



**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 attachment](#)

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**18** Can any resulting loss be recognized? ▶ [See attachment](#)

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

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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 ▶ 11/22/22

Print your name ▶ **Kurt Gustafson** Title ▶ **CFO**

<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.

**OmniAb, Inc. (f/k/a Avista Public Acquisition Corp. II)**

**EIN: 98-1584818**

**Attachment to Form 8937**

**Report of Organizational Actions Affecting Basis of Securities**

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"). This attachment includes a general summary regarding certain U.S. federal income tax laws and regulations relating to the effects of the Merger (as defined below) on the tax basis of shares of OmniAb, Inc. (f/k/a Avista Public Acquisition Corp. II, "APAC") common stock received in exchange for shares of OmniAb Operations, Inc. (f/k/a OmniAb, Inc., "SpinCo") common stock pursuant to the Merger (defined below).

**DISCLAIMER:** The information provided on Form 8937 and within this attachment is based on the intended tax treatment of the Merger as a reorganization qualifying under Section 368(a) of the Code, and does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of stockholders. Stockholders, including stockholders that hold different blocks of shares (i.e., shares acquired at different times or different prices), are urged to consult their own tax advisors regarding the Merger and the particular consequences to them, including the applicability and effect of all U.S. federal, state, local, and foreign tax laws.

**Part I:**

**Boxes 9-12. Classification and description, CUSIP number, and Ticker symbol.**

Common Stock (CUSIP: 68218J103) (NASDAQ: OABI)

Earnout Shares (defined below) (CUSIPS: 68218J202; 68218J301)

**Part II**

**Line 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 November 1, 2022, APAC completed the previously announced transaction to combine with the SpinCo business formerly held by Ligand Pharmaceuticals Incorporated ("Ligand"), through a distribution by Ligand, on a pro rata basis, of all of the outstanding common stock of SpinCo to Ligand common stockholders of record as of October 26, 2022 (the "**Distribution**"), immediately followed by a merger of a wholly owned subsidiary of APAC with and into SpinCo, with SpinCo surviving as a wholly owned subsidiary of APAC (the "**Merger**").

In the Merger, each share of SpinCo common stock immediately prior to the Merger was automatically converted into the right to receive 4.90007 shares of APAC common stock and 0.75842 shares of APAC common stock subject to certain price-based earnout triggers (the “**Earnout Shares**”).

No fractional shares of APAC common stock were issued in connection with the Merger. All fractional shares that a holder of SpinCo common stock would otherwise have been entitled to receive pursuant to the Merger were aggregated by an exchange agent and sold in the open market or otherwise as reasonably directed by APAC. The exchange agent made available the net proceeds thereof, after deducting any required withholding taxes and brokerage charges, commissions and transfer taxes, to the holders of shares of SpinCo common stock that would otherwise have been entitled to receive such fractional shares of APAC common stock pursuant to the Merger.

No fractional Earnout Shares were issued in connection with the Merger. Holders of shares of SpinCo common stock that would otherwise have been entitled to receive such fractional Earnout Shares pursuant to the Merger received no consideration in lieu thereof.

**Line 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.**

SpinCo stockholders will have an aggregate tax basis in the shares of APAC common stock (including any fractional share deemed issued and sold for cash as described below) and Earnout Shares received in the Merger that is equal to such SpinCo stockholder's aggregate tax basis in the shares of SpinCo common stock surrendered in the Merger. Each SpinCo stockholder's aggregate tax basis in the shares of SpinCo common stock will be allocated among such shares of APAC common stock and Earnout Shares in proportion to their respective fair market values on the date of the Merger.

A SpinCo stockholder who receives cash in lieu of a fractional share of APAC common stock will be treated as having received the fractional share pursuant to the Merger and then as having sold that fractional share for cash. As a result, such stockholder will recognize gain or loss equal to the difference between the amount of the cash received for such fractional share and the tax basis allocated to such fractional share.

**Line 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.**

As described above, a SpinCo stockholder will have an aggregate tax basis in the shares of APAC common stock (including basis allocated to any fractional shares deemed issued and sold for cash, as described above) and Earnout Shares received in the Merger that is equal to such SpinCo stockholder's aggregate tax basis in the shares of SpinCo common stock surrendered in the Merger, with such basis allocated among APAC common stock and Earnout Shares in proportion to their respective fair market values on the date of the Merger. However, the tax law does not provide any further guidance on the determination of fair market value. One approach is to use the average closing price for shares of APAC common stock quoted on the Nasdaq exchange on the first five days of trading following the Distribution, November 2, 2022 through November 8, 2022, and adjust this share price to take into account the Merger base exchange ratio of 1 : 4.90007 SpinCo to APAC and use the value of the Earnout Shares as determined using a valuation model that accounts for the potential forfeiture of the Earnout Shares and adjust this value to take into account the earnout exchange ratio of 1 : 0.75842 SpinCo to Earnout Share.

Former SpinCo stockholders are directed to the Internal Revenue Service Form 8937 published by Ligand on its website for an example illustrating the quantitative impact on tax basis resulting from the Distribution and the Merger.

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

The applicable Code sections upon which the tax treatment is based are Sections 358, 368, 1001 and 1223.

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

The Merger is intended to qualify for non-recognition of gain or loss under Section 368(a) of the Code. Accordingly, a U.S. stockholder should not recognize any gain or loss in the Merger (except for any gain or loss attributable to the receipt of cash in lieu of fractional shares of APAC common stock).

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

The stock basis adjustments are taken into account in the taxable year of a APAC stockholder during which the Merger occurred (e.g., 2022 for calendar year taxpayers).

Former SpinCo stockholders are directed to the Internal Revenue Service Form 8937 published by Ligand on its website regarding the tax basis of the shares of SpinCo common stock received in the Distribution.