

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name <u>Aadi Bioscience, Inc. (f/k/a Aerpio Pharmaceuticals, Inc.)</u>		2 Issuer's employer identification number (EIN) <u>61-1547850</u>	
3 Name of contact for additional information <u>Investor Relations</u>	4 Telephone No. of contact <u>424-473-8055</u>	5 Email address of contact <u>info@aadibio.com</u>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <u>17383 Sunset Boulevard, Suite A250</u>		7 City, town, or post office, state, and ZIP code of contact <u>Pacific Palisades, California, 90272</u>	
8 Date of action <u>08/26/2021</u>	9 Classification and description <u>Preferred Stock</u>		
10 CUSIP number <u>00032Q104</u>	11 Serial number(s)	12 Ticker symbol <u>AADI</u>	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

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 August 26, 2021, Aadi Bioscience, Inc. (f/k/a Aerpio Pharmaceuticals, Inc., "New Aadi") completed its business combination with Aadi Subsidiary, Inc. (f/k/a Aadi Bioscience, Inc., "Legacy Aadi"). Hereinafter referred to as the "Merger". For detail relating to the Merger, please refer to the concurrent Form 8937 filing by Aadi Bioscience, Inc. On August 26, 2021, prior to the Merger, Legacy Aadi distributed cash to the holders of Legacy Aadi's Preferred Series A Stock as of such date in the amount of \$4,412,428.30 in aggregate, or approximately \$0.6118 per share. This distribution paid by Legacy Aadi in 2021 is expected to be return of capital for U.S. tax purposes.

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 ▶ Based on the information available at the time of this filing, the distribution made during 2021 is expected to be a non-dividend distribution and treated as return of capital. A return of capital will be applied against the shareholder's basis under Internal Revenue Code Section 301(c)(2). To the extent the distribution exceeds the shareholder basis, it will be treated as capital gain under Internal Revenue Code Section 301(c)(3).

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 distribution of cash is characterized as a taxable dividend to the extent it comes out of the corporation's earnings and profits generated during the current year or accumulated from prior years. The part of the distribution that exceeds the current and accumulated earnings and profits is treated as a non-taxable return of capital which reduces the shareholders adjusted basis in the stock. If the distribution exceeds the stock basis, the excess is treated as capital gain.

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [Internal Revenue Code Section 301\(c\) and 316\(a\)](#).

18 Can any resulting loss be recognized? ▶ [N/A](#)

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [Distribution for the tax year ending December 31, 2021](#).

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 ▶ <u>/s/ Neil Desai</u>		Date ▶ <u>10/10/21</u>		
	Print your name ▶ <u>Neil Desai</u>		Title ▶ <u>CEO</u>		

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>Ben Williams</u>	<u>/s/ Ben Williams</u>	<u>10/10/2021</u>		<u>P01481797</u>
	Firm's name ▶ <u>BDO USA, LLP</u>	Firm's EIN ▶ <u>13-5381590</u>			
	Firm's address ▶ <u>3570 Carmel Mountain Rd, #400 San Diego, CA 92130</u>	Phone no. <u>858-404-9200</u>			