached statement



**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**18** Can any resulting loss be recognized? ▶See attached statement**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶See attached statement

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.

**Sign  
Here**

Signature ▶



Date ▶

10/24/24Print your name ▶ **Karen S. Dean**Title ▶ **Senior Vice President, Global Tax****Paid  
Preparer  
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if  
self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.



**LUMEN TECHNOLOGIES, INC.****EIN: 72-0651161****LEVEL 3 FINANCING, INC.****EIN: 47-0735805****ATTACHMENT TO IRS FORM 8937****REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES  
AND ISSUER STATEMENT PURSUANT TO TREAS. REG. SECTION 1.1273-2(f)(9)**

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”) and Treas. Reg. Section 1.1273-2(f)(9). The information herein does not constitute tax advice. Noteholders are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the exchanges described herein and the tax basis resulting from the exchanges, including the applicability and effect of all U.S. federal, state and local and non-U.S. tax laws. Noteholders are also urged to read the Lumen Offering Memorandum and Level 3 Offering Memorandum (each as defined below), as applicable, noting especially the discussion under the heading “Certain U.S. Federal Income Tax Considerations.” The information provided herein is subject to such discussion, and the Lumen Offering Memorandum and Level 3 Offering Memorandum generally, in all respects.

**Part I, Line 10 – Classification and description; CUSIP number.****Old Notes**

<b>Issuer</b>	<b>Description</b>	<b>CUSIP Numbers</b>
Lumen	5.125% Senior Notes due 2026 (“ <u>2026 Lumen Notes</u> ”)	156700 BB1 U1566P AB1
Lumen	4.000% Senior Secured Notes due 2027 (Unsecured) (“ <u>2027 Lumen Notes</u> ”)	156700 BC9 U1566P AC9
Lumen	6.875% Debentures, Series G, due 2028 (“ <u>2028 Lumen Notes</u> ”)	156686 AM9
Lumen	4.500% Senior Notes due 2029 (“ <u>2029 Lumen Notes</u> ”)	156700 BD7 U1566P AD7
Level 3	3.400% Senior Secured Notes due 2027 (Unsecured) (“ <u>3.400% Level 3 Notes</u> ”)	527298 BP7 U52783 AU8
Level 3	4.625% Senior Notes due 2027 (“ <u>4.625% Level 3 Notes</u> ”)	527298 BN2 U52783 AT1
Level 3	4.250% Senior Notes due 2028 (“ <u>4.250% Level 3 Notes</u> ”)	527298 BR3 U52783 AW4

**New Notes**

<b>Issuer</b>	<b>Description</b>	<b>CUSIP Numbers</b>
Lumen	10.000% Secured Notes due 2032 (“ <u>New Lumen Notes</u> ”)	550241 AK9 U54985 AF0



Level 3	10.000% Second Lien Notes due 2032 ("New Level 3 Notes")	527298 CK7 U52783 BJ2
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**Part II, Line 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.**

On September 3, 2024, Lumen Technologies, Inc. ("Lumen") and Level 3 Financing, Inc., an indirect subsidiary of Lumen ("Level 3"), offered to exchange:

- in the case of Lumen, the 2026 Lumen Notes, the 2027 Lumen Notes, the 2028 Lumen Notes and the 2029 Lumen Notes (collectively, the "Old Lumen Notes") for the New Lumen Notes and, in the case of the 2026 Lumen Notes tendered for exchange and not validly withdrawn after the Early Tender Time (as defined in the Lumen Offering Memorandum), cash (such exchanges, the "Lumen Exchanges"), in each case, upon the terms and subject to the conditions set forth in the Offering Memorandum of Lumen, dated September 3, 2024 (as amended or supplemented through the date hereof, the "Lumen Offering Memorandum"); and
- in the case of Level 3, the 3.400% Level 3 Notes, the 4.625% Level 3 Notes and the 4.250% Level 3 Notes (collectively, the "Old Level 3 Notes," and, together with the Old Lumen Notes, the "Old Notes") for the New Level 3 Notes (together with the New Lumen Notes, the "New Notes") (such exchanges, the "Level 3 Exchanges," and together with the Lumen Exchanges, "Exchanges"), in each case, upon the terms and subject to the conditions set forth in the Offering Memorandum of Level 3, dated September 3, 2024 (as amended or supplemented through the date hereof, the "Level 3 Offering Memorandum").

