

Part II Organizational Action (continued)

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

Blank lines for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ See attachment

Blank lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment

Blank lines for providing other necessary information.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ 

Date ▶ 8/4/2020

Print your name ▶ Carl Langren

Title ▶ Chief Financial Officer

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

MERGER ATTACHMENT:

Lumos Pharma, Inc.

EIN: 38-3830503

Attachment to Form 8937

Report of Organizational Actions Affecting Basis of Securities

Form 8937, Part I, Box 10

For clarity, 55028X 109 is the CUSIP number for Lumos Pharma, Inc. after the effective time of the Merger (as defined below).

Form 8937, Part I, Box 12

For clarity, LUMO is the ticker symbol for Lumos Pharma, Inc. after the effective time of the Merger (as defined below).

Form 8937, Part II, Box 14

On March 19, 2020, Cyclone Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of NewLink Genetics Corporation ("*NewLink*"), merged with Lumos Pharma, Inc. ("*Lumos*") with Lumos continuing its existence as the surviving corporation and as a direct, wholly owned subsidiary of NewLink (the "*Merger*").

In the Merger, Lumos shareholders exchanged their Lumos shares for a certain number of shares of NewLink Common Stock per share of Lumos stock. The exchange ratio of Lumos shares for shares of NewLink Common Stock depended on the class of Lumos shares held and the adjusted total shares of both NewLink and Lumos outstanding at the effective time of the Merger. The classes and final exchange ratios for Lumos shares were as follows: for Common Stock a ratio of 0.1308319305 shares of NewLink Common Stock per share of Lumos Common Stock; for Series A Preferred Stock a ratio of 0.0873621142 shares of NewLink Common Stock per share of Lumos Series A Preferred Stock; and for Series B Preferred Stock a ratio of 0.1996348626 shares of NewLink Common Stock per share of Lumos Series B Preferred Stock. No fractional shares of NewLink Common Stock were issued, but instead each Lumos shareholder who was otherwise entitled to a fractional share received a cash amount based on the volume weighted average closing trading price of a share of NewLink Common Stock for the five consecutive trading days immediately prior to September 30, 2019.

Form 8937, Part II, Box 15

Lumos intends for the Merger to be treated for federal income tax purposes as a tax-free reorganization under Section 368(a) of the Internal Revenue Code. Accordingly, a Lumos shareholder's basis in each share of NewLink Common Stock received in the Merger will be equal to the basis in each of their shares of Lumos Common Stock, Series A Preferred Stock or Series B Preferred Stock surrendered in exchange for that share of NewLink Common Stock, divided by the applicable exchange ratio of 0.1308319305 shares of NewLink Common Stock per share of Lumos Common Stock; 0.0873621142 shares of NewLink Common Stock per share of Lumos Series A Preferred Stock; and 0.1996348626 shares of NewLink Common Stock per share of Lumos Series B Preferred Stock. The aggregate tax basis in the shares of NewLink Common Stock that were received by a Lumos shareholder in the Merger, including any fractional share interests deemed received and exchanged for cash, will equal such Lumos shareholder's aggregate adjusted tax basis in the shares of Lumos Common Stock, Series A Preferred Stock or Series B Preferred Stock surrendered in the Merger.

The basis in the surrendered Lumos shares must be allocated in a manner that reflects, to the greatest extent possible, that shares of NewLink Common Stock received are received in exchange for shares of Lumos stock

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that were acquired on the same date and at the same price. To the extent it is not possible to allocate in this manner, the basis of the Lumos shares surrendered must be allocated to the shares of NewLink Common Stock received in a manner that minimizes the disparity in the holding periods of the surrendered Lumos shares whose basis is allocated to any particular share received. This could result in a particular share having a split basis and a split holding period. Each shareholder should consult with his, her or its tax advisor with respect to the computation of gain or loss and basis in the Merger based on his, her or its specific facts.

Any Lumos shareholder receiving cash in lieu of a fractional share of NewLink Common Stock in the Merger will be treated as having received the fractional share of NewLink Common Stock pursuant to the Merger and then as having sold that fractional share of NewLink Common Stock for cash. As a result, a Lumos shareholder generally will recognize gain or loss equal to the difference between the amount of cash received and the basis in such shareholder's fractional share of NewLink Common Stock as set forth above.

Form 8937, Part II, Box 16

The basis in each share of NewLink Common Stock received in the Merger will generally be equal to the basis in each share of Lumos Common Stock, Series A Preferred Stock or Series B Preferred Stock surrendered in exchange for that share of NewLink Common Stock, divided by the applicable exchange ratio of 0.1308319305 shares of NewLink Common Stock per share of Lumos Common Stock; 0.0873621142 shares of NewLink Common Stock per share of Lumos Series A Preferred Stock; and 0.1996348626 shares of NewLink Common Stock per share of Lumos Series B Preferred Stock. The remaining basis in the fractional shares that are exchanged for cash in lieu will be compared to the cash received for those shares and gain or loss will be recognized accordingly. See the discussion in Box 15 above for further description of the specific allocation of basis when certain shares have a different basis per share and/or holding period.

Form 8937, Part II, Box 17

The Merger is intended to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Other relevant Internal Revenue Code sections include 354, 358 and 1001.

Form 8937, Part II, Box 18

In general, Lumos shareholders will not recognize any gain or loss for U.S. federal income tax purposes by reason of the Merger, except with respect to the cash received in lieu of fractional shares of NewLink Common Stock as described in Boxes 15 and 16 above.

Form 8937, Part II, Box 19

The Merger was completed on March 19, 2020. Consequently, the reportable tax year of the Lumos shareholders for reporting the tax effect of the Merger share exchange is the tax year that includes the March 19, 2020 date. This is the 2020 calendar year for those Lumos shareholders who report taxable income on the basis of a calendar year.