

Form **8937**  
(December 2017)  
Department of the Treasury  
Internal Revenue Service

## Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

▶ See separate instructions.

### Part I Reporting Issuer

|   |   |   |                      |
|---|---|---|----------------------|
| 1 Issuer's name<br><b>Quellis Biosciences, Inc.</b>   |   | 2 Issuer's employer identification number (EIN)<br><b>82-3386108</b>                    |                      |
| 3 Name of contact for additional information<br><b>Noah Clauser</b>   | 4 Telephone No. of contact<br><b>(857) 995-6152</b> | 5 Email address of contact<br><b>nclauser@catabasis.com</b>                             |                      |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact<br><b>100 High Street, 28th Floor</b> |   | 7 City, town, or post office, state, and ZIP code of contact<br><b>Boston, MA 02110</b> |                      |
| 8 Date of action<br><b>January 28, 2021</b>   |   | 9 Classification and description<br><b>Common stock and preferred stock</b>             |                      |
| 10 CUSIP number   | 11 Serial number(s)                                 | 12 Ticker symbol  | 13 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 ▶ **On January 28, 2021, Catabasis, Inc. ("Catabasis") acquired Quellis Bioscience, Inc. ("Quellis") through a two-step merger. In the first merger, Quellis merged with and into a newly-formed, wholly-owned corporate subsidiary of Catabasis, with Quellis surviving the first merger and becoming a wholly-owned subsidiary of Catabasis. Immediately following the first merger and as part of the same overall transaction, Quellis merged with and into a newly-formed, wholly-owned limited liability company subsidiary of Catabasis, with that limited liability subsidiary surviving the second merger. Former Quellis shareholders received shares of Catabasis common stock and shares of Catabasis non-voting, preferred convertible stock ("Series X Preferred Stock") in exchange for their shares of Quellis stock. Each share of Series X Preferred Stock is convertible into 1,000 shares of Catabasis common stock, subject to certain adjustments and conditions. The first merger and the second merger, taken together, are intended to qualify as a reorganization under Section 368(a) of the Internal Revenue Code.**

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 ▶ **A shareholder's aggregate tax basis in shares of Catabasis stock received (including any fractional shares deemed received and redeemed for cash as described below in Line 18) will equal the shareholder's tax basis in the Quellis stock surrendered in exchange thereof. If a shareholder acquired different blocks of Quellis stock at different prices, the tax basis of each block of Catabasis stock received by such holder in the merger will be determined on a block-for-block basis depending on the tax basis of the blocks of Quellis stock exchanged thereof. The above assumes that the mergers, taken together, qualify as a tax-free reorganization under Section 368(a) of the Internal Revenue Code.**

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 Line 15.**

**Part II** Organizational Action (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ \_\_\_\_\_  
Sections 354, 358 and 368 of the Internal Revenue Code.

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**18** Can any resulting loss be recognized? ▶ \_\_\_\_\_  
No. A shareholder may not recognize a loss, except with respect to cash received in lieu of a fractional share. Each shareholder will be treated as receiving such cash in redemption of its fractional share and gain or loss may be recognized on such redemption.

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**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ \_\_\_\_\_  
The reportable tax year is the taxable year of the shareholder in which the mergers occurred (e.g, 2021 for calendar year taxpayers).

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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 ▶ 3/10/2021

Print your name ▶ **Noah Clauser** Title ▶ **Chief Financial Officer**

|                               |                            |                      |      |   |              |
|-------------------------------|----------------------------|----------------------|------|---|--------------|
| <b>Paid Preparer Use Only</b> | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN         |
|                               | Firm's name ▶              |                      |      |   | Firm's EIN ▶ |
|                               | Firm's address ▶           |                      |      |   | Phone no.    |