

Part II, Line 14

Effective November 3, 2023, CARGO Therapeutics, Inc. (the “Company”) completed a 1-for-13.5685 reverse stock split of the outstanding shares of its common stock (the “Reverse Stock Split”). Pursuant to the Reverse Stock Split, every 13.5685 shares of issued and outstanding common stock automatically converted into 1 share of newly issued common stock. No fractional shares of common stock were issued in connection with the Reverse Stock Split. A shareholder who would have been entitled to a fractional share as a result of the Reverse Stock Split had such fractional share rounded down to the nearest whole share.

Shareholders of the Company’s common stock that were part of the Reverse Stock Split should consult their tax advisors to determine the tax consequences.

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The Reverse Stock Split is intended to qualify as a recapitalization under section 368(a)(1)(E).

Upon the effective date of the Reverse Stock Split, every 13.5685 shares of the common stock of the Company were converted to 1 share of common stock. As a result, shareholders are required to allocate the aggregate tax basis in their common stock held immediately prior to the Reverse Stock Split among the shares of common stock held immediately after the Reverse Stock Split.

Shareholders should consult a tax advisor regarding the allocation of basis of their 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.

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As described above, the aggregate tax basis in the common stock received pursuant to the Reverse Stock Split is equal to the aggregate tax basis in the common stock surrendered.

Pursuant to section 358 and regulations thereunder, shareholders are required to allocate the aggregate tax basis in their common stock held immediately prior to the Reverse Stock Split among the shares of common stock held immediately after the Reverse Stock Split.

Pursuant to Treas. Reg. § 1.358-2, the basis of the shares of common stock held immediately prior to the Reverse Stock Split must be allocated to the shares of common stock held immediately after the Reverse Stock Split in a manner that reflects, to the greatest extent possible, that a share of common stock was received in respect of shares of common stock that were acquired on the same date and at the same price.

To the extent it is not possible to allocate basis in this manner, the basis of the shares of common stock surrendered must be allocated to the shares of common stock received in a manner that minimizes the disparity in the holding periods of the surrendered shares of common stock whose basis is allocated to any particular share of common stock received.

If a share of stock was received in exchange for, or with respect to, more than one share of stock and such shares were acquired on different dates or at different prices, the share of stock received must be divided into segments based on the relative fair market values of the shares of stock surrendered in exchange for such share, in a manner consistent with the formula provided in the Treasury Regulations.

Shareholders should consult a tax advisor regarding the allocation of basis of their 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.

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Sections 354, 358 and 368

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The Reverse Stock Split did not generally result in a loss to the holders of the Company's common stock.

Shareholders that were part of the Reverse Stock Split should consult a tax advisor to determine the tax consequences.

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The reportable year in which the Reverse Stock Split occurred is 2023.

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