

ImmunityBio, Inc.
EIN: 36-4798272
Attachment to Form 8937—Part II

Box 14

On March 9, 2021, pursuant to the Agreement and Plan of Merger, dated as of December 21, 2020, by and among NantKwest, Inc., a Delaware corporation (“Parent”), Nectarine Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Parent (“Merger Sub”) and ImmunityBio, Inc., a Delaware corporation (the “Company”), Merger Sub merged with and into ImmunityBio, with ImmunityBio being the surviving entity in the merger (the “Merger”). Following the Merger, Parent changed its name to ImmunityBio, Inc, and the Company changed its name to NantCell, Inc..

In the Merger, each share of the Company’s common stock (“Company common stock”) was converted into the right to receive 0.8190 newly issued shares of Parent common stock (“Parent common stock”). Each holder of Company common stock that otherwise would have been issued a fractional share of Parent common stock in the Merger was or will be paid the cash value of such fractional share based on the volume weighted average (rounded to the nearest cent) of the trading price for a share of Parent common stock on NASDAQ for the 3 consecutive trading days ending on (and including) the 3rd trading day immediately prior to the March 9, 2021.

Box 15

The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders.

Further discussion of the material U.S. federal income tax consequences of the Merger can be found under the heading “Material U.S. Federal Income Tax Consequences” in the definitive joint proxy and consent solicitation statement/prospectus filed with the Securities and Exchange Commission on February 2, 2021, (available at the following internet address: <https://www.sec.gov/Archives/edgar/data/1326110/000119312521025220/d121587ddefm14a.htm>).

Parent and the Company intended that the Merger qualify as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “Code”). No ruling from the Internal Revenue Service has been requested or is intended to be obtained as to the U.S. federal income tax consequences of the Merger. Assuming that the Merger constitutes a reorganization, with respect to holders of Company common stock that are U.S. taxpayers not in a special class of holders subject to special rules as described further in the Form S-4 (“U.S. Holders”), a U.S. Holder of Company common stock will have a tax basis in the Parent common stock received in the Merger equal to the tax basis of the Company common stock surrendered in exchange therefor (excluding any portion of such basis that is allocated to a fractional share of Parent common stock).

If a U.S. Holder of Company common stock acquired different blocks of Company common stock at different times or at different prices, the Parent common stock received in the Merger will be allocated pro rata to each block of Company common stock, and the basis of such Parent common stock will be determined on a block-for-block basis depending on the basis of each block of Company common stock exchanged for such Parent common stock.

A U.S. Holder of Company common stock that receives cash in lieu of a fractional share of Parent common stock pursuant to the Merger generally will recognize capital gain or loss in an amount equal to the difference between the amount of cash received and the U.S. Holder's tax basis in the shares of Company common stock surrendered that is allocated to such fractional share of Parent common stock.

Box 16

The basis in each share of Parent common stock received will generally be equal to the basis in the 1.221 shares of Company common stock exchanged for that share (1 share of Company common stock per 0.819 shares of Parent common stock = 1.221 shares of Company common stock per 1 share of Parent common stock). The remaining basis in fractional shares of Parent common stock will be allocated to shares that are exchanged for cash in lieu of such fractional shares.

Box 17

Code Sections 302, 354(a), 358(a), 368(a).

Box 18

No loss may be recognized by a shareholder as a result of the Merger, except with respect to any cash received in lieu of a fractional share of Parent common stock as described in Boxes 15 and 16 above.

Box 19

The tax consequences of the Merger are taken into account in the tax year of each former Company shareholder that includes March 9, 2021 (e.g., 2021 for calendar year taxpayers).