

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE TO
(Amendment No. 1)

Tender Offer Statement Under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934

NewLink Genetics Corporation

(Name of Subject Company (Issuer) and Filing Person (Offeror))

Options to Purchase Common Stock, Par Value \$0.01 Per Share
(Title of Class of Securities)

651511107

(CUSIP Number of Class of Securities)

Charles J. Link, Jr.
Chief Executive Officer
NewLink Genetics Corporation
2503 South Loop Drive
Ames, Iowa 50010
(515) 296-5555

(Name, Address and Telephone Number of Person Authorized to Receive Notices and
Communications on Behalf of Filing Person)

Copies to:
James C.T. Linfield
Cooley LLP
380 Interlocken Crescent
Broomfield, CO 80021
(720) 566-4000

CALCULATION OF FILING FEE

Transaction Valuation*	Amount of Filing Fee**
\$2,459,009	\$298.03

* Estimated solely for purposes of calculating the amount of the filing fee. The calculation of the Transaction Valuation assumes that all stock options to purchase shares of the issuer's common stock that may be eligible for repricing in the offer will be tendered pursuant to this offer. This calculation assumes stock options to purchase an aggregate of 5,854,575 shares of the issuer's common stock, having an aggregate value of \$2,459,009 as of June 17, 2019, calculated based on a Black-Scholes option pricing model, will be exchanged or cancelled pursuant to this offer.

**The amount of the filing fee, calculated in accordance with Rule 0-11(b) of the Securities Exchange Act of 1934, as amended, equals \$121.20 per \$1,000,000 of the aggregate amount of the Transaction Valuation (or 0.01212% of the aggregate Transaction Valuation). The Transaction Valuation set forth above was calculated for the sole purpose of determining the filing fee and should not be used for any other purpose. The fee was previously paid in connection with the initial filing of the Schedule TO on June 20, 2019.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:	\$298.03	Filing Party:	NEWLINK GENETICS CORPORATION
Form or Registration No.:	SC TO-I	Date Filed:	June 20, 2019

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third party tender offer subject to Rule 14d-1.
 Issuer tender offer subject to Rule 13e-4.

- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
 - Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)
-

This Amendment No. 1 (this “*Amendment No. 1*”) amends and supplements the Tender Offer Statement on Schedule TO (together with any subsequent amendments and supplements thereto, the “*Schedule TO*”), filed with the Securities and Exchange Commission by NewLink Genetics Corporation, a Delaware corporation, on June 20, 2018. The Schedule TO relates to the offer by the Company to exchange Eligible Options for New Options upon the terms and subject to the conditions set forth in the Exchange Offer (as such term is defined in the Schedule TO).

The purpose of this Amendment No. 1 is to amend and supplement the Schedule TO and the Exchange Offer to reflect an amendment to the Exchange Offer to extend the expiration date from July 19, 2019 to July 31, 2019.

Except as otherwise set forth in this Amendment No. 1, the information set forth in the Schedule TO remains unchanged and is incorporated herein by reference to the extent relevant to the items in this Amendment No. 1. Capitalized terms used but not defined herein have the meanings ascribed to them in the Schedule TO. You should read this Amendment No. 1 together with the Schedule TO and the Exchange Offer.

Items 1 through 11.

Items 1 through 11 are hereby amended and supplemented as follows:

Each reference to “July 19, 2019” in the Exchange Offer is hereby amended and replaced with “July 31, 2019”.

Item 12. Exhibits.

Item 12 of the Schedule TO is hereby amended and supplemented by including the following exhibits:

Exhibit Number	Description
(a)(1)(A)	<u>Offer to Exchange Eligible Options for New Options, dated June 20, 2019</u>
(a)(1)(B)	<u>Form of Email Announcement</u>
(a)(1)(C)	<u>Election Form</u>
(a)(1)(D)	<u>Notice of Withdrawal of Election Form</u>
(a)(1)(E)	<u>Form of Communication to Eligible Holders Participating in the Exchange Offer Confirming Receipt of Election Form</u>
(a)(1)(F)	<u>Form of Communication to Eligible Holders Confirming Receipt of Notice of Withdrawal of Election Form</u>
(a)(1)(G)	<u>Form of Reminder Email</u>
(a)(1)(H)	<u>Form of Confirmation Letter to Eligible Employees Participating in the Exchange Offer</u>
(a)(1)(I)	<u>Notice of Extension of Exchange Offer</u>

SIGNATURES

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

NewLink Genetics Corporation

By: /s/ Carl W. Langren
Carl W. Langren
Its: Chief Financial Officer

Dated: July 19, 2019

**NEWLINK GENETICS CORPORATION
2503 SOUTH LOOP DRIVE, SUITE 5100
AMES, IA 50010**

OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW OPTIONS

JUNE 20, 2019

NEWLINK GENETICS CORPORATION
SUMMARY TERM SHEET — OVERVIEW
OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW OPTIONS

**This offer and withdrawal rights will expire at 5:00 p.m. Eastern Time
on Wednesday, July 31, 2019, unless extended
(or at any time after 11:59 p.m. Eastern Time on Wednesday, August 14, 2019
if tendered securities have not yet been accepted).**

By this Offer to Exchange Eligible Options for New Options (as the context requires, this document and the actions taken hereby, the “*Exchange Offer*” or the “*Offer*”), NewLink Genetics Corporation, which we refer to in this document as “*we*,” “*us*,” “*our*” or “*NewLink*,” is giving each Eligible Holder (as defined below) the opportunity to exchange an Eligible Option (defined below) for a New Option (as defined below) as discussed below and in the attached disclosure document for the Exchange Offer beginning on page 13 (the “*Offering Memorandum*”).

The “*Expiration Time*” of the Offer is 5:00 p.m. Eastern Time on Wednesday, July 31, 2019. If we extend the period of time during which this Exchange Offer remains open, the term “*Expiration Time*” will refer to the last time and date on which this Exchange Offer expires.

You are an “*Eligible Holder*” if:

- on the date the Exchange Offer commences, you are employed by, or providing services to, NewLink and have not been notified by us that your employment relationship with us is being terminated; and
- you continue to be employed by, or providing services to, NewLink and have not submitted a notice of resignation or received a notice of termination, on or prior to the date the surrendered stock options are cancelled and replacement stock options are granted (such date, the “*Exchange Date*”).

An “*Eligible Option*” is an outstanding option, that:

- is held by an Eligible Holder;
- has an exercise price equal to or greater than \$2.97 per share;
- was granted on or prior to December 31, 2018; and
- was granted under our 2000 Equity Incentive Plan (the “*2000 Plan*”), 2009 Equity Incentive Plan (the “*2009 Plan*”), or 2010 Non-Employee Directors’ Stock Award Plan (the “*Directors’ 2010 Plan*,” and together with the 2000 Plan and the 2009 Plan, the “*Equity Plans*”).

If you choose to participate in the Exchange Offer and tender your Eligible Options for exchange, and if we accept your tendered Eligible Options, then we will grant you an award of stock options (each, a “*New Option*”) with the following terms (collectively, the “*New Option Terms*”):

- Each New Option will have an exercise price equal to the closing price of our common stock as reported on Nasdaq on the date that the New Option is granted.
- Each New Option will represent your right to purchase a number of shares of our common stock based on an exchange ratio based on the exercise price of your tendered Eligible Option. The chart below illustrates the applicable exchange ratio for outstanding Eligible Options based on the dollar range of the exercise prices of such options.

Option Exercise Price Ranges	Exchange Ratio (Surrendered Eligible Options: New Options) *
\$2.97—\$10.99	2 to 1
\$11.00—\$24.99	3 to 1
\$25.00—And Up	4 to 1

* Rounded up to the nearest share

- Your New Option will be granted under our Amended 2009 Plan.
- To the maximum extent permitted by law, your New Option will be granted as incentive stock options (“*ISO*”) with the remainder to be granted as nonqualified stock options (“*NSO*”).
- Each New Option will have a maximum term of seven (7) years.
- The vesting schedule of your New Options will be as follows:
 - To the extent an Eligible Option is vested as of the Exchange Date, such vested portion may be exchanged for a New Option that will vest 50% on the first anniversary of the grant date and 50% on the second anniversary of the grant date.
 - To the extent an Eligible Option is unvested as of the Exchange Date, such unvested portion may be exchanged for a New Option that will vest 50% on the second anniversary of the grant date and 50% on the third anniversary of the grant date.
 - As with any unvested equity award under our Amended 2009 Plan, you must remain in continuous service with us through each vesting date. In the event that your service with us terminates for any reason prior to the vesting date of any unvested portion of your New Option, such unvested portion shall expire on your termination date.

The commencement date of the Exchange Offer is Thursday, June 20, 2019. We are making the Exchange Offer upon the terms and subject to the conditions described in the Offering Memorandum and in the related Election Form distributed with the Offering Memorandum. You are not required to participate in the Exchange Offer. If you hold more than one option grant from NewLink that each qualify as an Eligible Option and elect to participate in the Exchange Offer, you will be allowed to elect to tender for exchange as few or as many of your Eligible Option grants as you wish; *however*, you must tender all of the shares underlying the selected Eligible Option grant. Eligible Options properly tendered in this Exchange Offer and accepted by us for exchange will be cancelled and your New Options will be granted with the terms described above effective as of the Expiration Date of the Exchange Offer (the “*New Option Grant Date*”).

See “Risk Factors” beginning on page 12 for a discussion of risks and uncertainties that you should consider before agreeing to exchange your Eligible Options for New Options.

Shares of our common stock are quoted on Nasdaq under the symbol “NLNK.” On June 17, 2019, the closing price of our common stock as reported on Nasdaq was \$1.53 per share. We recommend that you obtain current market quotations for our common stock before deciding whether to elect to participate in the Exchange Offer.

You should direct questions about the Exchange Offer or requests for assistance (including requests for additional or paper copies of the Offering Memorandum, the Election Form, or other documents relating to the Exchange Offer) to option.exchange@linkp.com.

IMPORTANT

If you choose to participate in the Exchange Offer, you must properly complete and sign the accompanying Election Form Sheet and deliver the properly completed and signed document to us so that we receive it before 5:00 p.m. Eastern Time on Wednesday, July 31, 2019 (or such later date as may apply if the Exchange Offer is extended), by the following means:

By Email (By PDF or similar imaged document file) delivered to: option.exchange@linkp.com

You are responsible for making sure that the Election Form is delivered as indicated above. You must allow for delivery time based on the method of delivery that you choose to ensure that we receive your Election Form on time.

You do not need to return your stock option agreements for your Eligible Options to be cancelled and exchanged in the Exchange Offer. We will provide you with a written confirmation of the cancellation of such options along with a New Option agreement for your New Options shortly following such grants.

Although the Board has approved the Exchange Offer, consummation of the Exchange Offer is subject to the satisfaction or waiver of the conditions described in Section 6 of the Offering Memorandum ("*Conditions of the Exchange Offer*") of the Exchange Offer. Neither we nor the Board (or the compensation committee thereof) makes any recommendation as to whether you should participate, or refrain from participating, in the Exchange Offer. You must make your own decision whether to participate. You should consult your personal outside advisors if you have questions about your financial or tax situation as it relates to the Exchange Offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of this transaction or passed upon the fairness or merits of this transaction or the accuracy or adequacy of the information contained in the Exchange Offer. Any representation to the contrary is a criminal offense.

WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER OR NOT YOU SHOULD PARTICIPATE IN THE EXCHANGE OFFER. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR IN DOCUMENTS TO WHICH WE HAVE REFERRED YOU.

WE HAVE NOT AUTHORIZED ANYONE TO GIVE YOU ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE EXCHANGE OFFER OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DOCUMENT OR IN THE RELATED ELECTION FORMS. IF ANYONE MAKES ANY RECOMMENDATION OR REPRESENTATION TO YOU OR GIVES YOU ANY INFORMATION, YOU SHOULD NOT RELY UPON THAT RECOMMENDATION, REPRESENTATION OR INFORMATION AS HAVING BEEN AUTHORIZED BY US.

SUMMARY TERM SHEET — QUESTIONS AND ANSWERS

The following are answers to some of the questions that you may have about the Exchange Offer. We encourage you to carefully read the remainder of this Offer to Exchange Eligible Options for New Options and the accompanying Election Form. Where appropriate, we have included references to the relevant sections of the Offering Memorandum where you can find a more complete description of the topics in this summary.

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Q1. Why is NewLink making the Exchange Offer?

Stock options are a critical component of our compensation philosophy, the focal point of which is to increase long-term stockholder value. We believe stock options help us achieve this objective in several important ways: by aligning our employees' and directors' interests with those of our stockholders; by motivating employees' and directors' performance toward our long term success; and by encouraging our executives and employees who have received option grants to continue their employment with us.

During the past several years, the price of our common stock has significantly decreased. More than 99% of our outstanding eligible employee and director stock options are "underwater," meaning the exercise price of each of those options is greater than our current stock price. This means that our historically granted stock options may no longer be effective as incentives to motivate and retain these individuals.

The Board believes that the Exchange Offer is in the best interests of stockholders and us, as new stock options granted under the program will provide added incentive to motivate and retain our talented employees and directors. As an alternative to increased cash compensation, the Exchange Offer will allow us to devote more of our cash resources towards advancing our clinical development programs. In addition, it will provide the opportunity to reduce the "overhang" of outstanding stock options, many of which are well out of the money. The Board also recognizes our competition's ability to attract and recruit top talent and views it as critical that NewLink be able to retain and motivate key employees and directors in this way. The Board believes that it has a responsibility to address these issues and to properly incentivize our employees and directors.

