

**Report of Organizational Actions  
 Affecting Basis of Securities**

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1 Issuer's name</b>		<b>2 Issuer's employer identification number (EIN)</b>	
Talaris Therapeutics, Inc.		83-2377352	
<b>3 Name of contact for additional information</b>	<b>4 Telephone No. of contact</b>	<b>5 Email address of contact</b>	
Ryan Robinson	484-868-3711	rrobinson@tourmalinebio.com	
<b>6 Number and street (or P.O. box if mail is not delivered to street address) of contact</b>		<b>7 City, town, or post office, state, and ZIP code of contact</b>	
27 West 24th Street, Suite 702		New York, NY 10010	
<b>8 Date of action</b>		<b>9 Classification and description</b>	
October 19, 2023		Reverse Stock Split	
<b>10 CUSIP number</b>	<b>11 Serial number(s)</b>	<b>12 Ticker symbol</b>	<b>13 Account number(s)</b>
87410C104 (Pre-Merger) 89157D105 (Post-Merger)	N/A	TALS (Pre-Merger) TRML (Post-Merger)	N/A

**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.

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**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.

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**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.

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**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.

Blank lined area for listing Internal Revenue Code sections.

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

Blank lined area for providing information on loss recognition.

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

Blank lined area for providing other necessary information.

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 ▶ *Ryan Robinson*

Date ▶ 12/1/2023

Print your name ▶ Ryan Robinson

Title ▶ Interim CFO and Treasurer

**Paid Preparer Use Only**

Print/Type preparer's name <b>ANN EDATTEL</b>	Preparer's signature <i>Ann Edattel</i>	Date 12/1/23	Check <input type="checkbox"/> if self-employed	PTIN <b>P01377838</b>
Firm's name ▶ <b>DELOITTE TAX LLP</b>	Firm's EIN ▶ <b>86-1065772</b>		Phone no. <b>973-602-6000</b>	
Firm's address ▶ <b>110 MORRIS STREET, MORRISTOWN, NJ 07960</b>				

Talaris Therapeutics, Inc.  
Attachment to FORM 8937

Date of Organizational Action – October 19, 2023

REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

FORM 8937 - Part II – 14:

On October 19, 2023, Talaris Therapeutics, Inc. (“Talaris”), effected a 10-for-1 reverse stock split of its issued and outstanding shares of common stock (the “Reverse Stock Split”). Pursuant to the Reverse Stock Split, every 10 shares of issued and outstanding common stock of Talaris were combined into one share of common stock. Talaris did not issue fractional shares in connection with the Reverse Stock Split. Shareholders who were otherwise entitled to fractional shares of common stock were instead entitled to receive a proportional cash payment.

FORM 8937 - Part II – 15:

Assuming that, for all purposes of this Form 8937, the reverse stock split is treated as different from the special cash dividend that Talaris declared on October 6, 2023, shareholders are required to allocate their aggregate tax basis in their existing shares of Talaris common stock held immediately prior to the Reverse Stock Split among their shares of Talaris common stock held immediately after the Reverse Stock Split. Shareholders that have acquired different blocks of Talaris common stock at different times or at different prices should consult their own tax advisors regarding the allocation of the tax basis of such shares.

FORM 8937 - Part II – 16:

See response to Box 15, above. While the basis “per share” is impacted, the basis of the shareholder’s total investment remains unchanged. Shareholders with blocks of pre-split shares of Talaris common stock not divisible by 10 or which reflect pre-split shares of Talaris common stock acquired at different times or different prices must replicate such blocks of presplit shares of Talaris common stock in the post-split shares of Talaris common stock received pursuant to a formula provided in Treasury regulations that seeks to preserve, to the greatest extent possible, the basis of a particular block of pre-split shares of Talaris common stock in one or more post-split shares of Talaris common stock received in exchange thereof. This may require the aggregate basis in one block of pre-split shares of Talaris common stock to be allocated to post-split shares of Talaris common stock in a manner where some post-split shares of Talaris common stock may have split basis and holding period segments.

FORM 8937 - Part II – 17:

Talaris intends the Reverse Stock Split to qualify as a non-taxable recapitalization pursuant to Section 368(a)(1)(E) of the Internal Revenue Code. Section 354(a)(1) of the Internal Revenue Code provides that, in relevant part, no gain or loss shall be recognized if stock in a corporation is exchanged solely for stock in such corporation in a recapitalization. Section 358(a) of the Internal Revenue Code provides that, in relevant part, the tax basis of stock in a corporation received in a recapitalization exchange will be the same as the tax basis in the stock exchanged. A shareholder that receives cash in lieu of a fractional share of Talaris common stock pursuant to the proposed reverse stock split should recognize capital gain or loss in an amount equal to the difference between the amount of cash received and the U.S. holder’s tax basis in the shares of Talaris

common stock surrendered that is allocated to such fractional share of Talaris common stock under Section 356 of the Internal Revenue Code.

FORM 8937 - Part II – 18:

Except to the extent of cash received in lieu of fractional shares, the Reverse Stock Split is intended to be treated as a recapitalization for U.S. federal income tax purposes. Therefore, assuming the Reverse Stock Split so qualifies, shareholders generally should not recognize gain or loss upon the Reverse Stock Split. A shareholder who receives cash in lieu of a fractional share pursuant to the Reverse Stock Split should recognize a capital gain or loss in an amount equal to the difference between the amount of cash received and the shareholder's tax basis in the shares of Talaris common stock surrendered that is allocable to such share. Such capital gain or loss should be a long-term capital gain or loss if the shareholder's holding period for the shares of Talaris common stock surrendered exceeded one year at the effective date of the Reverse Stock Split. Shareholders should consult their own tax advisor with respect to the tax consequences resulting from the Reverse Stock Split.

FORM 8937 - Part II – 19:

The reportable tax year for reporting the tax effect of the Reverse Stock Split is the taxable year that includes October 19, 2023 (e.g. 2023 for calendar-year taxpayers).