

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

Horizontal lines for providing applicable Internal Revenue Code section(s) and subsection(s).

18 Can any resulting loss be recognized? ► SEE ATTACHED


Horizontal lines for providing information regarding resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► SEE ATTACHED

Horizontal lines for providing other information necessary to implement the adjustment.

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: 11/22/2021
Print your name: Jay Moyes
Title: CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	JEFF BICKEL		11/22/21		P00633487
	Firm's name ► TANNER LLC			Firm's EIN ►	20-2253063
	Firm's address ► 36 S STATE STREET, SUITE 600 84111			Phone no.	801-532-7444

Sera Prognostics, Inc.

One for 2.079 Reverse Stock Split of Common & Convertible Preferred Stock

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 STOCK 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 STOCK SPLIT.

Part II – Organizational Action

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.

Effective at 8:00 a.m. Eastern Time on Wednesday, July 7, 2021, Sera Prognostics effected a 1-for-2.079 reverse stock split for its outstanding shares of common and redeemable convertible preferred stock. As a result of the reverse split, every 2.079 shares of the Company's issued and outstanding common and redeemable convertible preferred stock will be automatically combined and converted into one (1) issued and outstanding share of the same. The Company will not issue any fractional shares in connection with the reverse stock split. Instead, the number of shares will be rounded down to the nearest whole number.

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.

Upon the effective date of the reverse stock split, every 2.079 shares of stock of Sera Prognostics, Inc. automatically converted into one (1) share of stock. As a result, shareholders must allocate the aggregate tax basis in their shares held immediately prior to the reverse stock split among the shares held immediately after the reverse stock split. All stock options and warrants of the Company outstanding immediately prior to the reverse stock split have been proportionally adjusted.

The Reverse Stock Split had no effect on the total basis in each Sera Prognostic share received in the Reverse Stock Split will be equal to such shareholder's basis in the 2.079 shares surrendered in the Reverse Stock Split.

Because a shareholder may receive fewer shares than were surrendered in the Reverse Stock Split, the basis in the surrendered shares must be allocated in a timely manner that reflects, to

the greatest extent possible, the different blocks, if any, that such shareholder had in the shares surrendered (i.e., shares of stock that were acquired on the same date and at the same price).

Shareholders that have acquired different blocks of stock at different times or at different prices are urged to consult their own tax advisors regarding the allocation of their aggregated adjusted basis among, and the holding period of, that stock.

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 answer to Line 15. While the basis "per share" is impacted, the basis of the shareholder's total investment remains unchanged. Post-split share basis per share is equal to the pre-split basis per share multiplied by 2.079. Shareholders with blocks of pre-split stock not divisible by 2.079 which reflect pre-split stock acquired at different times or different prices must replicate such blocks of pre-split stock in the post-split stock received pursuant to a formula provided in Treasury regulations that seek to preserve, to the greatest extent possible the basis of a particular block of pre-split stock in one of more post-split stock shares received in exchange therefore.

This may require the aggregate basis in one block of pre-split stock to be allocated to post-split stock in a manner where some post-split stock blocks may have split basis and holding period segments.

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

IRC Sections 354(a)(1), 358(a) and (b), 368(a)(1)(E), 1001 and 1012.

Line 18. Can any resulting loss be recognized?

The one (1) for 2.079 reverse stock split is intended to be treated as a recapitalization for U.S. Federal income tax purposes (see IRC Section 368 (a)(1)(E)). Therefore, a shareholder will not recognize any gain or loss for U.S. federal income tax purposes upon the combination of pre-reverse stock split shares into post-reverse stock split shares pursuant to the reverse stock split.

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

The reportable tax year in which the reverse stock split occurred is 2021.