See Section 2 of the Offering Memorandum ("*Purpose of The Exchange Offer; Additional Considerations*") for more information.

Q2. Who is eligible to participate in the Exchange Offer?

Only Eligible Holders are eligible to participate in the Exchange Offer. You are an "*Eligible Holder*" if:

- on the date the Exchange Offer commences, you are employed by, or providing services to, NewLink and have not been notified by us that your employment relationship with us is being terminated; and
- you continue to be employed by, or providing services to, NewLink and have not submitted a notice of resignation or received a notice of termination, on or prior to the Exchange Date.

See Section 1 of the Offering Memorandum ("*Eligible Holders; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*") for more information.

Q3. Which options are subject to the Exchange Offer?

Under the Exchange Offer, Eligible Holders will be able to elect to tender for exchange outstanding Eligible Options.

An "*Eligible Option*" is an outstanding option that:

- is held by an Eligible Holder;
- has an exercise price equal to or greater than \$2.97 per share;
- was granted on or prior to December 31, 2018; and
- was granted under our Equity Plans.

Q4. Will the terms and conditions of my New Options be the same as my exchanged options?

No. The terms and conditions of your New Options, including the vesting schedule and maximum term of your New Options, will be different from the exchanged options. However, your New Options will, to the maximum extent permitted by law, be treated as ISOs.

Q5. How many New Options will I receive for the Eligible Options I exchange?

The number shares to be granted to you under your New Options will be determined using an exchange ratio that takes into account the exercise price of your tendered Eligible Option. The chart below illustrates the applicable exchange ratio for outstanding Eligible Options based on the dollar range of the exercise prices of such options.

Option Exercise Price Ranges	Exchange Ratio (Surrendered Eligible Options: New Options) *
\$2.97—\$10.99	2 to 1
\$11.00—\$24.99	3 to 1
\$25.00—And Up	4 to 1

* Rounded up to the nearest share

Q6. Will my New Options have an exercise or purchase price?

Your New Options will have an exercise price equal to the closing price of our common stock as reported on Nasdaq on the date that the New Option is granted. Each New Option will represent your right to purchase a number of shares of our common stock based on an exchange ratio. See Section 1 of the Offering Memorandum (“*Eligible Holders; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”) for more information.

See Section 7 of the Offering Memorandum (“*Price Range of Our Common Stock*”) for information concerning our historical common stock prices.

Q7. When will my New Options vest?

To the extent an Eligible Option is vested as of the Exchange Date, such vested portion may be exchanged for a New Option that will vest 50% on the first anniversary of the grant date and 50% on the second anniversary of the grant date.

To the extent an Eligible Option is unvested as of the Exchange Date, such unvested portion may be exchanged for a New Option that will vest 50% on the second anniversary of the grant date and 50% on the third anniversary of the grant date.

As with any unvested equity award pursuant to our Amended 2009 Plan, you must remain in continuous service with through each vesting date. In the event that your service with NewLink terminates for any reason prior to the vesting date of any unvested portion of your New Option, such unvested portion shall expire on your termination date.

Q8. Do I need to exercise my New Option in order to receive shares?

Yes. You will need to exercise the vested portion of your New Option and pay the purchase price to receive shares of common stock.

Q9. If I participate in the Exchange Offer, when will my New Options be granted?

Unless we amend or terminate the Exchange Offer in accordance with its terms, we will grant you New Options for your Eligible Options as to which you properly made a valid election (and did not validly revoke that election), effective as of the Expiration Time (such date, the “*New Option Grant Date*,” which is currently expected to be Wednesday, July 31, 2019), which will reflect the New Option Terms.

See Section 1 of the Offering Memorandum (“*Eligible Holders; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”) for more information.

Q10. What happens to my New Options if I terminate my employment with NewLink?

Vesting of your New Options will cease upon termination of your service with NewLink. Your unvested Options will be forfeited back to us.

In general, pursuant to the Amended 2009 Plan, the vested portion of your New Options may be exercised until three months following your termination of service with NewLink unless (i) termination is due to the your death or disability (or if your death occurs during the three-month period after your termination, other than for cause), in which case the New Option may be exercised (to the extent exercisable at the time of the termination of service) at any time within 12 months following your termination; or (ii) you are terminated for cause, in which case the New Option will cease to be exercisable immediately upon your termination.

Nothing in the Exchange Offer should be construed to confer upon you the right to remain in employment with NewLink. The terms of your employment with NewLink remain unchanged. We cannot guarantee or provide you with any assurance that you will not be subject to involuntary termination or that you will otherwise remain in our employment until the expiration of the Exchange Offer and/or the grant date for the New Options or thereafter during the vesting period of the New Options. In addition, we cannot provide any assurance that your employment with NewLink will continue past the vesting date of any New Option issued in exchange for an Eligible Option that would have been vested and exercisable as of your termination date had the Eligible Option not been exchanged for a New Option.

See Section 1 of the Offering Memorandum (“*Eligible Holders; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”) and Section 5 of the Offering Memorandum (“*Acceptance of Eligible Options for Exchange; Grant of New Options*”) for more information.

Q11. Must I participate in the Exchange Offer?

No. Participation in the Exchange Offer is completely voluntary. If you hold more than one option grant from NewLink that each qualify as an Eligible Option and elect to participate in the Exchange Offer, you will be allowed to elect to tender for exchange as few or as many of your Eligible Option grants as you wish; *however*, you must tender all of the shares underlying the selected Eligible Option grant. If you choose not to participate in the Exchange Offer, then your Eligible Options will remain outstanding with their current terms.

Q12. How should I decide whether or not to participate in the Exchange Offer?

We are providing substantial information to assist you in making your own informed decision. Please read all the information contained in the various sections of the Offering Memorandum below, including without limitation the information in Section 2 (“*Purpose of The Exchange Offer; Additional Considerations*”), Section 7 (“*Price Range of Our Common Stock*”), Section 9 (“*Information Concerning Us; Financial Information*”), Section 10 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”), Section 12 (“*Material United States Tax Consequences*”) and Section 15 (“*Additional Information*”), of the Offering Memorandum. You may seek your own outside legal counsel, accountant and/or financial advisor for further advice. Participation in the Offer is entirely your decision and should be made based on your personal circumstances. No one from NewLink or any of our subsidiaries is, or will be, authorized to provide you with advice, recommendations or tax or financial considerations regarding whether you should participate in the Exchange Offer.

In addition to reviewing the materials provided, please note the following:

- The Exchange Offer is not a one-for-one exchange. You will receive fewer shares underlying the New Options than were underlying the Eligible Options.
- Options provide value upon exercise only if our common stock price increases after the grant date. Also, because the exchange ratios for the option exchange are not one-for-one, it is possible that, at some point in the future, Eligible Options you choose to exchange could be economically more valuable than the New Options received by you pursuant to the Exchange.
- New Options granted in the Exchange will be subject to new vesting schedules, even if the Eligible Options you exchange were fully vested.
- New Options will have a maximum term of seven (7) years, even if the Eligible Options you exchange had a longer term.
- You should carefully consider the tax consequences of New Option awards.

Please also review the “Risk Factors” that appear after this Section.

Q13. How do I find out how many Eligible Options I have and what their exercise prices are?

The Election Form distributed along with the Exchange Offer includes a list of your Eligible Options as of June 19, 2019. You can at any time confirm the number of option grants that you have, their grant dates, remaining term, exercise prices, vesting schedule and other information by contacting Human Resources in person or at option.exchange@linkp.com.

Q14. Can I tender for exchange stock options that I have already fully exercised?

No. The Exchange Offer applies only to outstanding unexercised Eligible Options. An option that has been fully exercised is no longer outstanding.

Q15. Can I tender for exchange the remaining unexercised portion of an Eligible Option that I have already partially exercised?

Yes. If before Thursday, June 20, 2019 you exercised an Eligible Option in part, the remaining unexercised portion of the Eligible Option could be tendered for exchange in the Exchange Offer. See Section 3 of the Offering Memorandum ("*Procedures for Tendering Eligible Options*") for more information.

Q16. Can I tender for exchange a portion of an Eligible Option?

No partial exchange of an Eligible Option grant will be permitted. If you elect to tender an Eligible Option for exchange, you must tender all shares of the outstanding (i.e., unexercised) portion of that Eligible Option. You will be able to elect to tender as few or as many of your Eligible Option grants as you wish. If you attempt to tender a portion but not all of an outstanding Eligible Option grant, we will reject your tender of that particular grant. Such rejection will not affect any other Eligible Option grants that are properly tendered. See Section 3 of the Offering Memorandum ("*Procedures for Tendering Eligible Options*") for more information.

Q17. What if I am on an authorized leave of absence during the Exchange Offer?

Any Eligible Holder who is on an authorized leave of absence will be able to participate in the Exchange Offer. See Section 1 of the Offering Memorandum ("*Eligible Holders; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*") for more information.

Q18. What happens if my employment with NewLink terminates before the Expiration Time?

If you have tendered Eligible Options under the Exchange Offer and your employment with NewLink terminates for any reason, or if you submit a notice of resignation or receive a notice of termination before the Exchange Offer expires, which is referred to as the Expiration Time, you will no longer be eligible to participate in the Exchange Offer, and we will not accept your Eligible Options for exchange and you will not be eligible for the grant of New Options. In that case, generally you may exercise your existing Eligible Options to the extent they are vested for a limited time after your termination date and in accordance with their original terms.

Nothing in the Exchange Offer should be construed to confer upon you the right to remain an employee or other service provider of NewLink or any of our subsidiaries. The terms of your service with NewLink and our subsidiaries remain unchanged. We cannot guarantee or provide you with any assurance that you will not be subject to involuntary termination or that you will otherwise remain in our service until the expiration of the Exchange Offer and/or the grant date for the New Option or thereafter. In addition, we cannot provide any assurance that your employment with NewLink will continue past the vesting date of any New Option issued in exchange for an Eligible Option that would have been vested and exercisable as of your termination date had the Eligible Option not been exchanged for a New Option.

See Section 1 ("*Eligible Holders; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*") and Section 5 ("*Acceptance of Eligible Options for Exchange; Grant of New Options*") of the Offering Memorandum for more information.

Q19. Will I owe taxes if I participate in the Exchange Offer?

Neither the acceptance of the Offer nor the grant of your New Options will be a taxable event for U.S. federal income tax purposes. See Section 12 of the Offering Memorandum ("*Material United States Tax Consequences*") for more information regarding the tax aspects of Exchange Option.

You should consult with your tax advisor to determine the personal tax consequences of participating in the Exchange Offer. If you are an Eligible Holder who is subject to the tax laws of a country other than the United States or of more than one country, you should be aware that there may be additional or different tax consequences that may apply to you. We advise all Eligible Holders who may consider tendering for exchange their Eligible Options to consult with their own tax advisors with respect to the federal, state, local and foreign tax consequences of participating in the Exchange Offer.

Q20. Will I owe taxes if I do not participate in the Exchange Offer?

In general, the rejection of the Exchange Offer will not be a taxable event for U.S. federal income tax purposes. See Section 12 of the Offering Memorandum (“*Material United States Tax Consequences*”) for more information.

Q21. What will happen to my Eligible Options if I participate in the Exchange Offer?

We will cancel all of your Eligible Options tendered by you and accepted by us for exchange in the Exchange Offer.

Q22. Is it possible for my New Options to be or become underwater?

Yes. The New Options will have an exercise price equal to the closing price of our common stock as reported on Nasdaq on the date that the New Option is granted (the “*New Exercise Price*”). If the price of our common stock is below the New Exercise Price in the future, then your New Options will be underwater, meaning that the exercise price will be above the price reported on Nasdaq.

Q23. What happens to Eligible Options that I choose not to tender or that are not accepted for exchange in the Exchange Offer?

Generally, there will be no impact to Eligible Options that you choose not to tender for exchange prior to the original Expiration Time. However, if (1) any of your Eligible Options are currently treated as ISOs, (2) the Exchange Offer remains outstanding for more than 29 business days – that is, if we extend the Exchange Offer beyond the original Expiration Time, and (3) you do not reject this Offer within the first 29 business days in which it is outstanding – that is, by Wednesday, July 31, 2019, your Eligible Options may cease to be treated as ISOs as of the Expiration Time. If the fair market value of our common stock as of the Expiration Time is less than the exercise price currently in effect for your Eligible Options, the Board can take action to “retest” your Eligible Options to determine if they can again be treated as ISOs. However, even if they can again be treated as ISOs, your holding period under your Eligible Options (as further described below in the section called “*Taxation of Incentive Stock Options*”) will start over on the Expiration Time. Therefore, if you wish to reject this Exchange Offer and you wish to avoid the possible impact on your ISO status, you should do so by completing and submitting the Election Form on or prior to 5:00 p.m. Eastern Time on Wednesday, July 31, 2019.

We will not accept for exchange any options that are tendered that do not qualify as Eligible Options. If you tender an option that is not an Eligible Option or is otherwise not accepted for exchange, we will send you a separate notification following the expiration of the Exchange Offer explaining why your tendered option did not qualify as an Eligible Option, or otherwise was not accepted for exchange.

Q24. How long do I have to decide whether to participate in the Exchange Offer?

The Exchange Offer expires at 5:00 p.m. Eastern Time on Wednesday, July 31, 2019 (or such later date as may apply if the Exchange Offer is extended). No exceptions will be made to this deadline, unless we extend it. Although we do not currently intend to do so, we may, in our sole discretion, extend the expiration date of the Exchange Offer at any time. If we extend the Exchange Offer, we will publicly announce the extension and the new expiration date no later than 6:00 a.m. Eastern Time on the next business day after the last previously scheduled or announced expiration date.

