



**Part II Organizational Action** (continued)

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

Please see attachment.

18 Can any resulting loss be recognized? ▶

Please see attachment.

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

Please see attachment.

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 ▶ *Deborah L. Asinas*

Date ▶ *Nov 12, 2021*

Print your name ▶ *DEBORAH L. ASINAS*

Title ▶ *ASST TREASURER*

**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.	

bluebird bio, Inc.

EIN: 13-3680878

ATTACHMENT TO IRS FORM 8937 - PART II  
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

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**CONSULT YOUR TAX ADVISOR**

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the "Code"), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Distribution (as defined below) on the tax basis of bluebird bio, Inc. ("Parent") stock and the allocation of tax basis between the stock of Parent and Zseventy bio, Inc. ("SpinCo") following the Distribution. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may be relevant to particular holders in light of their particular circumstances or to holders subject to special rules under the Code (including, but not limited to, insurance companies, tax-exempt organizations, financial institutions, broker-dealers, partners in partnerships (or entities or arrangements treated as partnerships for U.S. federal income tax purposes) that hold Parent common stock, pass-through entities (or investors therein), traders in securities who elect to apply a mark-to-market method of accounting, stockholders who hold Parent common stock as part of a "hedge," "straddle," "conversion," "synthetic security," "integrated investment," or "constructive sale transaction," individuals who receive Parent or SpinCo common stock upon the exercise of employee stock options or otherwise as compensation, holders that receive SpinCo common stock with respect to Parent common stock that was acquired from Parent for cash within 90 days of the distribution of SpinCo common stock, holders who are liable for the alternative minimum tax or any holders who actually or constructively own 5% or more of Parent's common stock). You are urged to consult your own tax advisor regarding the particular consequences of the Distribution to you, including the applicability and effect of all U.S. federal, state and local, and non-U.S. tax laws. We urge you to read the registration statement on Form 10 of SpinCo, as filed with the Securities and Exchange Commission on September 9, 2021 (the "Form 10"), as amended, noting especially the discussion under the heading "Material U.S. Federal Income Tax Consequences." You may access the Form 10 at [www.sec.gov](http://www.sec.gov).

This notice does not apply to shares of Parent common stock sold, exchanged, or otherwise disposed of prior to the time of the Distribution.

***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 November 4, 2021 pursuant to the terms and conditions of the Separation Agreement dated November 4, 2021, by and between Parent and SpinCo, Parent distributed to its shareholders 100 percent of the outstanding shares of common stock of SpinCo (the "Distribution"). Parent shareholders also received cash in lieu of any fractional shares of SpinCo. Following, and as a result of, the Distribution, (i) Parent owns no shares of SpinCo, and (ii) SpinCo is a separate public company.

SpinCo's common stock commenced regular way trading under the symbol "TSVT" on the NASDAQ Global Select Market on November 5, 2021. Following the Distribution, Parent trades on the NASDAQ Global Select Market under its existing symbol, "BLUE."

Each Parent stockholder received one share of SpinCo common stock for every three shares of Parent common stock held as of the close of business on October 19, 2021, the record date for the Distribution.

**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:**

As a result of the Distribution, generally a Parent shareholder's aggregate tax basis in his or her shares of Parent common stock held immediately prior to the Distribution should be allocated in proportion to the relative fair market value of the shares of Parent common stock and the shares of SpinCo common stock held immediately after the Distribution. Shareholders that acquired Parent common stock at different times or different prices should calculate their tax basis in each block of acquired stock and then allocate a portion of that tax basis to the shares of Parent common stock and the shares of SpinCo common stock received with respect thereto.

There are several possible methods for determining the fair market values of shares of Parent common stock and shares of SpinCo common stock. One possible approach is to utilize the NASDAQ market closing price on November 5, 2021 for Parent common stock (\$13.14 per share), and the NASDAQ market closing price on November 5, 2021 for SpinCo common stock (\$33.62 per share) as an indication of the fair market value. Based on that approach and the assumptions and calculations set forth in Item 16 below, 53.9704% of a Parent stockholder's aggregate tax basis in his or her shares of Parent common stock prior to the Distribution would be allocated to such stockholder's shares of Parent common stock and 46.0296% would be allocated to such stockholder's shares of SpinCo common stock. You are not bound by this approach and may, in consultation with your tax advisor, use another approach in determining fair market values for shares of Parent and SpinCo common stock. You should consult your tax advisor to determine what measure of fair market value is appropriate.

**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:**

*The example provided below is for illustrative purposes only and is provided pursuant to Section 6045B of the Code as a convenience to shareholders and their tax advisors when establishing their specific tax position. This example should not be used for any tax reporting purposes.*

The following is an example of how the previously described approach to basis allocation would be applied:

**Assumptions:**

- Shares of Parent common stock owned: 3,000
- Parent stockholder has uniform stock basis (i.e., no basis "blocks")
- Parent stockholder's aggregate tax basis (assumed to be \$80 per share): \$240,000
- Shares of SpinCo common stock received in the Distribution (3,000 shares of Parent common stock multiplied by the distribution ratio of 1/3): 1,000
- Parent common stock NASDAQ closing price following the Distribution: \$13.14 per share

- *SpinCo common stock NASDAQ closing price following the Distribution: \$33.62 per share*

Tax basis allocation:

	# shares owned	Assumed beginning tax basis (A)	Assumed FMV price per share	FMV of shares owned post distribution	Percentage of total FMV (B)	Allocated tax basis = (A) × (B)
Parent common stock	3,000	\$240,000.00	\$13.14	\$39,420 <sup>1</sup>	53.9704% <sup>3</sup>	\$129,528.96
SpinCo common stock	1,000		\$33.62	\$33,620 <sup>2</sup>	46.0296% <sup>4</sup>	\$110,471.04
Total				\$73,040	100%	\$240,000.00
<sup>1</sup> 3,000 shares × \$13.14 <sup>2</sup> 1,000 shares × \$33.62 <sup>3</sup> \$39,420/\$73,040 <sup>4</sup> \$33,620/\$73,040						

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

Parent shareholders generally will not recognize income, gain or loss for U.S. federal income tax purposes on the receipt of shares of SpinCo common stock in the Distribution, pursuant to Sections 355(a) and 368(a)(1)(D) of the Code.

Under Sections 1001 and 1221 of the Code, in general, the receipt by Parent shareholders of cash in lieu of a fractional share of SpinCo common stock will be treated as if the fractional share had been distributed to Parent shareholders in the Distribution and then had been disposed of by such shareholder (in a sale or exchange) for the amount of such cash.

Under Section 1223(1) of the Code, the holding period of a Parent shareholder in shares of SpinCo common stock received in the Distribution includes the holding period of the pre-Distribution shares of Parent stock with respect to which the distribution of shares of SpinCo common stock was made. The tax basis calculations resulting from the Distribution are governed by Section 358 of the Code.

You should consult your own tax advisor as to the particular consequences of the Distribution to you, including the applicability and effect of any U.S. federal, state, and local tax laws, as well as foreign tax laws, which may result in the Distribution being taxable to you.

**18. Can any resulting loss be recognized?**

No loss may be recognized by a Parent shareholder upon the receipt of a share of SpinCo common stock in the Distribution, except possibly with respect to cash received in lieu of a fractional share of SpinCo common stock.

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

The Distribution was effective November 4, 2021. For a Parent shareholder whose taxable year is a calendar year, the reportable tax year is 2021.