



**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.


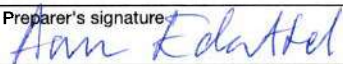
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**18** Can any resulting loss be recognized? ▶ See attached.

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

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|-------------------------------|---|---|--|---------------------------|
| <b>Sign Here</b>              | 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 ▶                                  | 12/1/2023  |                           |
| <b>Paid Preparer Use Only</b> | Print your name ▶   | Ryan Robinson                           | Title ▶  | Interim CFO and Treasurer |
|                               | Print/Type preparer's name  | ANN EDATTEL                             | Preparer's signature -  | Date                      |
|                               | Firm's name ▶   | DELOITTE TAX LLP                        | Check <input type="checkbox"/> if self-employed  | PTIN                      |
|                               | Firm's address ▶  | 110 MORRIS STREET, MORRISTOWN, NJ 07960 | Firm's EIN ▶   | 86-1065772                |
|                               |   |   | Phone no.  | 973-602-6000              |

Talaris Therapeutics, Inc.  
Attachment to FORM 8937  
Date of Organizational Action – October 20, 2023  
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

FORM 8937 - Part II – 14:

Talaris Therapeutics, Inc. (“Talaris”) declared a special cash dividend to its stockholders on October 6, 2023 (the “Special Dividend”). The Special Dividend was \$15.118 per share of Talaris common stock, payable in cash. The ex-dividend date in respect to the Special Dividend was before market open on October 20, 2023, and only stockholders of record as of October 16, 2023, record date for the Special Dividend, that continued to hold their eligible shares of the Company until market open on October 20, 2023, were entitled to the dividend payment.

The above distribution was in excess of Talaris’ current and accumulated earnings and profits and is either considered a nontaxable return of capital distribution or capital gain.

FORM 8937 - Part II – 15:

Assuming that the Distribution is considered separately from Talaris’ recent reverse stock split and acquisition of Tourmaline Bio, Inc., the Distributions will reduce each shareholder’s tax basis in each share by \$15.118, the amount of the distribution per share on the date of the distribution and any excess of Distributions over a shareholder’s tax basis will be treated as capital gains. Talaris stockholders should consult their own tax advisors regarding the consequences to them of the receipt of the Special Dividend, including the extent to which it will be treated as capital gains.

FORM 8937 - Part II – 16:

After the close of Talaris’ taxable year of January 1, 2023, through December 31, 2023, (“2023 Taxable Year”), Talaris will calculate its current and accumulated earnings and profits (“E&P”). Talaris has projected its E&P for its 2023 Taxable Year and plans to characterize the Distributions as distributions in excess of E&P, which reduces each shareholder’s tax basis in the applicable shares by the amount of the Distribution (or, to zero, if the Distributions to a shareholder are in excess of the shareholder’s tax basis in the applicable shares).

FORM 8937 - Part II – 17:

Internal Revenue Code Sections 316(a) (defining dividend as any distribution of property made by a corporation to its shareholders out of current or accumulated earnings and profits) and 301(c)(2) (providing that the portion of the distribution which is not a dividend shall be applied against and reduce the adjusted basis of the stock).

FORM 8937 - Part II – 18:

No loss may be recognized per the return of capital distributions. The shareholder’s basis should be adjusted to reflect the return of capital distributions, which may affect the gain or loss realized upon disposition of the shares.

FORM 8937 - Part II – 19:

The adjustment to basis should be taken into account in the tax year of the shareholder during which the distribution was received (for example, the calendar year 2023 for individuals).