See Section 13 of the Offering Memorandum (“*Extension of Exchange Offer; Termination; Amendment*”) for more information.

Q25. How do I tender my Eligible Options for exchange?

If you are an Eligible Holder on the date that you choose to tender your Eligible Options, you may tender your Eligible Options for exchange at any time before the Exchange Offer expires at 5:00 p.m. Eastern Time on Wednesday, July 31, 2019 (or such later date as may apply if the Exchange Offer is extended).

To validly tender your Eligible Options, you must deliver a properly completed and signed Election Form, and any other documents required by the Election Form by email (by PDF or similar imaged document file) to option.exchange@linkp.com.

You do not need to return your stock option agreements relating to any tendered Eligible Options, as they will be automatically cancelled effective as of the New Option Grant Date if we accept your Eligible Options for exchange. We will separately send to you the grant documents relating to your New Options following the New Option Grant Date for your signature.

Your Eligible Options will not be considered tendered until we receive a properly completed and signed Election Form. We must receive your properly completed and signed Election Form before 5:00 p.m. Eastern Time on Wednesday, July 31, 2019 (or such later date as may apply if the Exchange Offer is extended). If you miss this deadline, you will not be permitted to participate in the Exchange Offer.

We will accept delivery of the signed Election Form only by email (by PDF or similar imaged document file). You are responsible for making sure that the Election Form is delivered to the email address indicated above. You must allow for sufficient time to complete and deliver your Election Form to ensure that we receive your Election Form on time.

We reserve the right to reject any or all tenders of Eligible Options that we determine are not in appropriate form or that we determine would be unlawful to accept. Subject to our rights to extend, terminate and amend the Exchange Offer, we expect to accept all properly tendered Eligible Options on Wednesday, July 31, 2019, following the expiration of the Exchange Offer.

See Section 3 of the Offering Memorandum (“*Procedures for Tendering Eligible Options*”) for more information.

Q26. Can I withdraw previously tendered Eligible Options?

Yes. You may withdraw your tendered Eligible Options at any time before the Exchange Offer expires at 5:00 p.m. Eastern Time on Wednesday, July 31, 2019 (or such later date as may apply if the Exchange Offer is extended), and unless we have accepted the Eligible Options pursuant to the Exchange Offer, you may also withdraw any tendered Eligible Options at any time after 5:00 p.m. Eastern Time on Wednesday, July 31, 2019. If we extend the Exchange Offer beyond that time, you may withdraw your tendered Eligible Options (i) at any time until the extended expiration of the Exchange Offer or (ii) at any time after 11:59 p.m. Eastern Time on Wednesday, August 14, 2019, if we have not yet accepted the Eligible Options pursuant to the Exchange Offer.

To withdraw tendered Eligible Options, you must deliver to us a properly completed and signed Notice of Withdrawal of Election Form (the “*Notice of Withdrawal*”) with the required information while you still have the right to withdraw the tendered Eligible Options. The Notice of Withdrawal may be delivered by any of the means indicated for a valid tender as set forth in Question 25 above.

If you miss this deadline to withdraw but remain an Eligible Holder, any previously tendered Eligible Options will be exchanged pursuant to the Exchange Offer. You may change your mind as many times as you wish, but you will be bound by the last properly submitted Election Form or Notice of Withdrawal we receive before the expiration date and time.

The method of delivery is at your own option and risk. You are responsible for making sure that the Notice of Withdrawal is delivered to us. You must allow for delivery time based on the method of delivery that you choose to ensure that we receive your Notice of Withdrawal on time.

Once you have withdrawn Eligible Options, you may re-tender Eligible Options only by again following the procedures described for validly tendering option grants in the Exchange Offer as discussed in Question 25 above.

See Section 4 of the Offering Memorandum (“*Withdrawal Rights*”) for more information.

Q27. How will I know whether you have received my Election Form or my Notice of Withdrawal?

We will send you an email or other form of communication, as appropriate, to confirm receipt of your Election Form or Notice of Withdrawal shortly after we receive it. However, it is your responsibility to ensure that we receive your Election Form or Notice of Withdrawal, as applicable, prior to the expiration date of the Exchange Offer. See Section 3 of the Offering Memorandum (“*Procedures for Tendering Eligible Options*”) for more information.

Q28. What will happen if I do not return my Election Form by the deadline?

If we do not receive your Election Form by the deadline, then all Eligible Options held by you will remain outstanding at their original exercise price and subject to their original terms. If you prefer not to tender any of your Eligible Options exchange in the Exchange Offer, you do not need to do anything. See Section 3 of the Offering Memorandum (“*Procedures for Tendering Eligible Options*”) for more information.

Q29. What if I have any questions regarding the Exchange Offer?

You should direct questions about the Exchange Offer (including requests for additional or paper copies of the Exchange Offer and other Exchange Offer documents which will be promptly furnished to you at NewLink’s expense) to option.exchange@linkp.com.

RISK FACTORS

Participation in the Exchange Offer involves a number of potential risks and uncertainties, including those described below. You should consider, among other things, these risks and uncertainties before deciding whether or not to request that we exchange your Eligible Options in the manner described in the Exchange Offer. You should carefully review the risk factors set for below and those contained in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, filed with the Securities and Exchange Commission (the “SEC”) on May 8, 2019, as well as the other information provided in the Exchange Offer and the other materials that we have filed with the SEC, before making a decision as to whether or not to tender your Eligible Options. See Section 15 of the Offering Memorandum (“*Additional Information*”) for more information regarding reports we file with the SEC and how to obtain copies of or otherwise review these reports.

Risks Related to the Exchange Offer

Your cancelled Eligible Options may be worth more than the New Options that you receive in exchange for them.

Because the number of shares to be granted to you under your New Options will be fewer than the number of shares outstanding under your Eligible Options, it is possible that, at some point in the future, due to potential increases in our stock price, those Eligible Options would have been more economically valuable than the New Options granted pursuant to the Offer.

Your cancelled Eligible Options may have a term that exceeds the term of the New Options that you receive in exchange for them.

Because your New Options could expire before your cancelled Eligible Options, you may not have the same amount of time to benefit from any appreciation in our stock price.

If your service with NewLink terminates before your New Options vest, you will not be able to receive value for your unvested New Options, but may have been able to receive value for the Eligible Options you exchanged for the New Options.

Because a new vesting schedule for the New Options will apply which is different than the vesting schedule for Eligible Options exchanged, if your service with NewLink terminates after receiving New Options you may not be able to realize as much value from your New Options that you could have received for the Eligible Options you exchanged. For example, if you exchange fully or partially vested Eligible Options and our stock price increases to above the exercise per share of the Eligible Options you exchanged, you would have been able to exercise the Eligible Options and sell the underlying shares at a gain; however, if your service with NewLink terminates after receiving the New Options, but before they have vested and can be exercised, you will receive no value from the unvested portion of the New Options.

You may incur additional taxes in connection with the exercise of the New Options for U.S. tax purposes.

For more detailed information regarding the tax treatment of stock options (stock incentive options and nonstatutory stock options), see Section 12 of the Offering Memorandum (“*Material United States Tax Consequences*”).

OFFERING MEMORANDUM
OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW OPTIONS

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OFFERING MEMORANDUM

OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW OPTIONS

Section 1. Eligible Holders; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer.

NewLink Genetics Corporation (“*NewLink*,” “*we*,” “*us*” or “*our*”) is offering certain optionholders the opportunity to exchange certain outstanding stock options for New Options (as defined below). As described in this Section 1 of this Offering Memorandum—Offer to Exchange Eligible Options for New Options (this “*Offering Memorandum*”), Eligible Options that are tendered and accepted prior to the Expiration Time (each defined below) will be exchanged for New Options in exchange for an Eligible Holder’s agreement to accept fewer shares, a revised vesting schedule, a new option term and the tax treatment of the New Options.

We are making the offer on the terms and subject to the conditions described in this Offering Memorandum, as they may be amended from time to time, and these terms and conditions constitute the “*Exchange Offer*” or the “*Offer*.” The Exchange Offer is not conditioned on the acceptance of the Exchange Offer by a minimum number of award holders or the tender of elections to exchange options covering a minimum number of shares.

Eligible Holders

All individuals who were granted an Eligible Option and who, as of the date the Exchange Offer commences and as of the Expiration Time, are current employees, including executive officers, or non-employee directors of NewLink, and have not been notified by us that their employment relationship with us is being terminated may participate in the Offer (the “*Eligible Holders*”). To be an Eligible Holder you must continue to be employed by, or providing service to, us and have not submitted a notice of resignation or received a notice of termination, between the date the Exchange Offer commences and the Expiration Time.

You will not be eligible to tender Eligible Options for exchange in the Exchange Offer if you cease to be an Eligible Holder for any reason prior to the Expiration Time, including voluntary resignation, retirement, involuntary termination, layoff, death or disability. An individual who is on an authorized leave of absence and is otherwise an Eligible Holder on such date will be eligible to tender Eligible Options in the Exchange Offer. A leave of absence is considered “authorized” if it was approved in accordance with our policies.

Your employment or service with us will remain “at-will” regardless of your participation in the Exchange Offer and can be terminated by you or us at any time.

As noted above, our “independent directors” as defined under the rules of The Nasdaq Global Market (“*Nasdaq*”) and as determined by our board of directors (the “*Board*”) are eligible to participate in the Offer. As of the date hereof, our independent directors are Chad A. Johnson, Thomas A. Raffin, M.D., Matthew L. Sherman, M.D., Ernest J. Talarico III, and Lota S. Zoth.

Eligible Options

An “*Eligible Option*” is an outstanding option that:

- is held by an Eligible Holder;
- has an exercise price equal to or greater than \$2.97 per share;
- was granted on or prior to December 31, 2018; and
- was granted under our 2000 Equity Incentive Plan (the “*2000 Plan*”), 2009 Equity Incentive Plan (the “*2009 Plan*”), or 2010 Non-Employee Directors’ Stock Award Plan (the “*Directors’ 2010 Plan*,” and together with the 2000 Plan and the 2009 Plan, the “*Equity Plans*”).

The Proposed Exchange

If you choose to participate in the Exchange Offer and tender Eligible Options for exchange, and if we accept your tendered Eligible Options, then we will grant you New Options (each, a “*New Option*”) with the following terms (collectively, the “*New Option Terms*”):

- Each New Option will have an exercise price equal to the closing price of our common stock as reported on Nasdaq on the date that the New Option is granted (the “**New Exercise Price**”).
- Each New Option will represent your right to purchase a number of shares of our common stock based on an exchange ratio based on the exercise price of your tendered Eligible Option. The chart below illustrates the applicable exchange ratio for outstanding Eligible Options based on the dollar range of the exercise prices of such options.

Option Exercise Price Ranges	Exchange Ratio (Surrendered Eligible Options: New Options) *
\$2.97—\$10.99	2 to 1
\$11.00—\$24.99	3 to 1
\$25.00—And Up	4 to 1

* Rounded up to the nearest share

- Your New Option will be granted under our Amended 2009 Plan.
- To the maximum extent permitted by law, your New Option will be granted as incentive stock options (“**ISO**”) with the remainder of your New Option to granted as nonqualified stock options (“**NSO**”).
- Each New Option will have a maximum term of seven (7) years.
- The vesting schedule of your New Options will be as follows:
 - To the extent an Eligible Option is vested as of the Exchange Date, such vested portion may be exchanged for a New Option that will vest 50% on the first anniversary of the grant date and 50% on the second anniversary of the grant date.
 - To the extent an Eligible Option is unvested as of the Exchange Date, such unvested portion may be exchanged for a New Option that will vest 50% on the second anniversary of the grant date and 50% on the third anniversary of the grant date.
 - As with any unvested equity award under our Amended 2009 Plan, you must remain in the continuous service with us through each vesting date. In the event that your service with us terminates for any reason prior to the vesting date of any unvested portion of your New Option, such unvested portion shall expire on your termination date.

You are not required to participate in the Exchange Offer. If you hold more than one option grant from NewLink that each qualify as an Eligible Option and elect to participate in the Exchange Offer, you will be allowed to elect to tender for exchange as few or as many of your Eligible Option grants as you wish; *however*, you must tender all of the shares underlying the selected Eligible Option grant. Eligible Options properly tendered in this Exchange Offer and accepted by us for exchange will be cancelled and your New Options will be granted with the terms described above effective as of the Expiration Date of the Exchange Offer (the “**New Option Grant Date**”).

Nothing in the Exchange Offer should be construed to confer upon you the right to remain in service with NewLink or any of our subsidiaries. The terms of your service with NewLink and our subsidiaries remain unchanged. We cannot guarantee or provide you with any assurance that you will not be subject to involuntary termination or that you will otherwise remain in our service until the grant date for the New Options or any vesting date of your New Options in the future.

Expiration and Extension of the Exchange Offer

The Exchange Offer is scheduled to expire at 5:00 p.m. Eastern Time on Wednesday, July 31, 2019, unless and until we, in our sole discretion, extend the expiration date of the Exchange Offer, such time and date referred to herein as the “**Expiration Time**.” See Section 13 (“**Extension of Exchange Offer; Termination; Amendment**”) for a description of our rights to extend, terminate and amend the Exchange Offer.

If you do not elect to tender your Eligible Options before the Expiration Time, such awards will remain subject to their current terms, including the current exercise price and vesting schedule.

Section 2. Purpose of the Exchange Offer; Additional Considerations.

