

Equity Research

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NewLink Genetics Corporation (NLNK-\$7.18)

Rating: BUY

Target Price: \$12.00

Focus on Fundamentals

<u>EPS</u>	<u>1Q</u>	<u>2Q</u>	<u>3Q</u>	<u>4Q</u>
2010A	(1.02)A	(1.21)A	(1.49)A	(1.12)A
2011E	(1.07)A	(1.20)A	(1.09)A	(0.36)E
2012E	(0.59)E	(0.59)E	(0.52)E	(0.48)E
2013E	—	—	—	—
<u>REV</u>	<u>1Q</u>	<u>2Q</u>	<u>3Q</u>	<u>4Q</u>
2010A	0.3A	0.4A	0.4A	1.0A
2011E	0.6A	0.5A	0.4A	0.4E
2012E	0.4E	0.3E	0.3E	0.3E
2013E	—	—	—	—
<u>FY</u>	<u>2010A</u>	<u>2011E</u>	<u>2012E</u>	<u>2013E</u>
EPS	(4.84)A	(2.73)E	(2.19)E	(2.07)E
Prev	—	—	(2.39)E	—
REV	2.1A	2.0E	1.3E	1.0E

- We recently met with NewLink management, which reaffirmed our view that the company's new flow over the next 24 months could be significant, providing visibility on clinical programs.
- HyperAcute Pancreas (pancreatic cancer) is in Phase III and is likely to reach an interim look in late 2012. The trial is addressing earlier stage pancreatic cancer with low residual disease burden, an approach that is very much at the forefront of cancer vaccines.
- We expect that NewLink will update HyperAcute Pancreas enrollment throughout the year. We are looking for enrollment numbers to approach the halfway mark in 1H:12 and a Phase III trial in NSCLC to start. As of 3Q:11, 200 patients had been enrolled in the trial.
- A core part of our investment thesis is that NewLink has multiple opportunities for milestones over the next 12-24 months and is developing treatments – based on two technology platforms – with products addressing sizable unmet medical needs. This thesis remains intact, and we expect milestone events to be additive to the company's valuation.
- We maintain our price target of \$12 and BUY rating. This is based on a 40x multiple on our forecasted 2016 EPS of \$2.26, discounted at 50%.

Current Statistics

Market Cap (\$Mil)	\$147.8	Float Shares (Mil):	NA
Short Interest (Mil):	NA		
Avg. Daily Trading Volume (3 mo.):	NA		
Shares Out (Mil):	20.591		

Company Description

NewLink Genetics is a development stage company focused on cancer treatments. Founded in 1999, NewLink has two technology platforms, HyperAcute (allogeneic vaccine) and IDO inhibition (oral, small molecule), in various stages of trials. The HyperAcute program is the furthest in development, with the lead candidate, HyperAcute Pancreas, in a Phase III trial for pancreatic cancer. NewLink also has mid-stage trials underway in non small cell lung cancer and melanoma.

Summary

Milestones and Unmet Medical Needs

Investment Thesis: NewLink is working in the rapidly developing field of cancer immunotherapy. The company has a novel approach based on a solid scientific foundation and is working in areas of tremendous unmet need. We have identified what we believe to be critical success factors for a cancer immunotherapy company, and further believe that NewLink meets these criteria. The company has identified appropriate clinical settings with which to test their technology (modest disease burden, consistent booster dosing); has a robust trial design; is addressing critical unmet medical needs; and has a scalable, financially reasonable manufacturing process and technology. Additionally, the stage and depth of NewLink's clinical program is compelling, and there are multiple opportunities for milestone updates over the next 24 months.

