

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 Appendix A attached hereto.](#)

18 Can any resulting loss be recognized? ▶ [See Appendix A attached hereto.](#)

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

Sign Here 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 ▶ Pao Yu Chuang Date ▶ 9/3/19

Print your name ▶ Pao Yu Chuang Title ▶ Controller

Paid Preparer Use Only	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.

Appendix A to IRS Form 8937

U.S Federal Income Tax Information

Relating to Exchange of Salarius Pharmaceuticals, LLC membership units for

Salarius Pharmaceuticals, Inc. common stock on July 19, 2019

General Information Only

The following information provides a general summary regarding the application of certain provisions of the U.S. Internal Revenue Code of 1986, as amended, and the Treasury regulations promulgated thereunder (the “Code”), with respect to the allocation of tax basis of a Salarius Pharmaceuticals, LLC (“Private Salarius”) member’s units of Private Salarius’ membership units to shares of Salarius Pharmaceuticals, Inc. (formerly Flex Pharma, Inc., “Public Salarius”) common stock received as a result of a merger (the “Merger”). This information does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of equity holders. Neither Private Salarius nor Public Salarius provides tax advice to its equity holders. Each equity holder should consult his or her own tax advisor as to the tax consequences of the merger under U.S. federal, state, local and foreign tax laws. The example below is provided solely for illustrative purposes and as a convenience to Private Salarius and Public Salarius equity holders and their own tax advisors when establishing their specific tax positions. We urge you to read the information included in the amended registration statement on S-4 of Public Salarius, as filed with the Securities and Exchange Commission on April 18, 2019 and the current report on form 8-K of Public Salarius, as filed with the Securities and Exchange Commission on July 22, 2019

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 July 19, 2019, Public Salarius completed its business combination with Private Salarius in accordance with the terms of an Agreement and Plan of Merger (as amended, the “Merger Agreement”) dated January 3, 2019 and amended on June 27, 2019, by and among Public Salarius, Falcon Acquisition Sub, LLC (“Merger Sub”), and Private Salarius, pursuant to which Merger Sub merged with and into Private Salarius, with Private Salarius surviving as a wholly owned subsidiary of Public Salarius. Under the terms of the Merger Agreement, Public Salarius issued shares of its common stock to Private Salarius’ common unit, profits interest common unit and Series A unit holders, at the conversion ratio formulae described in the Merger Agreement, in exchange for each Private Salarius common unit, profits interest common unit and Series A unit outstanding immediately prior to the Merger. Members of Private Salarius also received cash in lieu of any fractional shares of Public Salarius’ common stock resulting from the merger.

15. Describe the quantitative effect of the organization 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.

The Merger, taken together with related transactions, should generally be treated as an exchange of membership units of Private Salarius for Public Salarius common stock in a transaction described in Section 351 of the Code. The receipt by a member of Private Salarius of Public Salarius common stock in exchange for his or her membership units of Private Salarius has an effect on such member's tax basis. Generally, Private Salarius member's aggregate tax basis in the shares of Public Salarius common stock received by such member in the merger, including any fraction shares of Public Salarius common stock deemed received by the member, will equal such member's aggregate tax basis in the Private Salarius membership units exchanged therefor. Private Salarius members that acquired membership units of Private Salarius at different times or different prices will need to identify which particular share(s) (or portion of a share) of Public Salarius common stock was received in exchange for a particular number of Private Salarius membership units. Generally, such designation must be made on or before the date on which the basis of a share of Public Salarius common stock becomes relevant (for example, the date on which such Private Salarius member sells, transfers, or otherwise disposes of the Public Salarius common stock received in the merger).

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:

Please see response to question 15 above. Shareholders should consult their own tax advisors regarding the specific tax treatment of the Merger (including but not limited to the computation of gain and tax basis).

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

Sections 351(a), 351(b), 358(a). Additionally, Section 1001 of the Internal Revenue Code to the extent that cash was received in lieu of fractional shares.

18. Can any resulting loss be recognized?

No loss may be recognized on the receipt of Public Salarius common stock as part of the Section 351 exchange. However, a loss, if any, may be recognized by a Private Salarius member receiving a cash payment in the deemed sale of fractional shares if the tax basis allocated to the fractional shares was greater than the cash payment received for those shares, subject to other relevant provisions of the Internal Revenue Code regarding loss recognition limitations.

19. Provide any other information necessary to implement the adjustment, such as the

reportable tax year.

The stock basis adjustments are taken into account in the tax year of the shareholder during which the Merger occurred (*e.g.*, 2019 for calendar year taxpayers).