Stock options are a critical component of our compensation philosophy, the focal point of which is to increase long-term stockholder value. The Board believes that the Exchange Offer is in the best interests of stockholders and us, as new stock options granted under the program will provide added incentive to motivate and retain our talented employees and directors. As an alternative to increased cash compensation, the Exchange Offer will allow us to devote more of our cash resources towards advancing our clinical development programs. In addition, it will provide the opportunity to reduce the “overhang” of outstanding stock options, many of which are well out of the money.

Our Compensation Committee evaluated several alternatives for remaining competitive within our industry and with our employees and directors, including increasing cash compensation and/or granting additional equity awards. While these components are part of our overall compensation packages, we do not believe that relying exclusively on such approaches is an ideal use of our resources. For example, increasing cash compensation would reduce the cash resources we devote to research and development, and granting additional stock awards would cause dilution to our current stockholders. Accordingly, we determined that the Exchange Offer was the most attractive alternative for stockholders.

During the past several years, our stock price has declined. More than 99% of our outstanding eligible employee and director stock options are “underwater,” meaning the exercise price of those options is greater than our current stock price. This means that a substantial portion of our historically granted stock options may have little or no perceived value to the employees or other service providers who hold them and therefore may no longer be effective as incentives to motivate and retain these individuals.

We have designed the Exchange Offer to restore equity value, increase retention and motivation in a competitive labor market, provide non-cash compensation incentives and align our employee and stockholder interests for long-term growth. Underwater stock option awards are of limited benefit in motivating and retaining our employees, including our executive officers, and out non-employee directors. Through the Exchange Offer, we believe that we will be able to enhance long-term stockholder value by increasing our ability to retain experienced and talented employees and by aligning the interests of these individuals more fully with the interests of our stockholders. As of March 22, 2019, greater than 99% of our eligible employee and director stock options are underwater (and for a large number of employees, significantly so), we may face a considerable challenge in retaining our employees and directors, and there is a possibility that our competitors may be able to offer equity incentives that are more attractive, which in some cases, could make the terms of employment at a new employer more attractive than we can offer to our existing employees. The Option Exchange is designed to address these concerns as well as improve morale among our employees and directors generally and reinvigorate a culture where equity compensation is a key component of our overall compensation package.

In deciding whether to tender one or more Eligible Options pursuant to the Exchange Offer, you should know that we continually evaluate and explore strategic opportunities as they arise. At any given time, we may be engaged in discussions or negotiations with respect to one or more corporate transactions of the type described below. We also grant equity awards in the ordinary course of business to our directors and our current and new employees, including our executive officers. Our directors and employees, including our executive officers, from time to time may acquire or dispose of our securities. We may from time to time repurchase our own outstanding securities after we have announced any decision by the Board to authorize us to do so, in accordance with applicable securities laws. In addition, we may pursue opportunities to raise additional capital through the issuance of equity or convertible debt securities. If this occurs, the percentage ownership of our stockholders could be significantly diluted, and these newly-issued securities may have rights, preferences or privileges senior to those of existing stockholders. We cannot assure you that additional financing will be available on terms favorable to us, or at all.

Subject to the foregoing and except as otherwise disclosed in the Exchange Offer or in our filings with the SEC, we currently have no plans, proposals or negotiations that relate to or would result in:

- any extraordinary corporate transaction, such as a material merger, reorganization or liquidation, involving us;
- any purchase, sale or transfer of a material amount of our assets;
- any material change in our present dividend policy or our indebtedness or capitalization;
- any material change in our Board or executive management team, including any plans to change the number or term of our directors or to fill any existing board vacancies or to change the material terms of any executive officer’s employment;
- any other material change in our corporate structure or business;
- our common stock not being traded on a national securities exchange;

- our common stock becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”);
- the suspension of our obligation to file reports pursuant to Section 15(d) of the Exchange Act;
- the acquisition by any person of any of our securities or the disposition of any of our securities, other than in the ordinary course or pursuant to existing options or other rights; or
- any change in our certificate of incorporation or bylaws, or any actions that may impede the acquisition of control of us by any person.

WE DO NOT MAKE ANY RECOMMENDATION AS TO WHETHER YOU SHOULD TENDER YOUR ELIGIBLE OPTIONS, NOR HAVE WE AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. YOU SHOULD EVALUATE CAREFULLY ALL OF THE INFORMATION IN THE EXCHANGE OFFER AND CONSULT YOUR OWN FINANCIAL AND TAX ADVISORS. YOU MUST MAKE YOUR OWN DECISION WHETHER TO TENDER YOUR ELIGIBLE OPTIONS FOR EXCHANGE.

Section 3. Procedures for Tendering Eligible Options.

If you wish to tender any or all of your Eligible Options for exchange, you must properly complete and sign the accompanying Election Form and deliver the properly completed and signed document to us so that we receive it before the Expiration Time (or such later date as may apply if the Exchange Offer is extended), by one of the following means:

By Email (By PDF or similar imaged document file) delivered to: option.exchange@linkp.com

Except as described in the following sentence, the Election Form must be signed by the Eligible Holder who tendered the Eligible Option in the manner that the Eligible Holder’s name appears on the stock option agreement relating to the Eligible Option. If the signature is by an attorney-in-fact or another person acting in a fiduciary or representative capacity, the signer’s full title and proper evidence of the authority of such person to act in such capacity must be identified on the Election Form. You do not need to return your stock option agreements relating to any tendered Eligible Options, as they will be automatically cancelled in exchange for New Options if we accept your Eligible Options for exchange.

Your Eligible Options will not be considered tendered until we receive the properly completed and signed Election Form. We must receive your properly completed and signed Election Form before the Expiration Time (or such later date as may apply if the Exchange Offer is extended). If you miss this deadline or submit an Election Form that is not properly completed as of the deadline, you will not be permitted to participate in the Exchange Offer.

We will accept delivery of the signed Election Form only by email (by PDF or similar imaged document file). You are responsible for making sure that the Election Form is delivered to the email address indicated above. You must allow for sufficient time to complete and deliver your Election Form to ensure that we receive your Election Form before the Expiration Time (or such later date as may apply if the Exchange Offer is extended).

Determination of Validity; Rejection of Eligible Options; Waiver of Defects; No Obligation to Give Notice of Defects.

To validly tender your Eligible Options pursuant to the Exchange Offer you must remain an Eligible Holder and must not have given a notice of resignation, must not have received a notice of termination and your service with us must not have terminated for any other reason, including a termination due to voluntary resignation, retirement, involuntary termination, layoff, death or disability, prior to the Expiration Time.

If you elect to tender an Eligible Option for exchange, you must tender all of the shares underlying the selected Eligible Option. If you have received multiple option grants from us that each qualify as an Eligible Option and elect to participate in the Exchange Offer, you will be able to elect to tender as few or as many of your Eligible Option grants as you wish. However, if you elect to tender an Eligible Option for exchange, you must tender the entire outstanding (i.e., unexercised) portion of that Eligible Option. If you tender one Eligible Option grant in the Exchange Offer, you do not need to tender any other Eligible Option grants you may hold. If you attempt to tender a portion but not all of an outstanding Eligible Option grant, we will reject your tender of that particular grant. Such rejection will not affect any other Eligible Options that are properly tendered.

We will determine all questions as to form of documents and the validity, eligibility, time of receipt and acceptance of any tender of Eligible Options. Neither NewLink nor any other person is obligated to give notice of any defects or irregularities in tenders. No tender of Eligible Options will be deemed to have been properly made until all defects or irregularities have been cured by the tendering Eligible Holder or waived by us. Subject to any order or decision by a court or arbitrator of competent jurisdiction, our determination of these matters will be final and binding on all parties.

This is a one-time offer, and we will strictly enforce this offer period, subject only to any extension of the Expiration Time of the Exchange Offer that we may grant in our sole discretion. Subject to Rule 13e-4 under the Exchange Act, we also reserve the right to waive any of the conditions of the Exchange Offer or any defect or irregularity in any tender with respect to any particular Eligible Options or any particular Eligible Holder.

Our Acceptance Constitutes an Agreement.

Your tender of Eligible Options pursuant to the procedures described above constitutes your acceptance of the terms and conditions of the Exchange Offer and will be controlling, absolute and final, subject to your withdrawal rights under Section 4 (“**Withdrawal Rights**”) and our acceptance of your tendered Eligible Options in accordance with Section 5 (“**Acceptance of Eligible Options for Exchange; Grant of New Options**”). Our acceptance for exchange of Eligible Options tendered by you pursuant to the Exchange Offer will constitute a binding agreement between NewLink and you upon the terms and subject to the conditions of the Exchange Offer.

Subject to our rights to terminate and amend the Exchange Offer in accordance with Section 6 (“**Conditions of the Exchange Offer**”), we expect to accept for exchange all properly tendered Eligible Options that have not been validly withdrawn at the Effective Time, and we expect to cancel the Eligible Options accepted for exchange in exchange for the grant of the New Options promptly following the Expiration Time (such date, the “**New Option Grant Date**”) with the New Option Terms. However, if the New Exercise Price would be above the exercise price of your Eligible Option tendered in the Exchange Offer, we will not accept your tendered awards and they will not be exchanged. If the Expiration Time is extended, then the New Option Grant Date would be similarly extended.

Section 4. Withdrawal Rights.

If you elect to accept the Exchange Offer as to some or all of your Eligible Options and later change your mind, you may withdraw your tendered option grants by following the procedure described in this Section 4. Please note that, just as you may not tender only part of an Eligible Option grant, you also may not withdraw your election with respect to only a portion of an Eligible Option grant. If you elect to withdraw a previously tendered Eligible Option grant, you must withdraw the entire Eligible Option, but need not withdraw any other tendered Eligible Options.

We will permit any options tendered in the Exchange Offer to be withdrawn at any time during the period the Exchange Offer remains open, and unless we have accepted the Eligible Options pursuant to the Exchange Offer, you may also withdraw any tendered Eligible Options that have not been accepted at any time after 11:59 p.m. Eastern Time on Wednesday, August 14, 2019. Please note that, upon the terms and subject to the conditions of the Exchange Offer, we expect to accept for exchange all Eligible Options properly tendered and not validly withdrawn at the Expiration Time, unless further extended.

To validly withdraw tendered Eligible Options, you must deliver to us (using one of the same delivery methods described in Section 3) a properly completed and signed Notice of Withdrawal while you still have the right to withdraw the tendered Eligible Options. Your tendered Eligible Options will not be considered withdrawn until we receive your properly completed and signed Notice of Withdrawal. If you miss the deadline for withdrawal but remain an Eligible Holder of NewLink, any previously tendered Eligible Options will be exchanged pursuant to the Exchange Offer.

You are responsible for making sure that the Notice of Withdrawal is delivered as indicated in Section 3 above. The Notice of Withdrawal must specify the Eligible Options to be withdrawn. Except as described in the following sentence, the Notice of Withdrawal must be signed by the Eligible Holder who tendered the Eligible Options to be withdrawn in the same manner as such Eligible Holder’s name appears on the Election Form previously submitted. If the signature is by an attorney-in-fact or another person acting in a fiduciary or representative capacity, the signer’s full title and proper evidence of the authority of such person to act in such capacity must be identified on the Notice of Withdrawal. We have filed with the SEC a form of the Notice of Withdrawal as an exhibit to the Schedule TO. We will deliver a copy of the Notice of Withdrawal form to all optionholders that validly elect to participate in the Exchange Offer.

You may not rescind any withdrawal, and any Eligible Options you withdraw will thereafter be deemed not properly tendered for purposes of the Exchange Offer, unless you properly re-tender those Eligible Options before the Expiration Time of the Exchange Offer by following the procedures described in Section 3 of the Exchange Offer.

Neither we nor any other person is obligated to give notice of any defects or irregularities in any Notice of Withdrawal, nor will anyone incur any liability for failing to give notice of any defects or irregularities. We will determine all questions as to the form and validity, including time of receipt, of Notices of Withdrawal. Subject to any order or decision by a court or arbitrator of competent jurisdiction, our determinations of these matters will be final and binding.

Section 5. Acceptance of Eligible Options for Exchange; Grant of New Options.

Upon the terms and subject to the conditions of the Exchange Offer, we expect to accept for exchange all Eligible Options properly tendered and not validly withdrawn by the Expiration Time, unless extended (or if we have not accepted the Eligible Options, you may also withdraw any such tendered securities at any time after 11:59 p.m. Eastern Time on Wednesday, August 14, 2019). We expect to cancel the Eligible Options accepted for exchange in exchange for the grant of the New Options on the New Option Grant Date with the New Option Terms. If the Exchange Offer is extended, then the New Option Grant Date will be similarly extended.

Promptly after we grant the New Options, we will send each tendering Eligible Holder a “confirmation letter” indicating the Eligible Options that we have accepted for exchange. In addition, we will separately provide to each tendering Eligible Holder the stock option documentation relating to the Eligible Holder’s New Options for signature. We have filed with the SEC a form of the confirmation letter as an exhibit to the Schedule TO.

If you have tendered Eligible Options under the Exchange Offer and your service terminates for any reason, or if you submit a notice of resignation or receive a notice of termination, before the Exchange Offer expires, you will no longer be eligible to participate in the Exchange Offer, and we will not accept your Eligible Options for exchange. In that case, generally you may exercise your existing options for a limited time after your termination date to the extent they are vested and in accordance with their terms.

Section 6. Conditions of the Exchange Offer.