- **Indications & Unmet Medical Needs.** NewLink's initial clinical programs are focused on pancreatic cancer, lung cancer and melanoma, three diseases of major unmet medical need. The company has identified patient populations within these groups that are likely to benefit from the HyperAcute immunotherapy program, and has designed clinical trials around appropriate patient populations. We believe that the field of immunotherapy in cancer has evolved, learning from prior clinical failures that trials in the sickest of patients, with the highest disease burdens, may be the least likely to derive benefit from treatment. Hence, NewLink has honed in on the earlier stage populations that still have tremendous unmet medical need. For instance, in pancreatic cancer, NewLink's program is addressing the roughly 25% of patients that are diagnosed at early stage but still face dire odds of survival.
- **Trial Design.** NewLink's Phase III trial of HyperAcute Pancreas is a large, randomized Phase III clinical trial consisting of over 700 patients. The company has vetted the trial design with the FDA, and it will be conducted with a Special Protocol Assessment (SPA), mitigating the risk that the Agency takes issue with the trial design or other elements once the trial has been completed.
- **Manufacturing.** NewLink's HyperAcute technology relies on allogeneic matter. That is, the treatment consists of cells that do not need to be harvested from the patient. In scientific parlance, they are of the same species but antigenically distinct. This helps to create a straightforward and streamline manufacturing process, with attractive margins.
- **Milestone Opportunities.** A key component of valuation building for biotechnology companies is derived from milestone events. NewLink has a full milestone calendar over the next 24 months, and we expect news flow from such events will provide incremental opportunities to build value. In 2012 alone, we expect that the company will have the opportunity to advance two products into later stage of clinical trials and take an interim look at data from its Phase III trial.

Updated 2012E EPS

With this report we are publishing our quarterly EPS forecast for 2012. We project that NewLink will incur a loss of \$2.19 for 2012 with R&D expenses of \$23.6 million, a 66% increase over our forecasted 2011 estimate of \$14.1 million. Our quarterly figures could shift throughout the year as expenditures may change depending on timing of clinical and other corporate activity. Such clinical activity will most likely be visible in the form of milestones, and we continue to view the milestone calendar over the next 24 months as compelling based on the potential for announcements from all of the company's clinical trial programs.

Exhibit 1. Milestone Calendar

Candidate	Event	Timeframe
D-1MT	Phase I preliminary data/p53 study	1Q:12
D-1MT	Phase I preliminary data/taxotere study	1Q:12
HyperAcute Lung	Initiate Phase IIB/III	1H:12
HyperAcute Melanoma	Phase II update	2H:12
HyperAcute Pancreas	1st interim analysis	4Q:12
HyperAcute Melanoma	Initiate Phase IIB	2H:12
2nd Generation IDO	Initiate Phase I	2H:12
HyperAcute Pancreas	2nd interim analysis	2H:13
HyperAcute Pancreas	Complete enrollment	2013
HyperAcute Lung	1st interim analysis	2013

Source: NewLink Genetics, Cantor Fitzgerald estimates

Valuation

Our 12-month price target is \$12, and this is based on a discounted present value earnings calculation of EPS of \$2.26 in 2016, and a multiple on those earnings of 40x, discounted by 50%. NewLink shares appear to be significantly undervalued vs. this calculated value of \$12. We have used a multiple on 2016 EPS consistent with valuation for early stage biotechnology companies, which ranges from 30-50x forward EPS, reflecting the opportunity for rapid growth. In arriving at this range, we explored historical data as well as forward consensus multiples for companies with newly launched products.

Risks

NewLink is a development stage company, and investment is subject to risk. These risks include but are not limited to:

- Development of new drugs carries a high failure rate, either because the drug in question fails to show efficacy or significant safety issues arise during the clinical trial process. Additionally, regulatory authorities such as the FDA (Food & Drug Administration) may delay the approval process or reject NewLink's clinical findings. Because we can never dismiss such a possibility, we use a high discount rate in our valuation model to compensate for such risk. We note that NewLink's HyperAcute Pancreas program is being conducted under an SPA (special protocol assessment), and while it is not a guarantee that the FDA will endorse NewLink's data, it mitigates risk against the FDA disputing the company's clinical trial design.
- Some of NewLink's clinical programs that are being co-sponsored by the NCI are in investigator-initiated clinical trials, which means that the company does not have full control over the conduct of the trials or the release of data, and this may impact trial results and/or milestones as it relates to public disclosure of clinical data.
- NewLink's manufacturing process has been validated in its early clinical trial work. However, we cannot exclude the possibility that this process may not be seamless from clinical trials to commercialization.
- The company has \$6 million in outstanding debt under a forgivable loan agreement with the Iowa Department of Economic Development, of which \$4.7 million may be accelerated and require repayment as early March 18, 2012. Though we expect that the Iowa Department of Economic Development will continue to defer repayment of principal until such time that NewLink is in a cash flow positive position, we cannot exclude the possibility that repayment will be required sooner.