**Part II, Line 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.**

The Exchanges would result in a debt-for-debt exchange with respect to a series of Old Notes pursuant to Section 1001 of the Code if the applicable exchange results in a "significant modification" of such series of Old Notes. Lumen and Level 3 intend to take the position that the Exchanges gave rise to a "significant modification" of each series of Old Notes pursuant to Section 1001 of the Code and Treas. Reg. Section 1.1001-3. Accordingly, holders of Old Notes that participated in the Exchanges (the "Participating Holders") are expected to realize gain or loss as a result of the Exchanges. Whether such gain or loss may be recognized will depend on the tax treatment of the relevant Exchange, as described below.

The tax treatment of the Exchanges depends on whether the applicable Exchange constitutes a "reorganization" pursuant to Section 368(a)(1)(E) of the Code. Reorganization treatment in turn generally depends on whether both the applicable Old Notes and the New Notes received in exchange therefor constitute a "security" for purposes of the reorganization provisions of the Code. Whether a debt instrument is a "security" for this purpose is based on all facts and circumstances.



Recapitalization Treatment: If an applicable Exchange qualifies for reorganization treatment pursuant to Section 368(a)(1)(E) of the Code, the applicable Participating Holders are generally not expected to recognize gain or loss with respect to such Exchange, except that any gain will be recognized to the extent of any cash or other property received by the Participating Holders (other than cash received in respect of accrued and unpaid interest on the applicable Old Notes, which will be taxable as ordinary interest income to the extent not previously included in income).

Taxable Exchange: If an applicable Exchange does not qualify for reorganization treatment pursuant to Section 368(a)(1)(E) of the Code, the applicable Participating Holders are generally expected to recognize gain or loss equal to the difference between (i) the “issue price” of the applicable New Notes and any cash or other property received by the Participating Holders (other than cash received in respect of accrued and unpaid interest on the applicable Old Notes, which will generally be taxable as ordinary interest income to the extent not previously included in income) and (ii) the Participating Holders’ tax basis in the applicable Old Notes. Lumen and Level 3, as applicable, has determined and intends to take the position that, for U.S. federal income tax purposes, (i) the New Lumen Notes have an “issue price” of \$967.09 per \$1,000 stated principal amount and (ii) the New Level 3 Notes have an “issue price” of \$964.54 per \$1,000 stated principal amount.

On the basis of the “issue price” for the New Lumen Notes set forth above, Lumen has determined that Lumen will not be required to make a Mandatory Principal Redemption (as defined in the Lumen Offering Memorandum) and that the New Lumen Notes will not be considered an AHYDO (as defined in the Lumen Offering Memorandum).

**Part II, Line 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.**

See response to Line 15 above.

To the extent any Exchange is treated as a “reorganization” under Section 368(a)(1)(E) of the Code, a Participating Holder’s initial tax basis in the applicable New Note received in the applicable Exchange generally would equal such Participating Holder’s aggregate adjusted tax basis in the applicable Old Note surrendered immediately prior to the applicable Exchange, increased by the amount of any gain recognized with respect to such Exchange and decreased by the amount of any cash or other property received by such Participating Holder in such Exchange.

To the extent any Exchange does not qualify as a “reorganization” under Section 368(1)(E) of the Code, and is thus treated as a taxable exchange for U.S. federal income tax purposes, a Participating Holder’s initial tax basis in the applicable New Note received in the applicable Exchange generally will equal the “issue price” of such New Note. As stated above, Lumen and Level 3, as applicable, has determined and intends to take the position that, for U.S. federal income tax purposes, (i) the New Lumen Notes have an “issue price” of \$967.09 per \$1,000 stated principal amount and (ii) the New Level 3 Notes have an “issue price” of \$964.54 per \$1,000 stated principal amount.



**Part II, Line 17 – List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

Sections 354, 356, 368, 1001, 1012 and 1273 of the Code.

**Part II, Line 18 – Can any resulting loss be recognized?**

To the extent any Exchange, as applicable, is treated as a “reorganization” under Section 368(a)(1)(E) of the Code, the applicable Participating Holders should not recognize loss on the applicable Exchange.

To the extent any Exchange, as applicable, is treated as a taxable exchange for U.S. federal income tax purposes, the applicable Participating Holders may recognize loss on the applicable Exchange. See response to Line 15 above for circumstances that may result in a loss to a Participating Holder.

**Part II, Line 19 – Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

The Level 3 Exchanges were effective on September 24, 2024. The Lumen Exchanges were effective (i) for Participating Holders that exchanged their Old Lumen Notes on the Early Settlement Date (as defined in the Lumen Offering Memorandum), on September 24, 2024, and (ii) for Participating Holders that exchanged their Old Lumen Notes on the Final Settlement Date (as defined in the Level 3 Offering Memorandum), on October 4, 2024. The reportable tax year for the applicable Exchange for a Participating Holder is such Participating Holder’s tax year that includes the date of such Exchange.