Notwithstanding any other provision of the Exchange Offer, we will not be required to accept any Eligible Options tendered for exchange, and we may terminate or amend the Exchange Offer, in each case subject to Rule 13e-4(f)(5) under the Exchange Act, if at any time on or after the date hereof and prior to the expiration date of the Exchange Offer, any of the following events has occurred, or has been determined by us, in our reasonable judgment, to have occurred:

- there shall have been threatened or instituted any action or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or other person, domestic or foreign, before any court, authority, agency or tribunal that directly or indirectly challenges the making of the Exchange Offer, the exchange of some or all of the Eligible Options tendered for exchange, or otherwise relates in any manner to the Exchange Offer or that, in our reasonable judgment, could materially affect our business, condition (financial or other), assets, income, operations, prospects or stock ownership;
- there shall have been threatened, instituted or taken, any action, or any approval, exemption or consent shall have been withheld, or any statute, rule, regulation, judgment, order or injunction shall have been proposed, sought, promulgated, enacted, entered, amended, interpreted, enforced or deemed to be applicable to the Exchange Offer or us, by or from any court or any regulatory or administrative authority, agency or tribunal that, in our reasonable judgment, would directly or indirectly:
 - make it illegal for us to accept some or all of the tendered Eligible Options for exchange, or otherwise restrict or prohibit consummation of the Exchange Offer or otherwise relate in any manner to the Exchange Offer;
 - delay or restrict our ability, or render us unable, to accept the tendered Eligible Options for exchange; or
 - impair the contemplated benefits of the Exchange Offer to us;
- there will have occurred:
 - any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or automated quotation system or in the over-the-counter market;
 - the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States;
 - any limitation, whether or not mandatory, by any governmental, regulatory or administrative agency or authority on, or any event that, in our reasonable judgment, might affect the extension of credit to us by banks or other lending institutions in the United States;
 - in our reasonable judgment, any extraordinary or material adverse change in U.S. financial markets generally, including, a decline of at least 10% in either the Dow Jones Industrial Average or the Standard & Poor’s 500 Index from the date of commencement of this offer;

- the commencement or escalation of a war or other national or international calamity directly or indirectly involving the United States, which could reasonably be expected to affect materially or adversely, or to delay materially, the completion of the Exchange Offer; or
- if any of the situations described above existed at the time of commencement of the offer and that situation, in our reasonable judgment, deteriorates materially after commencement of the offer;
- a tender or exchange offer (other than the Exchange Offer) with respect to some or all of our capital stock, or a merger or acquisition proposal for us, shall have been proposed, announced or publicly disclosed or we shall have learned that:
 - (i) any person, entity or “group” within the meaning of Section 13(d)(3) of the Exchange Act has acquired more than 5% of our outstanding common stock, other than a person, entity or group which had publicly disclosed such ownership with the SEC prior to the date of commencement of the Exchange Offer;
 - (ii) any such person, entity or group which had publicly disclosed such ownership prior to such date has acquired additional common stock constituting more than 1% of our outstanding shares; or
 - (iii) any new group has been formed that beneficially owns more than 5% of our outstanding common stock that, in our judgment in any such case, and regardless of the circumstances, makes it inadvisable to proceed with the Exchange Offer or with such acceptance for exchange of Eligible Options;
- any change, development, clarification or position taken in generally accepted accounting principles that could or would require us to record for financial reporting purposes compensation expense against our earnings in connection with the Exchange Offer, other than as contemplated as of the commencement date of this offer (as described in Section 10 of this Offering Memorandum);
- any changes occur in our business, financial condition, assets, income, operations, prospects or stock ownership that, in our reasonable judgment, is or may be material to us;
- Any event or events occur that have resulted or may result, in our reasonable judgment, in a material impairment of the contemplated benefits of the offer to us (see Section 2 of this Offering Memorandum, “*Purpose of the Exchange Offer; Additional Consideration*,” for a description of the contemplated benefits of the offer to us); and
- Any rules or regulations by any governmental authority, Nasdaq, or other regulatory or administrative authority or any national securities exchange have been enacted, enforced, or deemed applicable to us that have resulted or may result, in our reasonable judgment, in a material impairment of the contemplated benefits of the offer to us (see Section 2 of this Offering Memorandum, “*Purpose of the Exchange Offer; Additional Consideration*,” for a description of the contemplated benefits of the offer to us).

The conditions to the Exchange Offer are for our benefit. We may assert them prior to the expiration date of the Exchange Offer regardless of the circumstances giving rise to them (other than circumstances caused by our action or inaction). We may waive the conditions, in whole or in part, at any time and from time to time prior to our acceptance of your tendered Eligible Options for exchange, whether or not we waive any other condition to the Exchange Offer. Subject to any order or decision by a court or arbitrator of competent jurisdiction, any determination we make concerning the events described in this Section 6 will be final and binding upon all persons.

Section 7. Price Range of Our Common Stock.

The Eligible Options give Eligible Holders the right to acquire shares of our common stock. None of the Eligible Options are traded on any trading market. Our common stock trades on Nasdaq under the symbol “*NLNK*.”

The following table sets forth on a per share basis the high and low sales prices for our common stock on Nasdaq during the periods indicated.

Year Ended December 31, 2019	High	Low
First quarter	\$ 2.14	\$ 1.33
Year Ended December 31, 2018		
First quarter	\$ 10.06	\$ 6.56
Second quarter	\$ 7.32	\$ 3.86
Third quarter	\$ 4.94	\$ 2.33
Fourth quarter	\$ 2.41	\$ 1.36
Year Ended December 31, 2017		
First quarter	\$ 24.10	\$ 10.55
Second quarter	\$ 23.09	\$ 6.07
Third quarter	\$ 17.67	\$ 6.35
Fourth quarter	\$ 11.87	\$ 7.89

As of June 17, 2019, we had 80 stockholders of record and 37,276,102 shares were issued and outstanding. Because brokers and other institutions on behalf of stockholders hold many of our shares, we are unable to estimate the total number of beneficial stockholders represented by these record holders. On June 17, 2019, the closing price for our common stock as reported on Nasdaq was \$1.53 per share. We recommend that you obtain current market quotations for our common stock before deciding whether or not to tender your Eligible Options for exchange. The price of our common stock has been, and in the future may be, volatile and could decline. The trading price of our common stock has fluctuated in the past and is expected to continue to do so in the future as a result of a number of factors, many of which are outside our control. In addition, the stock market has experienced extreme price and volume fluctuations that have affected the market prices of many companies and that have often been unrelated or disproportionate to the operating performance of those companies.

Section 8. Information Concerning Us; Financial Information.*Information Concerning Us.*

We are a clinical-stage immuno-oncology company focused on developing novel immunotherapeutic products for the treatment of patients with cancer. Our leading small-molecule product candidates currently in clinical development target the indoleamine-2, 3-dioxygenase, or IDO, pathway, which is one of the key pathways for cancer immune escape. These product candidates, indoximod and NLG802 (a prodrug of indoximod), are IDO pathway inhibitors with mechanisms of action that center around breaking the immune system’s tolerance to cancer. We also have an additional small molecule product candidate, NLG207, which is a nanoparticle-drug conjugate, or NDC, consisting of a cyclodextrin-based polymer backbone linked to camptothecin, a topoisomerase 1 inhibitor of the topoisomerase-1 inhibitor, camptothecin.

We were incorporated in June 1999 in the State of Delaware.

Our principal offices are located at 2503 South Loop Drive, Suite 5100, Ames, IA 50010, and our telephone number is (515) 296-5555. Our website address is www.newlinkgenetics.com. Information found on, or accessible through, our website is not a part of, and is not incorporated into, this Exchange Offer.

Financial Information.

A summary of certain financial information is attached as [Schedule A](#) to this Offering Memorandum and should be read in conjunction with the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December

31, 2018, filed with the Securities and Exchange Commission (“SEC”) on March 5, 2019, and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, filed with the SEC on May 8, 2019, which are incorporated herein by reference.

Additional Information.

For more information about us, please refer to our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on March 5, 2019, and our Quarterly Report for the quarter ended March 31, 2019, filed with the SEC on May 8, 2019, and our other filings made with the SEC. We recommend that you review the materials that we have filed with the SEC before making a decision on whether or not to tender your Eligible Options. We will also provide without charge to you, upon your written or oral request, a copy of any or all of the documents to which we have referred you. See Section 15 (“*Additional Information*”) for more information regarding reports we file with the SEC and how to obtain copies of or otherwise review such reports.

Section 9. Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities.

As of December 31, 2018, our executive officers, employees, and directors as a group held outstanding option grants to purchase an aggregate of 7,979,644 shares of our common stock with a weighted average exercise price of \$11.86. Of these options, 5,880,097 shares with a weighted average exercise price of \$12.61 would be considered Eligible Options for purposes of the Option Exchange.

The following table shows the number of shares subject to Eligible Options held by our named executive officers and non-employee directors as of December 31, 2018 and the number of shares subject to New Options that they may receive, assuming, for purposes of illustration only, that each named executive officer and non-employee director decides to exchange all of his Eligible Options.

Name	Number of Shares Underlying Eligible Options	Weighted Average Exercise Price (\$)	Weighted Average Remaining Life (years)	Number of Shares that may be Granted in the Option Exchange
Charles J. Link, Jr., M.D. <i>Chief Executive Officer</i>	1,840,282	\$12.94	5.15	807,068
Nicholas N. Vahanian, M.D. <i>President</i>	1,459,810	\$10.89	4.37	661,703
Gene P. Kennedy, M.D. <i>Chief Medical Officer</i>	411,141	\$15.55	7.23	173,236
Carl W. Langren <i>Chief Financial Officer</i>	342,644	\$10.48	7.14	157,159
Chad A. Johnson <i>Director</i>	76,101	\$6.43	9.29	38,050
Thomas A. Raffin <i>Director</i>	210,742	\$10.77	4.72	93,976
Matthew L. Sherman, M.D. <i>Director</i>	91,224	\$4.79	9.36	45,611
Ernest J. Talarico, III <i>Director</i>	171,454	\$10.86	4.95	75,325
Lota S. Zoth <i>Director</i>	120,267	\$14.27	6.71	47,946

Except as otherwise described in the Exchange Offer or in our filings with the SEC, including our Definitive Proxy Statement filed on Schedule 14A on April 5, 2019, our Annual Report on Form 10-K for the year ended December 31, 2018 filed on March 5, 2019, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 filed on May 8, 2019, and other than outstanding stock options and other stock awards granted to our directors, executive officers and other employees and consultants pursuant

to our various equity incentive plans, which are described in the notes to our consolidated financial statements as set forth in the above-referenced Annual and Quarterly Reports, neither we nor, to our knowledge, any of our executive officers or directors, any person controlling us or any executive officer or director of such control person, is a party to any agreement, arrangement or understanding with respect to any of our securities, including but not limited to, any agreement, arrangement or understanding concerning the transfer or the voting of any of our securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or the giving or withholding of proxies, consents or authorizations.

During the past 60 days, we have not granted any other Eligible Options and no Eligible Options have been exercised. Neither we, nor, to the best of our knowledge, any member of our Board or any of our executive officers, nor any affiliate of ours, engaged in transactions involving the Eligible Options during the past 60 days.

Section 10. Accounting Consequences of the Exchange Offer.

We have adopted the provisions of ASC Topic 718 regarding accounting for share-based payments. Under ASC Topic 718, we will recognize the grant date fair value of the tendered Eligible Options, plus the incremental compensation cost of the New Options. The incremental compensation cost will be measured as the excess, if any, of the fair value of the New Options over the fair value of the original Eligible Options prior to exchange. The fair value of New Options will be measured as of the New Option Grant Date and the fair value of the Eligible Options surrendered will be measured as of the Expiration Time. This incremental compensation cost will be recognized in compensation expense ratably over the vesting period of the New Options.

The amount of compensation cost will depend on a number of factors, including the level of participation in the Exchange Offer and the exercise price per share of Eligible Options, as applicable, exchanged in the Exchange Offer. Since these factors cannot be predicted with any certainty at this time and will not be known until the expiration of the Exchange Offer, we cannot predict the exact amount of the charge that would result from the Exchange Offer.

Section 11. Legal Matters; Regulatory Approvals.

We are not aware of any material pending or threatened legal actions or proceedings relating to the Exchange Offer. We are not aware of any margin requirements or anti-trust laws applicable to the Exchange Offer. We are not aware of any license or regulatory permit that appears to be material to our business that might be adversely affected by our exchange of Eligible Options and grant of New Options as contemplated by the Exchange Offer, or of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for the completion of the Exchange Offer as contemplated herein. Should any such approval or other action be required, we currently contemplate that we will use commercially reasonable efforts to seek such approval or take such other action. We cannot assure you that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that the failure to obtain any such approval or other action might not result in adverse consequences to our business. Our obligation under the Exchange Offer to accept tendered Eligible Options for exchange and to grant New Options with the New Option Terms, would be subject to obtaining any such governmental approval.

Section 12. Material United States Tax Consequences.

The following is a summary of the anticipated material U.S. federal income tax consequences of the Exchange Offer. This tax summary does not discuss all of the tax consequences that may be relevant to you in light of your particular circumstances, nor is it intended to apply in all respects to all categories of Eligible Holders. The tax consequences for individuals who are subject to the tax laws of a country other than the United States or of more than one country may differ from the U.S. federal income tax consequences summarized herein. The rules governing the tax treatment of stock options are complex. ***You should consult with your tax advisor to determine the personal tax consequences to you of rejecting or participating in the Exchange Offer.***

Tax Effects of Rejecting the Offer

In general, the rejection of the Exchange Offer will not be a taxable event for U.S. federal income tax purposes. However, if (1) any of your Eligible Options are currently treated as ISOs, (2) the Exchange Offer remains outstanding for more than 29 calendar days – that is, if we extend the Exchange Offer beyond the original Expiration Time, and (3) you do not reject this Offer within the first 29 calendar days in which it is outstanding –that is, by the Expiration Time, your Eligible Options may cease to be treated as ISOs as of the Expiration Time. If the fair market value of our common stock as of the Expiration Time is less than the exercise price currently in effect for your Eligible Options, the Board can take action to “retest” your Eligible Options to determine if they can again be treated as ISOs. However, even if they can again be treated as ISOs, your 2-Year Holding Period (as defined below) under your Eligible Options (as further described below in the section called “Taxation of Incentive Stock Options”) will start over on the Expiration Time. Therefore, if you wish to reject this Exchange Offer and you wish to avoid the possible impact on ISO status, you should do so on or prior to the Expiration Time.

