

September 12, 2016

Springbank Pharmaceuticals, Inc.
(Nasdaq/SBPH/\$12.50/Not rated)

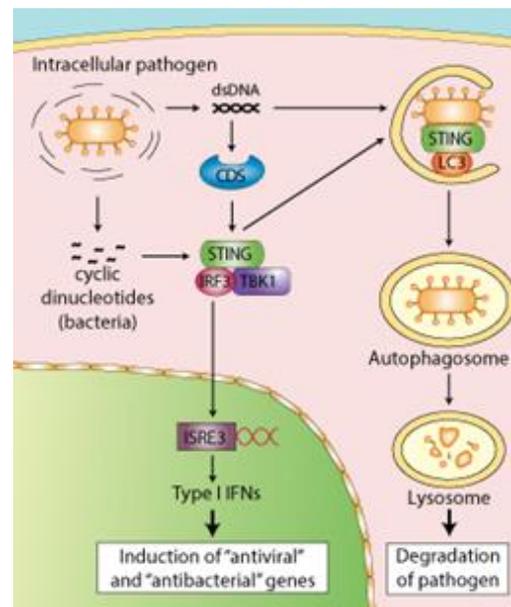
Sherry Grisewood, CFA
Managing Partner, Life Science Research
561-208-2943
sgrisewood@dawsonjames.com

Pipeline Technology Featured in Upcoming AACR Meeting

Springbank announced last week that two abstracts have been accepted for poster presentation at the upcoming American Association for Cancer Research (AACR) Special Conference on Tumor Immunology and Immunotherapy, to be held in Boston on October 20-23, 2016. These abstracts focus on an early-stage pipeline compound, SB11285, which is showing novel activity in immune-oncology (I/O). The abstracts, *Nucleotide Analogs as Novel STING Agonists for Immuno-oncology* and *Novel Dinucleotides that Activate STING Signaling for Immuno-oncology* highlight the SB11285 compound's anti-tumor and immune-modulating agonist activities in *in vitro* systems.

Targeting STING (Stimulator of IFN genes) as an immune modulator has only fairly recently emerged as a new "tool" in the I/O kitbag. The approach received credibility in 2015 when Aduro BioTech Inc. (ADRO/NASDAQ/\$14.16/Not rated), a developer of cyclic dinucleotide compounds that target STING, signed a worldwide collaborative research, development and commercialization agreement with Swiss-based Novartis AG (NVS/ NYSE/\$80.26/Not rated) for which Novartis paid Aduro a \$200 million upfront payment and took a 2.7% equity stake in the Company. The announcement of the collaboration coincided with ADRO's initial public offering in April 2015.

STING activation takes place in the intracellular (cytosolic) environment and is required for innate immune recognition. The STING receptor is generally expressed at high levels in immune cells, and once activated by microbial infection, triggers a significant immune response through the activation of multiple pathways that lead to the transcription and expression of a variety of cytokines, interferons (notably type 1 interferons such as IFN- β), chemokines as and other co-regulated genes. STING also appears to play a crucial role in autophagy, a mechanism by which pathogens such as microbes are sequestered and delivered to the lysosome for degradation and elimination. STING may become an important addition to the I/O armament as peer-reviewed journal articles such as that published last year in the *PNAS* (Proceedings of the National Academy of Science, *STING activation of tumor endothelial cells initiates spontaneous and therapeutic antitumor immunity*, October 30, 2015) and just this month (*Mutations Associated with Acquired Resistance to*



Source: Cytosolic DNA Sensors (CDSs), Nov. 2011, InvivoGen (www.invivogen.com)

PD-1 Blockade in Melanoma, September 1, 2016) in the **New England Journal of Medicine** suggest an association between acquired resistance to anti-PD-1 immunotherapy in melanoma patients with defects in the pathways involved with interferon-receptor (STING) signaling and in antigen presentation.