- The clinical landscape is crowded with hundreds of oncology clinical trials. It is possible that other technologies show greater benefit to patients than NewLink's product candidates, thus tendering products obsolete or non-competitive.
- NewLink has a large intellectual property estate protecting its technology, know-how and applications of such. However, it is always possible that a party will bring forward infringement claims that would need to be heard by a court.
- NewLink has a history of net losses. We are forecasting profitability for NewLink in 2016 based on market acceptance of HyperAcute Pancreas, but profitability could be delayed or not reached at all, depending on a variety of clinical and regulatory factors.

Exhibit 2: Sales & Earnings by Quarter

NewLink Genetics Corporation														
All figures in millions, Year Ended 31 Dec	2012E	4Q12E	9Mos12E	3Q12E	6Mos12E	2Q12E	1Q12E	2011E	4Q11E	9Mos11A	3Q11A	6Mos11A	2Q11A	1Q11A
Revenue	\$1.26	\$0.27	\$0.99	\$0.31	\$0.68	\$0.30	\$0.38	\$1.95	\$0.38	\$1.57	\$0.43	\$1.14	\$0.54	\$0.60
Cost of Goods Sold	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	\$1.26	\$0.27	\$0.99	\$0.31	\$0.68	\$0.30	\$0.38	\$1.95	\$0.38	\$1.57	\$0.43	\$1.14	\$0.54	\$0.60
Gross Profit Margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Operating Expenses														
SG&A	12.65	3.24	9.41	3.13	6.28	3.41	2.87	5.23	1.68	3.55	1.10	2.45	1.14	1.32
R&D	23.62	6.96	16.66	6.63	10.03	5.18	4.85	14.23	3.95	10.28	3.30	6.98	3.80	3.18
Total Operating Expenses	\$36.27	10.20	26.07	9.76	\$16.31	\$8.59	7.72	\$19.46	5.63	13.83	4.40	\$9.43	\$4.93	4.50
Profit (Loss) from Operations	(\$35.01)	(\$9.93)	(\$25.08)	(\$9.45)	(\$15.63)	(\$8.29)	(\$7.34)	(\$17.51)	(\$5.25)	(\$12.26)	(\$3.97)	(\$8.29)	(\$4.39)	(\$3.89)
Operating Profit Margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Other Income (Expense)	\$0.07	0.02	0.05	0.02	\$0.03	\$0.02	0.01	(\$0.03)	(0.01)	(0.02)	(0.01)	(\$0.01)	\$0.00	(0.01)
Pretax Income	(\$34.94)	(\$9.91)	(\$25.03)	(\$9.43)	(\$15.60)	(\$8.27)	(\$7.33)	(\$17.54)	(\$5.26)	(\$12.28)	(\$3.99)	(\$8.29)	(\$4.39)	(\$3.90)
Pretax Margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Income Tax Paid (Benefit)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Income (Loss)	(\$34.94)	(\$9.91)	(\$25.03)	(\$9.43)	(\$15.60)	(\$8.27)	(\$7.33)	(\$17.54)	(\$5.26)	(\$12.28)	(\$3.99)	(\$8.29)	(\$4.39)	(\$3.90)
Net Margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Basic & Diluted Net Loss Per Share	(\$2.19)	(\$0.59)	(\$1.59)	(\$0.59)	(\$1.00)	(\$0.52)	(\$0.48)	(\$2.73)	(\$0.36)	(\$3.36)	(\$1.09)	(\$2.28)	(\$1.20)	(\$1.07)
Average Shares Outstanding	15.96	16.75	15.78	16.03	15.54	15.87	15.20	6.44	14.80	3.65	3.66	3.64	3.65	3.64

