

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

### Part I Reporting Issuer

<b>1</b> Issuer's name  Salarius Pharmaceuticals, Inc.		<b>2</b> Issuer's employer identification number (EIN)  46-5087339	
<b>3</b> Name of contact for additional information  Ms. Polly Chuang	<b>4</b> Telephone No. of contact  346 772 0346	<b>5</b> Email address of contact  salariusIR@salariuspharma.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  2450 Holcomb Blvd Suite J-608		<b>7</b> City, town, or post office, state, and ZIP code of contact  Houston, Texas 77021	
<b>8</b> Date of action  July 19, 2019		<b>9</b> Classification and description  Common stock reverse stock split	
<b>10</b> CUSIP number  79400X107	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol  SLRX	<b>13</b> 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 July 19, 2019, Salarius Pharmaceuticals, Inc. (formerly "Flex Pharma, Inc., the "Company") effected a 1-for-25 reverse stock split of its common stock. Effective on that date, every 25 shares of the Company's issued and outstanding common stock were automatically converted into one issued and outstanding share of the Company's common stock. Stockholders entitled to fraction shares due to the reverse stock split were deemed to have received and then immediately to have sold such fractional shares for cash.

**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 ▶ A stockholder's tax basis in one share of the Company's common stock after the reverse stock split should equal the stockholder's tax basis in the 25 shares of the common stock exchanged in the reverse stock split. This should generally mean that a stockholder's tax basis in one share of the Company's common stock received via the reverse stock split would equal 2,500% of the tax basis the stockholder had in one share of the Company's common stock prior to the reverse stock split. A stockholder's total tax basis in that stockholder's post-split shares immediately after the deemed sale of fractional shares should equal that stockholder's pre-split shares, less the tax basis allocated to that shareholder's fractional shares.

**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 reverse stock split involved the receipt by stockholders of one share of common stock for every 25 shares of existing, or pre-split, common stock owned. The market value of the common stock was not applicable in determining the calculation of stockholders' tax basis in the shares received in the stock split.

**Part II** Organizational Action *(continued)*

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

Section 368 (a) (1) (E)

Section 354 (a) (1)

Section 302 (a)

Section 1001 of the Internal Revenue Code to the extent that cash was received in lieu of fractional shares.

**18** Can any resulting loss be recognized? ▶ Yes, a stockholder receiving a cash payment in the deemed sale of fractional shares if the tax basis allocated to the fractional shares was greater than the cash payment received for those shares, subject to other relevant provisions of the Internal Revenue Code regarding loss recognition limitations.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The re portable tax year is the 2019 calendar year.

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 ▶ Pao Yu Chuang Date ▶ 9/3/19

Print your name ▶ Pao Yu Chuang Title ▶ Controller

**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 ▶		Phone no.	
Firm's address ▶				