Tax Effects of Accepting the Offer

Neither the acceptance of the Exchange Offer nor the exchange of your Eligible Options will be a taxable event for U.S. federal income tax purposes. You will not recognize any income, gain or loss as a result of the exchange and cancellation of your Eligible Options for New Options for U.S. federal income tax purposes.

Taxation of Incentive Stock Options

Generally, an optionholder will not recognize any income, gain or loss on the granting of an ISO. Upon the exercise of an ISO, an optionholder is typically not subject to U.S. federal income tax except for the possible imposition of alternative minimum tax. Rather, the optionholder is taxed for U.S. federal income tax purposes at the time he or she disposes of the stock subject to the option.

If the date upon which the optionholder disposes of the stock subject to an ISO is more than two years from the date on which the ISO was granted (the “**2-Year Holding Period**”) and more than one year from the date on which the optionholder exercised the option (the “**1-Year Holding Period**”), then the optionholder’s entire gain or loss is characterized as long-term capital gain or loss, rather than as ordinary income. However, if the optionholder fails to satisfy both the 2-Year Holding Period and the 1-Year Holding Period, then a portion of the optionholder’s profit from the sale of the stock subject to the ISO will be characterized as ordinary income and a portion may be short-term capital gain if the 1-year Holding Period has not been satisfied. The portion of the profit that is characterized as ordinary income will be equal to the lesser of (a) the excess of the fair market value of the stock on the date of exercise over the exercise price of the option and (b) the excess of the sales price over the exercise price of the option. This deferral of the recognition of tax until the time of sale of the stock, as well as the possible treatment of the “spread” as long-term capital gain, are the principal advantages of your options being treated as ISOs.

Taxation of Nonstatutory Stock Options (“NSOs”)

Generally, an optionholder will not recognize any income, gain or loss on the granting of an NSO. Upon the exercise of an NSO, an optionholder will recognize ordinary income on each purchased share equal to the difference between the fair market value of the stock on the date of exercise and the exercise price of the NSO.

If and when an optionholder sells the stock purchased upon the exercise of an NSO, any additional increase or decrease in the fair market value on the date of sale, as compared to the fair market value on the date of exercise, will be treated as a capital gain or loss. If the optionholder has held those shares for more than one year from the date of exercise, such gain or loss will be a long-term capital gain or loss. If the optionholder has held those shares for not more than one year from the date of exercise, such gain or loss will be a short-term capital gain or loss.

Withholding

We will withhold all required local, state, federal, foreign and other taxes and any other amount required to be withheld by any governmental authority or law with respect to ordinary compensation income recognized with respect to the exercise of a stock option by an award holder who has been employed by us. We will require any such Eligible Holder to make arrangements to satisfy this withholding obligation prior to the delivery or transfer of any shares of our common stock.

Section 13. Extension of the Exchange Offer; Termination; Amendment.

We may, from time to time, extend the period of time during which the Exchange Offer is open and delay accepting any Eligible Options tendered to us by disseminating notice of the extension to Eligible Holders by public announcement, written notice, including electronically posted or delivered notices, or otherwise as permitted by Rule 13e-4(e)(3) under the Exchange Act. If

the Exchange Offer is extended, we will provide appropriate notice of the extension and the new expiration date no later than 6:00 a.m. Eastern Time on the next business day following the previously scheduled expiration date of the Exchange Offer. For purposes of the Exchange Offer, a “business day” means any day other than a Saturday, Sunday or United States federal holiday and consists of the time period from 12:01 a.m. through 12:00 midnight Eastern Time.

We also expressly reserve the right, in our reasonable judgment, prior to the expiration date of the Exchange Offer, to terminate or amend the Exchange Offer upon the occurrence of any of the conditions specified in Section 6 (“*Conditions of the Exchange Offer*”), by disseminating notice of the termination to Eligible Holders by public announcement, written notice, including electronically posted or delivered notices, or otherwise as permitted by applicable law.

Subject to compliance with applicable law, we further reserve the right, in our discretion, and regardless of whether any event set forth in Section 6 (“*Conditions of the Exchange Offer*”), has occurred or is deemed by us to have occurred, to amend the Exchange Offer in any respect prior to the expiration date. Any notice of such amendment required pursuant to the Exchange Offer or applicable law will be disseminated promptly to Eligible Holders in a manner reasonably designed to inform Eligible Holders of such change and filed with the SEC as an amendment to the Schedule TO.

If we materially change the terms of the Exchange Offer or the information concerning the Exchange Offer, or if we waive a material condition of the Exchange Offer, we will extend the Exchange Offer to the extent required by Rules 13e-4(d)(2) and 13e-4(e)(3) under the Exchange Act. Under these rules, the minimum period during which a tender or Exchange Offer must remain open following material changes in the terms of or information concerning a tender or Exchange Offer, other than a change in price or a change in percentage of securities sought, will depend on the facts and circumstances, including the relative materiality of such terms or information.

In addition, if we decide to take any of the following actions, we will publish notice or otherwise inform you in writing of such action and keep the Exchange Offer open for at least 10 business days after the date of such notification:

- we increase or decrease the amount of consideration offered for the Eligible Options; or
- we increase or decrease the number of Eligible Options that may be tendered in the Exchange Offer.

Section 14. Consideration; Fees and Expenses.

We will issue New Options in exchange for Eligible Options properly elected to be exchanged by you and accepted by us for such exchange. All Eligible Holders who properly tender an Eligible Option pursuant to this offer will receive a New Option. Options are equity awards under which the holder can purchase shares of common stock for a predetermined exercise price, provided that the vesting criteria are satisfied.

Subject to the terms and conditions of this Offer, upon our acceptance of your properly tendered Eligible Options, you will be entitled to receive New Options based on an exchange ratio based on the exercise price of your tendered Eligible Option as described in Section 1 of this Offering Memorandum. New Options will be unvested as of the New Option Grant Date and will be subject to a new vesting schedule as described in Section 1 of this Offering Memorandum. If you receive New Options, you do not have to make any cash payment to the Company to receive your New Options, but you will be required to pay the per share exercise price of your New Options to receive any share of common stock subject to your New Options.

If we receive and accept tenders from Eligible Holders of all Eligible Options to be tendered (a total of options to purchase 5,854,575 shares outstanding as of June 17, 2019) subject to the terms and conditions of this offer, we will grant New Options covering a total of approximately 2,557,818 shares of common stock, or approximately 6.9% of the total shares of common stock outstanding as of June 17, 2019.

We will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of Eligible Options pursuant to the Exchange Offer. You will be responsible for any expenses incurred by you in connection with your election to participate in the Exchange Offer, including, but not limited to, mailing, faxing and telephone expenses, as well as any expenses associated with any tax, legal or other advisor consulted or retained by you in connection with the Exchange Offer.

Section 15. Additional Information.

With respect to the Exchange Offer, we have filed with the SEC a Tender Offer Statement on Schedule TO, as may be amended, of which the Exchange Offer is a part. The Exchange Offer document does not contain all of the information contained in the Schedule TO and the exhibits to the Schedule TO. Before making a decision on whether or not to tender your Eligible Options, we highly recommend that you review the Schedule TO, including its exhibits, and the following materials that we have filed with the SEC:

- our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on March 5, 2019;
- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, filed with the SEC on May 8, 2019;
- our Definitive Proxy Statement for our 2019 Annual Meeting of Stockholders, filed with the SEC on April 5, 2019;
- our Current Reports on Form 8-K filed with the SEC on March 5, 2019 and May 15, 2019; and
- the description of our common stock contained in our Registration Statement on Form 8-A filed with the SEC on November 8, 2011, under Section 12(b) of the Exchange Act, including any amendments or reports filed for the purpose of updating such description.

These filings may be examined, and copies may be obtained, at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, DC 20549.

You may obtain information on the operation of the public reference room by calling the SEC at (800) SEC-0330. Our SEC filings are also available to the public on the SEC's Internet site at <http://www.sec.gov>. We also make available on or through our corporate website, free of charge, copies of these reports as soon as reasonably practicable after we electronically file or furnish it to the SEC.

We will also promptly provide without charge to each person to whom we deliver a copy of the Exchange Offer, upon their written or oral request, a copy of any or all of the documents to which we have referred you, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Requests should be directed to option.exchange@linkp.com.

The information about us contained in the Exchange Offer should be read together with the information contained in the documents to which we have referred you.

Section 16. Miscellaneous.

The Exchange Offer and our SEC reports referred to above include forward-looking statements. Words such as "believes," "will," "should," "could," "expects," "anticipates," "estimates," "plans," "objectives," and other similar statements of expectation identify forward-looking statements. These forward-looking statements involve risks and uncertainties, including those described in our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on March 5, 2019, and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, filed with the SEC on May 8, 2019, that could cause actual results to differ materially from those expressed in the forward-looking statement. Given these risks and uncertainties, you should not place undue reliance on these forward-looking statements. While we believe our plans, intentions and expectations reflected in these forward-looking statements are reasonable, these plans, intentions or expectations may not be achieved. WE ENCOURAGE YOU TO REVIEW THE RISK FACTORS CONTAINED IN OUR ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018 BEFORE YOU DECIDE WHETHER TO PARTICIPATE IN THE EXCHANGE OFFER. WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER OR NOT YOU SHOULD TENDER YOUR ELIGIBLE OPTIONS PURSUANT TO THE EXCHANGE OFFER. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR IN DOCUMENTS TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO GIVE YOU ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE EXCHANGE OFFER OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DOCUMENT OR IN THE RELATED DOCUMENTS. IF ANYONE MAKES ANY RECOMMENDATION OR REPRESENTATION TO YOU OR GIVES YOU ANY INFORMATION, YOU SHOULD NOT RELY UPON THAT RECOMMENDATION, REPRESENTATION OR INFORMATION AS HAVING BEEN AUTHORIZED BY US.

Schedule A

Selected Financial Data

The following selected financial data should be read in conjunction with the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the Securities and Exchange Commission, or SEC, on March 5, 2019, and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, filed with the SEC on May 8, 2019, each of which is incorporated herein by reference.

NEWLINK GENETICS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	March 31, 2019	December 31, 2018
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 113,184	\$ 120,738
Prepaid expenses and other current assets	4,447	5,536
Income tax receivable	341	339
Other receivables	305	459
Total current assets	118,277	127,072
Property and equipment, net	3,520	3,727
Right-of-use asset	7,334	—
Income tax receivable	140	140
Total non-current assets	10,994	3,867
Total assets	\$ 129,271	\$ 130,939
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 896	\$ 555
Accrued expenses	6,950	8,139
Current portion of deferred rent	—	92
Current portion of lease liability	963	—
Current portion of notes payable	63	61
Total current liabilities	8,872	8,847
Long-term liabilities:		
Royalty obligation payable to Iowa Economic Development Authority	6,000	6,000
Notes payable	27	43
Lease liability	7,353	\$ —
Deferred rent	—	906
Total long-term liabilities	13,380	6,949
Total liabilities	\$ 22,252	\$ 15,796
Stockholders' equity:		
Blank check preferred stock, \$0.01 par value: Authorized shares — 5,000,000 at March 31, 2019 and December 31, 2018; issued and outstanding shares — 0 at March 31, 2019 and December 31, 2018	—	—
Common stock, \$0.01 par value: Authorized shares — 75,000,000 at March 31, 2019 and December 31, 2018; issued 37,387,876 and 37,343,547 at March 31, 2019 and December 31, 2018, respectively, and outstanding 37,276,102 and 37,251,220 at March 31, 2019 and December 31, 2018, respectively	373	373
Additional paid-in capital	409,143	407,199
Treasury stock, at cost: 111,774 and 92,327 shares at March 31, 2019 and December 31, 2018, respectively	(1,449)	(1,417)
Accumulated deficit	(301,048)	(291,012)
Total stockholders' equity	\$ 107,019	\$ 115,143
Total liabilities and stockholders' equity	\$ 129,271	\$ 130,939

See accompanying notes to condensed consolidated financial statements.

NEWLINK GENETICS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except per share amounts)

	Three Months Ended March 31,	
	2019	2018
	(unaudited)	(unaudited)
Operating revenues:		
Grant revenue	\$ —	\$ 9,384
Licensing and collaboration revenue	106	516
Total operating revenues	106	9,900
Operating expenses:		
Research and development	5,203	20,314
General and administrative	5,567	8,292
Total operating expenses	10,770	28,606
Loss from operations	(10,664)	(18,706)
Other income and expense:		
Miscellaneous income	5	24
Interest income	624	385
Interest expense	(1)	(13)
Other income, net	628	396
Net loss before taxes	(10,036)	(18,310)
Income tax benefit	—	—
Net loss	\$ (10,036)	\$ (18,310)
Basic and diluted loss per share	\$ (0.27)	\$ (0.49)
Basic and diluted average shares outstanding	37,275,459	37,155,082

See accompanying notes to condensed consolidated financial statements.