Source: NewLink Genetics, Cantor Fitzgerald estimates

Exhibit 3: Annual Income Statement
NewLink Genetics Corporation

<i>All figures in millions, Year Ended 31 December</i>	2016E	2015E	2014E	2013E	2012E	2011E	2010A	2009A
Revenue	\$270.00	\$28.95	\$0.65	\$1.01	\$1.26	\$1.95	\$2.08	\$0.93
Cost of Goods Sold	76.34	15.33	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	\$193.66	\$13.62	\$0.65	\$1.01	\$1.26	\$1.95	\$2.08	\$0.93
<i>Gross Profit Margin</i>	<i>71.73%</i>	<i>47.05%</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>
Operating Expenses								
SG&A	72.65	41.18	27.51	18.16	12.65	5.23	6.07	3.71
R&D	54.31	42.25	37.74	28.66	23.62	14.23	12.67	7.58
Total Operating Expenses	\$126.96	\$83.43	\$65.25	\$46.82	\$36.27	\$19.46	\$18.74	\$11.28
Profit (Loss) from Operations	\$66.70	(\$69.81)	(\$64.60)	(\$45.81)	(\$35.01)	(\$17.51)	(\$16.66)	(\$10.35)
<i>Operating Profit Margin</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>
Other Income (Expense)	\$1.15	\$0.75	(\$0.03)	(\$0.00)	\$0.07	(\$0.03)	\$0.10	\$0.14
Pretax Income	\$67.85	(\$69.06)	(\$64.63)	(\$45.81)	(\$34.94)	(\$17.54)	(\$16.56)	(\$10.21)
<i>Pretax Margin</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>
Net loss attributable to noncontrolling interest	0.00	0.00	0.00	0.00	0.00	0.00	0.35	0.23
Net Income (Loss)	\$67.85	(\$69.06)	(\$64.63)	(\$45.81)	(\$34.94)	(\$17.54)	(\$16.21)	(\$9.97)
<i>Net Margin</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>
Basic & Diluted Net Loss Per Share	\$2.26	(\$2.51)	(\$2.62)	(\$2.07)	(\$2.19)	(\$2.73)	(\$4.84)	(\$3.16)
<i>Shares Outstanding</i>	<i>30.00</i>	<i>27.50</i>	<i>24.65</i>	<i>22.08</i>	<i>15.96</i>	<i>6.44</i>	<i>3.35</i>	<i>3.16</i>

<i>Percent Change, Year-Over-Year</i>	2016E	2015E	2014E	2013E	2012E	2011E	2010A	2009A
<i>Revenue</i>	832.61%	4354.09%	-35.64%	-19.84%	-35.42%	-6.16%	122.59%	47.55%
<i>SG&A</i>	76.42	49.69	51.49	43.56	141.74	(13.85)	63.94	(5.92)
<i>R&D</i>	28.54	11.95	31.68	21.34	66.03	12.32	67.14	30.88
<i>Operating Expenses</i>	52.18	27.86	39.36	29.09	86.39	3.84	66.09	15.98
<i>Other Income, net</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>

Source: NewLink Genetics, Cantor Fitzgerald estimates

Exhibit 4: Pancreatic Cancer Model

NewLink Genetics Corporation						
<i>(\$ in millions)</i>	2014E	2015E	2016E	2017E	2018E	2019E
Number of diagnoses (US)	45,769	46,341	46,341	46,920	47,507	48,101
% Stage I	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
<i>% treated</i>	<i>0.0%</i>	<i>1.2%</i>	<i>4.8%</i>	<i>7.0%</i>	<i>7.4%</i>	<i>7.5%</i>
# treated	0.00	556	2,224	3,303	3,497	3,617
% Stage II	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%
<i>% treated</i>	<i>0.0%</i>	<i>1.4%</i>	<i>5.9%</i>	<i>9.5%</i>	<i>12.4%</i>	<i>15.9%</i>
# treated	0.00	626	2,753	4,434	5,900	7,662
Total Treated	0.00	1,182	4,977	7,737	9,397	11,280
Average Injections/year/patient	0	7	15.5	15.7	16.1	16.4
Cost of injection	\$0	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Cost per year	\$0	\$24,500	\$54,250	\$55,118	\$56,275	\$57,514
Total sales	\$0.0	\$29.0	\$270.0	\$426.5	\$528.8	\$648.7
Percent Change, year-over-year						
Diagnoses	1.30%	1.30%	1.25%	1.25%	1.25%	1.25%
Stage I - % treated	NA	NA	300.00	48.50	5.85	3.45
Stage II - % treated	NA	NA	340.00	61.08	33.07	29.86
Total treated	NA	NA	321.18	55.46	21.45	20.04
Average Injections/year/patient	NA	NA	NA	1.60	2.10	2.20
Annual cost	NA	NA	NA	0.00	0.00	0.00
Total sales	NA	NA	832.61	57.94	24.00	22.68



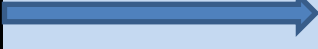

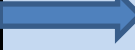

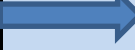
Source: NewLink Genetics, American Cancer Society, CMS, Cantor Fitzgerald estimates

