

SciSparc Ltd.
Reverse Share Split of SciSparc Ltd. Ordinary Shares
Attachment to Form 8937

PLEASE CONSULT YOUR TAX ADVISOR

THE FOLLOWING DISCUSSION IS A SUMMARY OF MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE REVERSE SHARE SPLIT UNDER CURRENT LAW AND IS FOR GENERAL INFORMATION ONLY. THE INFORMATION CONTAINED HEREIN DOES NOT CONSTITUTE TAX ADVICE AND DOES NOT PURPORT TO BE COMPLETE OR TO DESCRIBE THE CONSEQUENCES THAT MAY APPLY TO PARTICULAR CATEGORIES OF SHAREHOLDERS.

SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISOR WITH RESPECT TO THE U.S. FEDERAL, STATE AND LOCAL AND FOREIGN TAX CONSEQUENCES OF THE REVERSE SHARE SPLIT

Part I

Line 10. The CUSIP number changed from M82618105 to M82618113.

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 28, 2023, SciSparc Ltd. (the "Company") effected a one-for-twenty-six reverse share split (the "Ordinary Shares Reverse Share Split") of all of the Company's then issued and outstanding ordinary shares, of no par value per share (the "Ordinary Shares"), pursuant to which every twenty-six Ordinary Shares ("Old Ordinary Shares") were exchanged for one (1) Ordinary Share, no par value per share ("New Ordinary Shares"), with all fractional New Ordinary Shares rounded up to the nearest whole New Ordinary Share, such that only shareholders holding fractional consolidated New Ordinary Shares of one half of one whole New Ordinary Share or more are entitled to receive one whole New Ordinary Share (the "Reverse Share Split").

Company shareholders are urged to refer to the Reports of Foreign Private Issuer on Form 6-K filed by the Company with the U.S. Securities and Exchange Commission on September 21, 2023, September 29, 2023 and on October 16, 2023, and to consult with their own tax advisors regarding the consequences of the Reverse Share Split, including the applicability and effect of all U.S. federal, state and local, and foreign tax laws.

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 Reverse Share Split was intended to qualify as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “Code”).

The aggregate adjusted tax basis of the shares of New Ordinary Shares received by a Company shareholder in the Reverse Share Split should be equal to the aggregate adjusted tax basis of the shares of Old Ordinary Shares exchanged therefor. Company shareholders that acquired Ordinary Shares at different times or at different prices must allocate such adjusted tax basis with respect to each block of shares of Old Ordinary Shares surrendered.

The Reverse Share Split had no effect on the total basis in New Ordinary Shares received in the Reverse Share Split and will be equal to such Company shareholder’s basis in the Old Ordinary Shares surrendered in the Reverse Share Split

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.

The aggregate adjusted tax basis of the New Ordinary Shares received by a Company shareholder in the Reverse Share Split should be equal to the aggregate adjusted tax basis of the Old Ordinary Shares exchanged therefor. Company shareholders that acquired Ordinary Shares at different times or at different prices must allocate such adjusted tax basis with respect to each block of Old Ordinary Shares surrendered.

Company shareholders should consult their own tax advisors regarding the appropriate method for determining their specific tax treatment of the Reverse Share Split (including but not limited to the computation of gain and tax basis).

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

Sections 354, 358, 361, 368, 1001, 1221, and 1223 are the applicable Code sections upon which the tax treatment of the Reverse Share Split is based.

Line 18. Can any resulting loss be recognized?

Company shareholders generally cannot recognize any gain or loss upon receipt of New Ordinary Shares in the Reverse Share Split.

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

The basis adjustments resulting from the Reverse Share Split are taken into account in the tax year of a Company shareholder during which the Reverse Share Split occurred (e.g., 2023 for calendar year taxpayers).

