

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name NewLink Genetics Corporation		2 Issuer's employer identification number (EIN) 42-1491350	
3 Name of contact for additional information Investor Relations	4 Telephone No. of contact 515-296-5555	5 Email address of contact info@linkp.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 2503 South Loop Drive, Suite 5100		7 City, town, or post office, state, and Zip code of contact Ames, IA 50010	
8 Date of action 11/10/11		9 Classification and description NewLink Genetics Common and Preferred Stock	
10 CUSIP number 651511107	11 Serial number(s)	12 Ticker symbol NLNK	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

- 14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► On October 19, 2011, NewLink Genetics Corporation ("NewLink") Board of Directors approved a 2.1-for-1 reverse stock split of NewLink's common stock (the "Reverse Split") to be effected prior to the effective date of NewLink's registration statement. In connection with the Reverse Split, NewLink filed a Certificate of Amendment of the Restated Certificate of Incorporation with the Secretary of the State of Delaware on October 25, 2011 making the Reverse Split effective. On November 10, 2011, NewLink's registration statement was declared effective for its initial public offering ("IPO"), pursuant to which NewLink sold 6,200,000 shares of its common stock at a public offering price of \$7.00 per share. Upon the closing of the IPO, all of the outstanding shares of NewLink's preferred stock were converted to shares of NewLink common stock.
- 15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► The Reverse Split constitutes a "recapitalization" for U.S. federal income tax purposes and, therefore, a reorganization within the meaning of Section 368(a)(1)(E) of the Code. As a result, a stockholder generally should not recognize a gain or loss upon the Reverse Split, except with respect to cash received in lieu of a fractional share of the common stock, as discussed below. A stockholder's aggregate tax basis in the shares of the common stock received pursuant to the Reverse Split should equal the aggregate tax basis of the shares of the common stock surrendered (excluding any portion of such basis that is allocated to any fractional share of the common stock), and such stockholder's holding period (i.e., acquired date) in the shares of the common stock received should include the holding period in the shares of the common stock surrendered. A stockholder who receives cash (representing a mechanical rounding of shares, rather than separately bargained for consideration) in lieu of a fractional share of common stock pursuant to the Reverse Split generally should recognize capital gain or loss in an amount equal to the difference between the amount of cash received and the holder's tax basis in the shares of the common stock surrendered that is allocated to such fractional share of the common stock. Such capital gain or loss should be long-term capital gain or loss if the holder's holding period for the stock surrendered exceeded one year.
- 16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► The Reverse Split only applied to NewLink's common stock, but resulted in a proportional adjustment to the conversion prices of NewLink's preferred stock that were set forth in the NewLink Certificate of Incorporation in effect at the time of the IPO. As a result, each stockholder held approximately 47.6% the number of common shares outstanding post-Reverse Split as each stockholder held prior to the Reverse Split (on an as-converted to common stock basis). In addition, upon closing of the IPO, the conversion prices of NewLink's Series BB Preferred Stock, Series C Preferred Stock and Series D Preferred Stock that were set forth in the NewLink Certificate of Incorporation in effect at the time of the IPO received anti-dilution adjustments as a result of the price per share in the IPO being lower than such conversion prices. The anti-dilution adjustments for Series BB Preferred Stock, Series C Preferred Stock and Series D Preferred Stock were approximately 9.6%, 14% and 14%, respectively. Taking into account the effects of the Reverse Split and these anti-dilution adjustments, Series BB Preferred Stock, Series C Preferred Stock and Series D Preferred Stock received approximately 52.2%, 54.3% and 54.3% the number of common shares following the Reverse Split and IPO as they held immediately prior to the Reverse Split (on an as-converted to common stock basis).

Part II **Organizational Action** (continued)**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► _____[Code Sections 358 and 302 and Rev. Rul. 69-34](#)**18** Can any resulting loss be recognized? ► _____**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ► _____**Sign
Here**

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.

Signature ► _____ Date ► _____

Print your name ► [Gordon Link](#)Title ► [CFO](#)**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.			

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054