Exhibit 5: Current Balance Sheet
NewLink Genetics Corporation

<i>All figures in millions, Year Ended 31 December</i>	3Q11A	2010A	% Chg:Q/Y	2009A	% Chg:Y/Y
Assets					
Cash & cash equivalents	\$6.29	\$10.57	-40.5%	\$15.22	-30.5%
Marketable securities	0.00	2.27	(100.0)	1.99	13.9
Prepaid expenses	2.00	0.96	108.2	0.11	771.8
State R&D credit receivable	0.14	0.23	(39.1)	0.17	35.3
Interest receivable	0.00	0.01	(100.0)	0.07	(88.2)
Other receivable	0.46	0.60	(24.2)	1.34	(55.0)
Total current assets	\$8.88	\$14.64	-39.3%	\$18.90	-22.5%
Leasehold improvements & equipment, net	5.09	5.44	(0.06)	2.92	0.86
Leasehold improvements	3.80	3.80	0.0	2.29	65.9
Computer equipment	0.70	0.69	1.9	0.43	60.7
Lab equipment	3.33	3.17	5.1	1.77	79.3
Less accumulated D&A	(2.74)	(2.22)	NM	(1.57)	NM
Notes receivable from related parties	0.00	0.00	NM	0.85	NM
Total assets	\$13.97	\$20.08	-30.4%	\$22.67	-11.4%
Liability & Shareholder Equity					
Accounts payable	\$0.26	\$0.55	-53.6%	\$1.08	-48.9%
Accrued expenses	1.69	1.55	8.9	1.18	32.1
Deferred rent	0.92	0.95	(3.0)	0.95	0.4
Notes payable to Iowa Dept. of Economic Dev.	6.00	0.00	NM	0.00	NM
Obligations under capital lease	0.13	0.12	12.1	0.04	231.4
Current portion of long term debt	0.09	0.09	2.2	0.00	NM
Deposits on restricted shares	0.00	0.00	NM	0.00	NM
Total current liabilities	\$9.09	\$3.27	178.5	\$3.24	0.7
Notes payable to Iowa Dept. of Economic Dev.	0.00	6.00	(100.0)	6.00	0.00
Notes payable to Iowa State University Res. Park	0.57	0.64	(11.1)	0.00	NM
Notes payable to City of Ames	0.30	0.30	0.0	0.00	NM
Obligations under capital lease	0.12	0.15	(19.3)	0.08	85.9
Total liabilities	\$10.08	\$10.35	-2.6%	\$9.32	11.1%
Stockholders' equity					
Redeemable preferred stock	\$75.27	\$61.75	21.9%	\$54.13	14.1%
Series A preferred stock	1.03	1.03	0.0	1.03	0.0
Common stock	0.04	0.04	2.8	0.03	12.5
Additional paid-in capital	3.22	7.37	(56.4)	3.01	144.7
Notes receivable for common stock	0.00	(0.01)	(100.0)	(0.04)	(65.8)
Deficit accumulated during development stage	(75.67)	(63.39)	19.4	(47.18)	34.4
Equity attributable to noncontrolling interests	0.00	2.94	(100.0)	2.35	25.1
Total stockholders' equity	\$3.89	\$9.73	-60.0%	\$13.35	-27.1%
Total liabilities & stockholders' equity	\$13.97	\$20.08	-30.4%	\$22.67	-11.4%

Source: NewLink Genetics

Exhibit 6: R&D Pipeline

Product Name	Description/Indication	Core Technology	Phase of Development				Comments
			PreClinical	Phase I	Phase II	Phase III	
HyperAcute Pancreas	Allogenic vaccine/resectable pancreatic cancer	HyperAcute					722-patient trial, >200 enrolled, interim look 4Q12
HyperAcute Lung	Allogenic vaccine/NSCLC	HyperAcute					Data expected 1H12, Phase II/III expected 1H12
HyperAcute Melanoma	Allogeneic vaccine/non-visceral metastatic melanoma	HyperAcute					Data expected, likely next step is Phase II/III in 2H12
HyperAcute Prostate	Allogeneic vaccine/prostate cancer	HyperAcute					Possible partnering candidate
HyperAcute various	Exhibit 16: Pancreatic Cancer Model	HyperAcute					May explore NCI funding
D-1MT	Small molecule inhibitor of IDO/solid tumors	IDO pathway inhibitor					NCI-funded Phase II studies, preliminary data expected
2nd generation IDO	Small molecule inhibitor of IDO/solid tumors	IDO pathway inhibitor					Higher potency vs. D-1MT

