



**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 attachment.](#)

Blank lines for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ [See attachment.](#)

Blank lines for indicating if a resulting loss can be recognized.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See attachment.](#)

Blank 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.

DocuSigned by: **Pierre Lorenzo** Signature ▶  Date ▶ 7/14/2021

Print your name ▶ **Pierre Lorenzo** Title ▶ **Corporate Controller**

<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.

**Tempest Therapeutics, Inc.**  
**(formerly Millendo Therapeutics, Inc.)**  
**EIN: 45-1472564**  
**Attachment to Form 8937**

**Form 8937, Part I, Box 10:**

CUSIP number: 87978U108 (formerly 60040X103)

**Form 8937, Part II, Box 14:**

On June 25, 2021, Tempest Therapeutics, Inc. (the “Company” or “Tempest”) effected a 1-for-15 reverse stock split of its issued and outstanding shares of common stock (the “Reverse Stock Split”). Pursuant to the Reverse Stock Split, every fifteen (15) shares of issued and outstanding common stock were combined into one (1) share of common stock. The Company 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.

The Reverse Stock Split was effected prior to the consummation of the merger contemplated by the Agreement and Plan of Merger, dated as of March 29, 2021, by and among the Company (formerly Millendo Therapeutics, Inc.), TempestTx., Inc. (formerly Tempest Therapeutics, Inc.), and Mars Merger Corp. (“Merger Sub”), pursuant to which Merger Sub merged with and into TempestTx., Inc., with TempestTx., Inc. surviving (the “Merger”). Accordingly, the Reverse Stock Split did not apply to shares of Company common stock received by Company shareholders in the Merger.

**Form 8937, Part II, Box 15:**

Shareholders are required to allocate their aggregate tax basis in their existing shares of common stock held immediately prior to the Reverse Stock Split among their shares of common stock held immediately after the Reverse Stock Split. Shareholders that have acquired different blocks of 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, Box 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 common stock not divisible by fifteen (15) or which reflect pre-split shares of common stock acquired at different times or different prices must replicate such blocks of pre-split shares of common stock in the post-split shares of 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 common stock in one or more post-split shares of common stock received in exchange thereof. This may require the aggregate basis in one block of pre-split

shares of common stock to be allocated to post-split shares of common stock in a manner where some post-split shares of common stock may have split basis and holding period segments.

**Form 8937, Part II, Box 17:**

The Reverse Stock Split is a non-taxable recapitalization pursuant to Section 368(a)(1)(E) of the Internal Revenue Code. Section 354(a)(1) 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) 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. Tax treatment of the receipt of cash in lieu of fractional stock is tested under Section 302 and will depend on each shareholder's specific facts and circumstances.

**Form 8937, Part II, Box 18:**

Except for shareholders receiving cash 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, 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 holder's tax basis in the shares of 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 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, Box 19:**

The reportable tax year for reporting the tax effect of the Reverse Stock Split is the taxable year that includes June 25, 2021 (e.g. 2021 for calendar-year taxpayers).