NEWLINK GENETICS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Three Months Ended March 31,	
	2019	2018
	(unaudited)	(unaudited)
Cash Flows From Operating Activities		
Net loss	\$ (10,036)	\$ (18,310)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation	1,944	4,820
Depreciation and amortization	208	334
Gain on sale of fixed assets	(5)	(25)
Amortization of right-of-use assets	(16)	—
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	1,088	146
Other receivables	154	330
Accounts payable and accrued expenses	(848)	(1,907)
Income taxes receivable	(2)	17
Unearned revenue	—	(56)
Deferred rent	—	(25)
Net cash used in operating activities	<u>(7,513)</u>	<u>(14,676)</u>
Cash Flows From Investing Activities		
Proceeds on sale of equipment	5	83
Net cash provided by investing activities	<u>5</u>	<u>83</u>
Cash Flows From Financing Activities		
Issuance of common stock, net of offering costs	—	106
Repurchase of common stock	(32)	(261)
Principal payments on notes payable	(14)	(69)
Net cash used in financing activities	<u>(46)</u>	<u>(224)</u>
Net decrease in cash and cash equivalents	(7,554)	(14,817)
Cash and cash equivalents at beginning of period	120,738	158,708
Cash and cash equivalents at end of period	<u>\$ 113,184</u>	<u>\$ 143,891</u>
Supplemental disclosure of cash flows information:		
Cash paid for interest	\$ 1	\$ 3
Cash paid (refunds received) for taxes, net	\$ 2	\$ (17)

Subject: NewLink Genetics Corporation Offer to Exchange Eligible Options for New Options

To: Eligible Holders

Date: June 20, 2019

We are pleased to announce that NewLink Genetics Corporation (“*NewLink*”, “*we*”, “*us*” or “*our*”) is commencing an Offer to Exchange Eligible Options for New Options (referred to as the “*Exchange Offer*”) today, Thursday, June 20, 2019. The Exchange Offer allows eligible employees to exchange certain outstanding stock options for replacement stock options with modified terms. The terms of the Exchange Offer are detailed in the attached “Offer to Exchange Eligible Options for New Options,” dated June 20, 2019 (the “*Offering Documents*”), that was filed with the U.S. Securities and Exchange Commission and can be accessed using the following link: [URL]

Attached to this email is an Election Form listing your Eligible Options. The term “*Eligible Options*” will generally include the outstanding stock options granted to you on or before December 31, 2018 with an exercise price equal to or greater than \$2.97 per share. Please notify us immediately if you find any discrepancy or have any questions regarding the Eligible Options listed in your Election Form.

If you participate in the Exchange Offer, we will cancel your tendered Eligible Options and grant you “*New Options*” with modified terms as fully detailed in the Offering Documents. Please be aware, as further described in the Offering Documents, that the terms and conditions of your New Options, including the exercise price, term, vesting schedule and tax treatment, will be different than the Eligible Options, and upon receiving such New Options, all corresponding Eligible Options will be irrevocably cancelled.

All documents, communications and questions regarding the Exchange Offer should be delivered to and received from our designated email account (the “*Exchange Account*”): option.exchange@linkp.com.

Please carefully read *all* of the Offering Documents before making any decisions regarding this Exchange Offer. To participate in the Exchange Offer, please follow the instructions in the Election Form and deliver your completed and signed Election Form to the Exchange Account. If you later decide to revoke your election to exchange Eligible Options, please follow the instructions in the attached Notice of Withdrawal Form and deliver your completed and signed Notice of Withdrawal to the Exchange Account.

The Exchange Offer will expire at **5:00 p.m. Eastern Time on Wednesday, July 31, 2019**, unless extended at our sole discretion (the “*Expiration Time*”). If you intend to tender Eligible Options under the Exchange Offer, a signed copy of your Election Form must be **received** by NewLink by the Expiration Time. Similarly, if you intend to withdraw a prior election, your Notice of Withdrawal must be **received** by us by the Expiration Time.

We will be holding an information session on the Exchange Offer on Wednesday, June 26, 2019. However, please understand that we cannot advise you on whether or not to participate in the Exchange Offer. Participation in the Exchange Offer is entirely your decision and should be made based on your personal circumstances. NewLink recommends that you speak with your own tax and financial advisor to address questions about your decision.

This notice does not constitute an offer. The full terms of the Exchange Offer are described in the Schedule TO-I and accompanying documents which you may access on our website at www.newlinkgenetics.com or through the SEC website at www.sec.gov. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Offering Documents.

NEWLINK GENETICS CORPORATION
2503 South Loop Drive, Suite 5100
Ames, IA 50010

OPTION EXCHANGE - ELECTION FORM

THIS OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 p.m. Eastern Time
ON WEDNESDAY, JULY 31, 2019, UNLESS EXTENDED

Before completing and signing this Election Form, we encourage you to read the documents that make up this tender offer, including (1) the “Offer to Exchange Eligible Options for New Options,” dated June 20, 2019, filed with the U.S. Securities and Exchange Commission and separately delivered to you by e-mail from NewLink describing the terms of the Exchange Offer (collectively, the “**Offer Documents**”); (2) the e-mail from NewLink on June 20, 2019 announcing the commencement of the Exchange Offer; and (3) this Election Form, including the Agreement to the Terms of Election and Instructions to this Election Form attached below. The Exchange Offer is subject to the terms set forth in the Offer Documents as they may be amended. The Exchange Offer expires at 5:00 p.m. Eastern Time on Wednesday, July 31, 2019, unless extended. All capitalized terms used in this Election Form but not defined herein shall have the meanings given in the Offer Documents.

PLEASE FOLLOW THE INSTRUCTIONS ATTACHED TO THIS FORM.

*If you wish to participate in the Exchange Offer, please check the box next to “**Yes, exchange Eligible Option for New Option**” below, and you will tender your Eligible Option in exchange for the grant of a New Option under the terms of the Exchange Offer. Each Eligible Option you elect to tender for exchange must be tendered in whole.*

*Please note that if you check the box next to “**No, retain Eligible Option,**” your Eligible Option will remain outstanding subject to its original terms, and no New Option will be granted to you. If you make no election, or do not return this Election Form before the Expiration Time, you will retain your Eligible Options, and no New Options will be granted to you.*

Return by Email (By PDF or similar imaged document file) to: option.exchange@linkp.com

Employee Name:

Eligible Options				New Options		Election to tender Eligible Option in exchange for New Option
Grant Number	Grant Date	Exercise Price	Shares	Ratio	Shares	
						<input type="checkbox"/> Yes, exchange Eligible Option for New Option <input type="checkbox"/> No, retain Eligible Option
						<input type="checkbox"/> Yes, exchange Eligible Option for New Option <input type="checkbox"/> No, retain Eligible Option
						<input type="checkbox"/> Yes, exchange Eligible Option for New Option <input type="checkbox"/> No, retain Eligible Option

YOUR SIGNATURE AND SUBMISSION OF THIS ELECTION FORM INDICATES THAT YOU AGREE TO ALL TERMS OF THE OFFER AS SET FORTH IN THE EXCHANGE OFFER DOCUMENTS, AS WELL AS THE AGREEMENT TO THE TERMS OF THE ELECTION ATTACHED HERETO.

Please note that you may change your election by submitting a new properly completed and signed Election Form prior to the expiration date, which will be 5:00 p.m. Eastern Time on Wednesday, July 31, 2019, unless extended. The last valid election submitted to NewLink prior to the expiration of the Exchange Offer shall be effective and supersede any prior election forms you submit.

Employee Name:

(Signature)

(Print Name)

(Date)

AGREEMENT TO THE TERMS OF ELECTION

To: NewLink Genetics Corporation (“*NewLink*”)
2503 South Loop Drive, Suite 5100
Ames, IA 50010

Email: option.exchange@linkp.com

By signing and submitting this Election Form, I acknowledge that:

1. I acknowledge that I have received the “*Offer to Exchange Eligible Options for New Options*,” including the “*Summary Term Sheet - Questions and Answers*” (collectively, the “*Offer Documents*”) from NewLink, dated June 20, 2019, and upon making an election herein, I agree to all of the terms and conditions of the Offer Documents.
 2. I tender to NewLink for exchange the Eligible Options specified on this Election Form and understand that, upon acceptance by NewLink, this Election Form will constitute a binding agreement between NewLink and me. I have checked the box corresponding to the Eligible Options that I elect to tender for exchange. I understand that any election that I make to tender an option for exchange that does not qualify as an Eligible Option will not be accepted, and such options will remain outstanding subject to their original terms following the Exchange Offer.
 3. I understand that if I validly tender an Eligible Option for exchange and such Eligible Option is accepted, such Eligible Option will automatically be cancelled by NewLink in exchange for the grant of a New Option with the applicable New Option terms described in the Offer Documents, including, without limitation:
 - Each New Option will have an exercise price equal to the closing price of our common stock reported on Nasdaq on the date that the New Option is granted.
 - Each New Option will represent your right to purchase a reduced number of shares of our common stock based on the exchange ratio specified in the Offer Documents and referenced on your Election Form.
 - Each New Option will have a maximum term of seven (7) years.
 - The vesting schedule of your New Options will be as follows:
 - To the extent an Eligible Option is vested as of the Exchange Date, such vested portion may be exchanged for a New Option that will vest 50% on the first anniversary of the grant date and 50% on the second anniversary of the grant date.
 - To the extent an Eligible Option is unvested as of the Exchange Date, such unvested portion may be exchanged for a New Option that will vest 50% on the second anniversary of the grant date and 50% on the third anniversary of the grant date.
 4. To remain eligible to tender Eligible Options for exchange pursuant to the Exchange Offer, I understand that I must remain an Eligible Holder and must not have received nor given a notice of termination of employment prior to Expiration Time, which is scheduled to be **5:00 p.m. Eastern Time on Wednesday, July 31, 2019**, unless extended. I understand that if my employment with NewLink ceases prior to the expiration of the Exchange Offer, NewLink will not accept my Eligible Options for exchange and I or my estate or beneficiaries, as the case may be, will retain my Eligible Options subject to their original terms and conditions.
 5. I understand that if I cease providing services to NewLink for any reason before the shares underlying my New Option vest, I will forfeit any unvested portion of my New Option, subject to the terms of the Amended 2009 Plan.
 6. I understand that neither the ability to participate in the Exchange Offer nor actual participation in the Exchange Offer will be construed as a right to continued employment or service with NewLink.
 7. I understand that this election is entirely voluntary, and I am aware that I may change or withdraw my decision to tender my Eligible Options at any time until the Exchange Offer expires as described in the Instructions to Election Form. **I understand that this decision to tender my Eligible Options will be irrevocable as of 5:00 p.m. Eastern Time on Wednesday, July 31, 2019, unless the Exchange Offer is extended.** Participation in the Offer is entirely your decision and should be made based on your personal circumstances. NewLink has not authorized any person to make any recommendation on our behalf as to whether or not you should participate in the Exchange Offer.
 8. I understand that I may receive certain future “confirmation letters” or other communications from NewLink in connection with the Exchange Offer, including a communication confirming if NewLink has received this Election Form and whether NewLink ultimately accepts or rejects this Election Form. Unless I have provided an alternative e-mail address for contacting me (via option.exchange@linkp.com), I hereby confirm that I will have access to my regular NewLink e-mail for purposes of these future communications.
-

INSTRUCTIONS TO ELECTION FORM

1. **DEFINED TERMS.** All capitalized terms used in this Election Form but not defined herein have the meanings given in the Offer to Exchange Eligible Options for New Options, dated June 20, 2019, filed with the U.S. Securities and Exchange Commission and separately delivered to you by e-mail from NewLink. The use of “*NewLink*,” “*we*,” “*us*” and “*our*” in this Election Form refers to NewLink Genetics Corporation.
2. **EXPIRATION TIME.** The Exchange Offer and any rights to tender or to withdraw a tender of Eligible Options expire at **5:00 p.m. Eastern Time on Wednesday, July 31, 2019**, unless the Exchange Offer is extended (and unless we have accepted the Eligible Options, you may also withdraw any such tendered securities at any time after **11:59 p.m. Eastern Time on Wednesday, August 14, 2019**).
3. **DELIVERY OF ELECTION FORM.** If you intend to tender Eligible Options under the Exchange Offer, a signed copy of this Election Form must be received by NewLink before **5:00 p.m. Eastern Time on Wednesday, July 31, 2019** (or such later date as may apply if the Exchange Offer is extended) by the following means:
 - **By Email (By PDF or similar imaged document file) to:** option.exchange@linkp.com

Your Election Form will be effective only upon receipt by us. **You are responsible for making sure that the Election Form is delivered to the electronic mail address indicated above. You must allow for sufficient time to complete and deliver this Election Form to ensure that we receive your Election Form on time.**

You are not required to tender any of your Eligible Options for exchange. If you choose to tender for exchange a particular Eligible Option, you must tender the entire option, but need not tender other Eligible Options held by you. On the Election Form, please check the box corresponding to the Eligible Options that you wish to tender for exchange. You do not need to return your stock option agreements relating to any tendered Eligible Options, as they will be automatically cancelled if we accept your Eligible Options for exchange and grant you New Options.

4. **WITHDRAWAL OF ELECTION.** Tenders of Eligible Options made under the Exchange Offer may be withdrawn at any time before **5:00 p.m. Eastern Time on Wednesday, July 31, 2019**, unless we extend the expiration date, in which case withdrawals must be received before such later expiration date and time (and unless we have accepted the Eligible Options, you may also withdraw any such tendered options after **11:59 p.m. Eastern Time on Wednesday, August 14, 2019**).

To withdraw tendered Eligible Options, you must deliver by email (a PDF or similar imaged document file) a properly completed and signed Notice of Withdrawal to: option.exchange@linkp.com.