Source: NewLink Genetics, Cantor Fitzgerald

Exhibit 7: Selected Immunotherapy Companies

Company	Ticker	Price (a) 1/30/2012	Market Cap	Price to		Debt (\$ in mln)	Stage of Lead Candidate	Technology
				EV	Cash			
Agenus	AGEN	\$2.87	\$58.1	3.67	0.73	30.90	Phase III	Autologous
Celldex	CLDX	4.46	196.8	3.29	1.42	11.02	Phase III	Allogeneic
Dendreon	DNDN	13.39	1,960.3	13.43	3.57	528.40	Commercial	Autologous
Galena	GALE	0.65	27.3	0.29	0.37	0.50	Phase III	Allogeneic
Inovio	INO	0.60	76.4	0.36	0.24	0.00	Phase II	DNA
Micromet	MITI	10.93	1,005.9	8.95	1.98	0.00	Phase III	Allogeneic
NewLink	NLNK	7.23	101.2	3.52	4.21	7.00	Phase III	Allogeneic
Oncothyreon	ONTY	6.58	295.1	5.49	1.16	3.30	Phase III	Allogeneic
Vical	VICL	3.68	271.4	3.06	0.62	0.00	Phase III	DNA

EPS Estimates(a)	2010A	2011E	2012E	2013E	52WkHi	52WkLo	Rating
Agenus	(1.38)	(1.22)	(1.12)	(1.23)	\$6.72	\$1.92	NC
Celldex	(0.54)	(1.09)	(1.19)	(1.05)	4.70	2.05	NC
Dendreon	(2.91)	(2.88)	(1.89)	(1.15)	43.96	6.46	HOLD
Galena	NM	(0.41)	(0.46)	(0.51)	2.14	0.36	NC
Inovio	(0.15)	(0.11)	(0.15)	(0.20)	1.50	0.43	NC
Micromet	(0.52)	(0.70)	(0.96)	(0.98)	10.95	4.13	NC
NewLink	(0.52)	(0.70)	(0.96)	(0.98)	7.81	6.25	BUY
Oncothyreon	(0.58)	(0.95)	(0.48)	(0.43)	11.59	2.99	BUY
Vical	(0.54)	(0.13)	(0.33)	(0.20)	5.30	1.70	NC

(a) EPS estimates for non-covered companies are Thomson One consensus estimates

Source: Cantor Fitzgerald, Thomson One, the companies

Exhibit 8: Companies Mentioned

Company Name	Ticker	Exchange	Cantor Rating
Agenus	AGEN	NASDAQ	NC
Celldex	CLDX	NASDAQ	NC
Dendreon	DNDN	NASDAQ	HOLD
Galena	GALE	NASDAQ	NC
Inovio	INO	AMEX	NC
Micromet	MITI	NASDAQ	NC
NewLink Genetics	NLNK	NASDAQ	BUY
Oncothyreon	ONTY	NASDAQ	BUY
Vical	VICL	NASDAQ	NC

Source: Cantor Fitzgerald, Thomson Reuters

Disclosures Appendix

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HOLD: We have a neutral outlook on the stock based on our expected 12 month return relative to its risk. The expected return is based on our view of the company and industry fundamentals, catalysts, and valuation.

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NC - Not Covered. Cantor Fitzgerald does not provide research coverage on this company.

