



**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.](#)

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

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

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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 ▶ 4/17/2020  
Print your name ▶ Jeff Elliott 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.

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 related to the effects of the Merger (as defined below) on securities. The information contained herein does not constitute tax advice and does not purport to be complete or describe the tax consequences that may apply to particular persons or categories of persons. Holders of Viomics, Inc. capital stock are encouraged to consult their independent tax advisors regarding the particular consequences of the Merger to them (including the applicability and effect of all federal, state, local and non-U.S. laws).

**Item 14. Describe the organization action and, if applicable, the date of the action or the date against which shareholders’ ownership is measured for the action.**

On March 3, 2020, pursuant to the terms and conditions of the previously announced Agreement and Plan of Merger, dated as of February 11, 2020, (the “Merger Agreement”) by and among Exact Sciences Corporation (“Exact Sciences”), Verdes Acquisition Corp. (“Merger Sub”) and Viomics, Inc. (“Viomics”), Merger Sub merged with and into Viomics with Viomics continuing as the surviving corporation of the merger and a wholly owned subsidiary of Exact Sciences (the “Merger”).

In the Merger, each share of Viomics common stock outstanding prior to the effective time of the Merger was cancelled and converted into the right to receive (a) \$2.14 in cash, without interest, of which \$.03 was used to pay representative expenses, and (b) .02401 of a share of common stock of Exact Sciences (“Exact Stock”) which was held back.

In the Merger, each share of Viomics convertible preferred stock outstanding prior to the effective time of the Merger was cancelled and converted into the right to receive (a) \$2.25 in cash, without interest, of which \$.03 was used to pay representative expenses, and (b) .02525 of a share of Exact Stock which was held back.

In lieu of fractional shares of Exact Stock, in the Merger exchanging shareholders received cash based on the pro rata portion of a full share of Exact Stock with a value of \$88.91.

**Item 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.**

For U.S. federal income tax purposes, the Merger is expected to be treated as a taxable exchange under section 1001. Generally, Viomics shareholders realize gain equal to the excess of the consideration received in the Merger over the tax basis of the Viomics shares surrendered. Unless otherwise elected, Viomic shareholders may be able to report the gain recognized under the installment method of section 453. For installment method purposes, the Exact Stock that was held back should not be treated as constructively received by Viomics shareholders until released, if at all. The releases will occur, if at all, as four equal installments on the first, second, third and fourth anniversaries of the Merger.

You should consult your independent tax advisor to determine the appropriate method of determining your taxable gain or loss in the Merger and the tax basis of the Exact Stock.

**Item 16. Describe the calculation of the change in basis and the date that supports the calculation, such as market values of securities and the valuation dates.**

The value of the Exact Stock upon the closing of the Merger was \$74.68. Under section 483, a portion of the holdback shares may be treated as interest if and when released.

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

Sections 1001 and 1012.

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

Yes, generally any resulting loss can be recognized.

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

The Merger was completed on March 3, 2020. For a Viomics shareholder whose taxable year is the calendar year, the reportable tax year is 2020.