Withdrawals may not be rescinded and any Eligible Options withdrawn will not be considered to be properly tendered, unless the withdrawn Eligible Options are properly re-tendered before the Expiration Date by following the procedures described in Instruction 3 above.

5. **SIGNATURES.** Please sign and date this Election Form. Except as described in the following sentence, this Election Form must be signed by the Eligible Holder who holds the Eligible Options to be tendered in the same manner as such Eligible Holder’s name appears on the applicable stock option agreement. If the signature is by an attorney-in-fact or another person acting in a fiduciary or representative capacity, the signer’s full title and proper evidence of the authority of such person to act in such capacity must be identified on this Election Form.
6. **REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES.** Any questions or requests for assistance regarding the Exchange Offer (including requests for additional or hard copies of the Exchange Offer or this Election Form) should be directed to option.exchange@linkp.com.
7. **IRREGULARITIES.** We will determine all questions as to the number of shares subject to Eligible Options tendered and the validity, form, eligibility (including time of receipt) and acceptance of any tender of Eligible Options for exchange. Subject to any order or decision by a court or arbitrator of competent jurisdiction, our determination of these matters will be final and binding on all parties. We may reject any or all tenders of Eligible Options for exchange that we determine are not in appropriate form or that we determine are unlawful to accept. We may waive any defect or irregularity in any tender with respect to any particular Eligible Options or any particular Eligible Holder before the expiration of the Exchange Offer. No Eligible Options will be accepted for exchange until the Eligible Holder exchanging the Eligible Options has cured all defects or irregularities to our satisfaction, or they have been waived by us, prior to the Expiration Date. Neither we nor any other person is obligated to give notice of any defects or irregularities involved in the exchange of any Eligible Options.
8. **CONDITIONAL OR CONTINGENT OFFERS.** We will not accept any alternative, conditional or contingent tenders.
9. **IMPORTANT U.S. TAX INFORMATION.** You should refer to Section 12 of the Offering Memorandum included in the Offering Documents, which contains important U.S. tax information. We encourage you to consult with your own financial and tax advisors if you have questions about your financial or tax situation.

INSTRUCTIONS TO NOTICE OF WITHDRAWAL OF ELECTION FORM

If you previously elected to accept the offer by NewLink Genetics Corporation (“*NewLink*”) to exchange some or all of your outstanding Eligible Options for New Options, subject to the terms and conditions of the Offer to Exchange Eligible Options for New Options, dated June 20, 2019 (the “*Exchange Offer*”), and you would like to change your election and withdraw the tender of any of your Eligible Options for exchange, **you must complete and sign this Notice of Withdrawal of Election Form (the “*Notice of Withdrawal*”) and return it to NewLink before 5:00 p.m. Eastern Time on Wednesday, July 31, 2019, unless extended.** Once the Notice of Withdrawal is signed and complete, please return it to NewLink by the following means:

By Email (By PDF or similar imaged document file) to: option.exchange@linkp.com. Your tendered Eligible Options will not be considered withdrawn from the Exchange Offer until we receive your properly completed and signed Notice of Withdrawal. If you miss the deadline to submit the Notice of Withdrawal but remain an Eligible Holder, any previously tendered Eligible Options will be cancelled pursuant to the Exchange Offer in exchange for the grant of New Options. You must sign the Notice of Withdrawal in the same manner your name appears on the Election Form you previously submitted. If your signature is by an attorney-in-fact or another person acting in a fiduciary or representative capacity for you, the signer’s full title and proper evidence of the authority of that person to act in that capacity must be identified on this Notice of Withdrawal.

You should receive a confirmation of receipt within three (3) business days of submitting your Notice of Withdrawal. If you have not received a confirmation of receipt before Wednesday, July 31, 2019 (unless the Exchange Offers is extended), please contact us promptly at option.exchange@linkp.com to confirm we received your Notice of Withdrawal.

YOU DO NOT NEED TO COMPLETE AND RETURN THIS NOTICE OF WITHDRAWAL UNLESS YOU WISH TO WITHDRAW A PREVIOUS TENDER OF ELIGIBLE OPTIONS FOR EXCHANGE.

NEWLINK GENETICS CORPORATION
2503 SOUTH LOOP DRIVE, Suite 5100
AMES, IA 50010

NOTICE OF WITHDRAWAL

Return by Email (By PDF or similar imaged document file) to: option.exchange@linkp.com

I previously received from NewLink the Offer to Exchange Eligible Options for New Options, dated June 20, 2019, and the Election Form. I signed and returned the Election Form, in which I elected to tender some or all of my Eligible Options in exchange for New Options. By submitting this Notice of Withdrawal, I am revoking that election and hereby withdraw from the Exchange Offer with respect to the Eligible Option grants listed below:

Eligible Options				
Grant Number	Grant Date	Exercise Price	Shares	
				<input type="checkbox"/> <u>Revoke election</u>
				<input type="checkbox"/> <u>Revoke election</u>
				<input type="checkbox"/> <u>Revoke election</u>

I understand that, by signing this Notice of Withdrawal and delivering it to NewLink, I withdraw my acceptance of the Exchange Offer with respect to the Eligible Option grants listed above. By rejecting the Exchange Offer with respect to the Eligible Options listed above, I understand that such Eligible Options will not be cancelled in exchange for the grant of New Options, and I will retain these Eligible Options subject to their existing exercise price, term, vesting schedule and other terms and conditions. I agree that NewLink has made no representations or warranties to me regarding my rejection of the Exchange Offer. The withdrawal of the Eligible Options listed above is at my sole and exclusive discretion. I agree that NewLink will not be liable for any costs, taxes, losses or damages I may incur as a result of my decision to withdraw the Eligible Options listed above.

By signing below, I hereby revoke my prior election to tender the Eligible Option grants listed above.

 (Signature)

 (Print Name)

 (Date)

**FORM OF
COMMUNICATION TO ELIGIBLE HOLDERS PARTICIPATING IN
THE EXCHANGE OFFER CONFIRMING RECEIPT OF ELECTION FORM**

Date:

To:

From: NewLink Genetics Corporation

Re: Confirmation of Receipt of Election Form

This message confirms that we have received your Election Form. This confirmation should not, however, be construed to imply that the Election Form or any other documents that you have submitted have been properly completed or are otherwise in proper form or that we have accepted your Eligible Options for exchange. If your Election Form is properly completed and signed, and all eligibility requirements are met, we expect to accept your Eligible Options elected for exchange and to grant you New Options, subject to the terms and conditions set forth in the Exchange Offer, promptly following the expiration of the Exchange Offer at 5:00 p.m. Eastern Time on Wednesday, July 31, 2019, unless the Exchange Offer is extended by us. Any Eligible Options listed on your Election Form for which you checked the “Yes, exchange eligible option” box, will be cancelled and New Options granted in exchange in the manner described in the Exchange Offer.

Unless you withdraw your tendered Eligible Options by providing us a properly completed and signed Notice of Withdrawal before 5:00 p.m. Eastern Time on Wednesday, July 31, 2019 (or, if the Exchange Offer is extended, before the new termination date) (provided, however, that unless we have accepted your tendered Eligible Options, you may also withdraw any such tendered Eligible Options at any time after 5:00 p.m. Eastern Time on Wednesday, July 31, 2019), we will, subject to the conditions of the Exchange Offer, cancel all Eligible Options that you have properly tendered and grant you New Options in exchange. If you do not withdraw your tendered Eligible Options and we accept your Eligible Options for exchange, promptly following the expiration of the Exchange Offer we will provide you with a “confirmation letter” confirming that your Eligible Options have been accepted for exchange. In addition, we will separately send to you the grant documents relating to the New Options for signature. Your Election Form may be changed or revoked at any time by delivering a new properly completed and signed Election Form Sheet bearing a later date so long as we receive the documents before the expiration of the Exchange Offer.

You should direct questions about the Exchange Offer or requests for assistance (including requests for additional or paper copies of the Exchange Offer, the Election Form or other documents relating to the Exchange Offer) to Legal Department by sending an email to option.exchange@linkp.com or by calling (515) 296-5555.

Capitalized terms not otherwise defined herein shall have the meaning set forth in the Offer to Exchange Eligible Options for New Options, dated June 20, 2019 (the “*Exchange Offer*”).

**FORM OF COMMUNICATION TO ELIGIBLE HOLDERS
CONFIRMING RECEIPT OF NOTICE OF WITHDRAWAL OF ELECTION FORM**

Date:

To:

From: NewLink Genetics Corporation

Re: Confirmation of Receipt of Notice of Withdrawal of Election Form

This message confirms that we have received your Notice of Withdrawal of Election Form (the "*Notice of Withdrawal*"). This confirmation should not, however, be construed to imply that the Notice of Withdrawal or any other documents that you have submitted have been properly completed or are otherwise in proper form or that we have accepted your Notice of Withdrawal. If the Notice of Withdrawal is properly completed and signed and timely received by us, you will have withdrawn all of the Eligible Options listed on the Notice of Withdrawal and you will have revoked your prior acceptance of our offer to exchange such Eligible Options. With respect to those Eligible Options listed on the Notice of Withdrawal, we will not exchange such awards for New Options and you will retain your Eligible Options previously tendered for exchange with their existing exercise price, term, vesting schedule and other terms and conditions.

If your Notice of Withdrawal is properly completed and signed, we will accept your rejection of the Exchange Offer. Your Eligible Options listed on the Notice of Withdrawal will remain outstanding after the Offer closes at **5:00 p.m. Eastern Time on Wednesday, July 31, 2019**, unless the Exchange Offer is extended by us.

You should direct questions about the Offer or requests for assistance (including requests for additional or paper copies of the Offer, the Election Form, or other documents relating to the Offer) to Legal Department by sending an email to option.exchange@linkp.com or by calling (515) 296-5555.

Capitalized terms not otherwise defined herein shall have the meaning set forth in the Offer to Exchange Eligible Options for New Options, dated June 20, 2019 (the "*Exchange Offer*").

Subject: REMINDER - NewLink Genetics Corporation Offer to Exchange Eligible Options for New Options

To: Eligible Employees

Date: _____, 2019

This email is intended to serve as a reminder that we are nearing the expiration of the Exchange Offer described in the Offer to Exchange Eligible Options for New Options, dated June 20, 2019 (the "**Exchange Offer**"). The Exchange Offer and withdrawal rights will remain open until **5:00 p.m. Eastern Time on Wednesday, July 31, 2019**, unless the Exchange Offer is extended (provided, however, that if we have not accepted the tendered Eligible Options, you may also withdraw any such tendered securities at any time after **11:59 p.m. Eastern Time on Wednesday, August 14, 2019**). The submission of all Election Forms and/or Notice of Withdrawal forms must be made by the deadline noted above, or the Expiration Time if the expiration of the Exchange Offer is extended. We cannot accept late submissions.

If you have any questions about the Offer, you can contact:

Legal Department
Phone: (515) 296-5555
E-Mail: option.exchange@linkp.com

This notice does not constitute an offer. The full terms of the Exchange Offer are described in the Schedule TO and accompanying documents which you may access on our website at www.newlinkgenetics.com or through the SEC website at www.sec.gov. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Exchange Offer.

**FORM OF CONFIRMATION LETTER TO ELIGIBLE EMPLOYEES
PARTICIPATING IN THE EXCHANGE OFFER**

Date:

To:

From: NewLink Genetics Corporation

Re: Confirmation of Acceptance of Election Form

Thank you for your submission of the Election Form. We confirm with this letter that we have accepted your Election Form. Subject to the other terms and conditions of the Exchange Offer, your Eligible Options will be cancelled and New Options will be granted to you. Shortly, we will be sending you a grant notice and award agreement for your New Options that contain the terms of the New Options (the "***New Option Agreement***") as described in the Offer to Exchange Eligible Options for New Options, dated June 20, 2019 (the "***Exchange Offer***"). The New Option Agreement will be delivered electronically.

In the meanwhile, if you have any questions, please send an email to option.exchange@linkp.com or call Legal Department at (515) 296-5555.

Capitalized terms not otherwise defined herein shall have the meaning set forth in the Exchange Offer.

Subject: NewLink Genetics Corporation Offer to Exchange Eligible Options for New Options

To: Eligible Holders

Date: July 19, 2019

We are writing to inform you that NewLink Genetics Corporation (“we”, “us” or “our”) has extended the period of its Offer to Exchange Eligible Options for New Options (referred to as the “*Exchange Offer*”) to **5:00 p.m. Eastern Time, Wednesday, July 31, 2019**. Thus, all references to “July 19, 2019” in the Exchange Offer, as set forth in the “Offer to Exchange Eligible Options for New Options,” dated June 20, 2019 (the “*Offering Documents*”), that was filed with the U.S. Securities and Exchange Commission and can be accessed using the following link: <https://www.sec.gov/Archives/edgar/data/1126234/000112623419000071/nlnk-20190620xsctoxt.htm>, will instead be to “July 31, 2019”. All other terms and conditions of the Exchange Offer as set forth in the Offering Documents remain unchanged.

All documents, communications and questions regarding the Exchange Offer should be delivered to and received from our designated email account (the “*Exchange Account*”): option.exchange@linkp.com.

Please carefully read *all* of the Offering Documents before making any decisions regarding this Exchange Offer. **This notice does not constitute an offer. The full terms of the Exchange Offer are described in the Schedule TO-I, as amended from time to time, and accompanying documents which you may access on our website at www.newlinkgenetics.com or through the SEC website at www.sec.gov.** Capitalized terms not otherwise defined herein shall have the meaning set forth in the Offering Documents.