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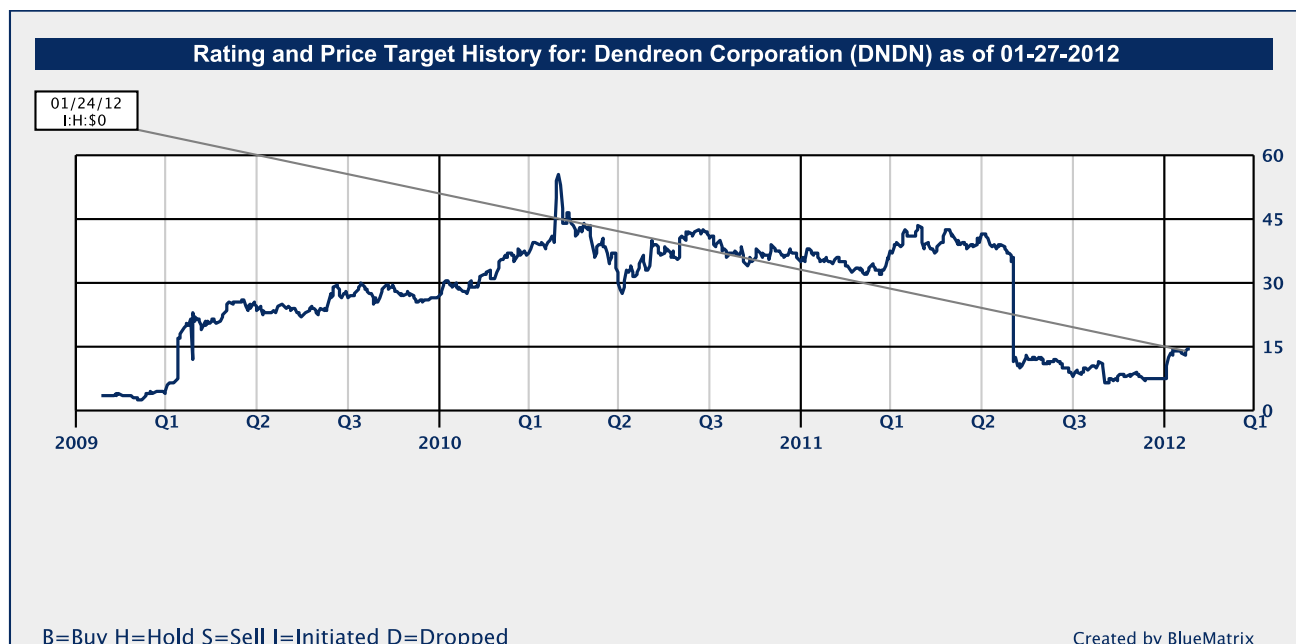
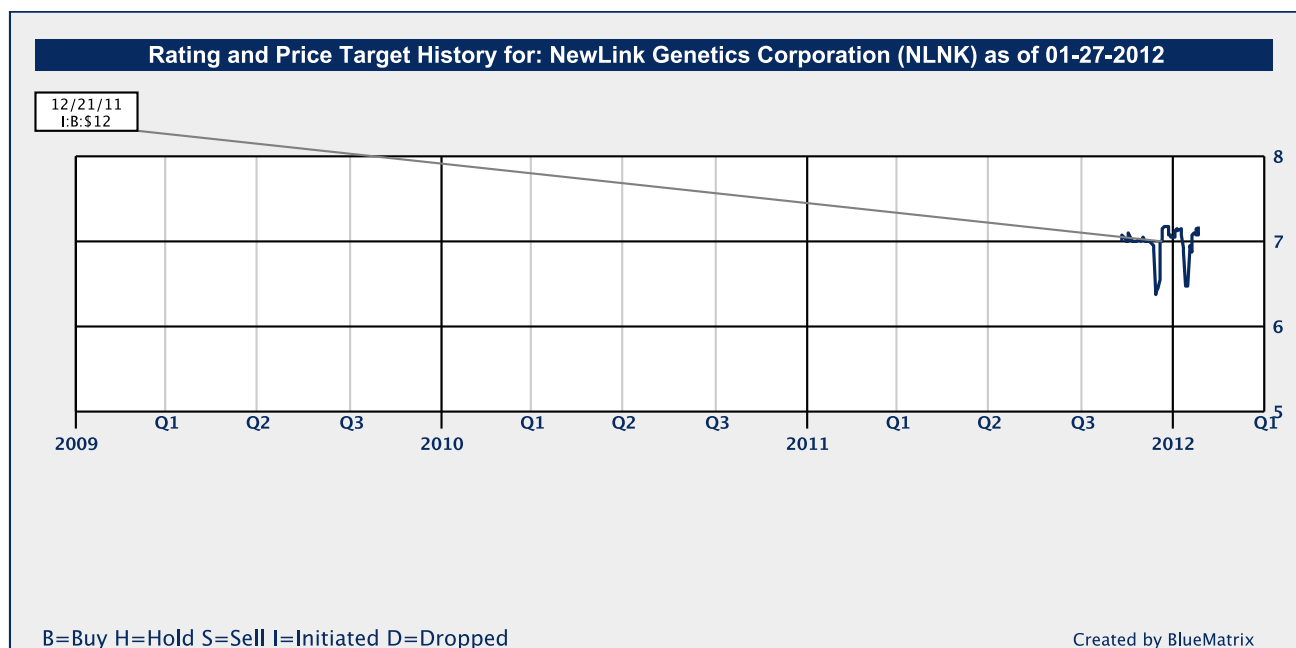
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Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY [B]	44	63.80	8	18.18
HOLD [H]	20	29.00	0	0.00
SELL [S]	5	7.20	0	0.00