Springbank shares got a boost following the release of a William Blair & Co. research report in mid-August and then saw mild profit-taking going into the long Labor Day holiday. A Zacks Investment Service report released on September 6th has since provided an additional bounce. We believe the stock needs to remain above \$12.50 over the next several sessions to maintain the uptrend. Springbank will be presenting at Rodman & Renshaw on Tuesday, September 13th at 11:40am. SG



Company Notes provide current information we believe might be noteworthy to investors regarding the subject companies. Company Notes are not intended to be complete research reports. More detailed information concerning the rated companies referenced in this Note, including the full reports, basis for price targets and other disclosures, may be found at:

http://dawsonjames.com/research_coverage.

Important Disclosures:

Dawson James Securities, Inc. (the "Firm") is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

The Firm does not make a market in the securities of the subject companies. The Firm has engaged in investment banking relationships with SBPH in the prior 12 months, as a manager or co-manager of a public offering and has received compensation resulting from those relationships. The Firm may seek compensation for investment banking services in the future from each of the subject companies. The Firm may have received other compensation from the subject companies in the last 12 months for services unrelated to investment banking.

Neither the research analyst(s) whose name appears on this report nor any member of his (their) household is an officer, director or advisory board member of these companies. The Firm and/or its directors and employees may own securities of the company(s) in this report and may increase or decrease holdings in the future. As of August 31, 2016, the Firm as a whole did not beneficially own 1% or more of any class of common equity securities of any of the subject company (s) of this report. The Firm, its officers, directors, analysts or employees may effect transactions in and have long or short positions in the securities (or options or warrants related to those securities) of the companies subject to this report. The Firm may effect transactions as principal or agent in those securities.

Analysts receive no direct compensation in connection with the Firm's investment banking business. All Firm employees, including the analyst(s) responsible for preparing this report, may be eligible to receive non-product or service specific monetary bonus compensation that is based upon various factors, including total revenues of the Firm and its affiliates as well as a portion of the proceeds from a broad pool of investment vehicles consisting of components of the compensation generated by investment banking activities, including but not limited to shares of stock and/or warrants, which may or may not include the securities referenced in this report.

Although the statements in this report have been obtained from and are based upon recognized statistical services, issuer reports or communications, or other sources that the Firm believes to be reliable, we cannot guarantee their accuracy. All opinions and estimates included in this report constitute the analyst's judgment as of the date of this report and are subject to change without notice.

The securities of the company discussed in this report may be unsuitable for investors depending on their specific investment objectives and financial position. This report is offered for informational purposes only, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such would be prohibited. Additional information is available upon request.

Ratings Definitions:

- 1) **Buy:** the analyst believes the price of the stock will appreciate and produce a total return of at least 20% over the next 12-18 months;
- 2) **Neutral:** the analyst believes the price of the stock is fairly valued for the next 12-18 months;
- 3) **Sell:** the analyst believes the price of the stock will decline by at least 20% over the next 12-18 months and should be sold.

The following chart reflects the range of current research report ratings for all companies followed by the analysts of the Firm. The chart also reflects the research report ratings relating to those companies for which the Firm has performed investment banking services.

Ratings Distribution	Company Coverage		Investment Banking	
	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	2	22%	0	0%
Market Perform (Neutral)	1	11%	1	100%
Market Underperform (Sell)	0	0%	0	0%
Rating Suspensions*	6	67%	5	83%
Total	9	100%	6	11%

*Suspensions are ratings under review for possible change due to unusual market-moving news, and/or analyst departure/change

Analyst Certification:

The analyst(s) whose name appears on this research report certifies that 1) all of the views expressed in this report accurately reflect his (their) personal views about any and all of the subject securities or issuers discussed; and 2) no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst in this research report; and 3) all Dawson James employees, including the analyst(s) responsible for preparing this research report, may be eligible to receive non-product or service specific monetary bonus compensation that is based upon various factors, including total revenues of Dawson James and its affiliates as well as a portion of the proceeds from a broad pool of investment vehicles consisting of components of the compensation generated by investment banking activities, including but not limited to shares of stock and/or warrants, which may or may not include the securities referenced in this report.