ALLIGATOR bioscience

Annual Report 2024

Alligator Bioscience AB (publ)

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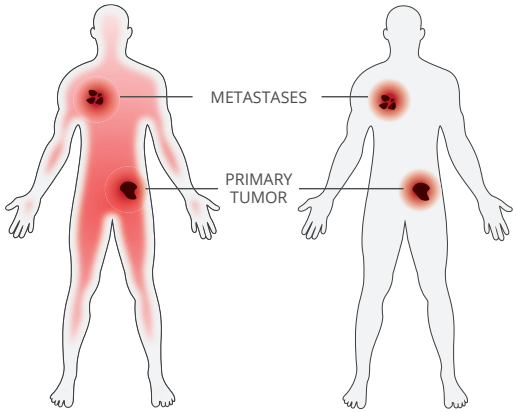
Unless stated otherwise in these annual accounts, the information refers to the Group. Figures in brackets refer to the outcome for the corresponding period in the preceding year. Unless stated otherwise, all amounts are in KSEK (SEK thousand). All amounts stated are rounded correctly, which may mean that some totals do not tally exactly. Unless stated otherwise, USD refers to US dollars.

The Company's formal annual report and consolidated financial statements are included on pages 25–77 in this document.

Pioneering immunotherapies for tumor-targeted cancer treatment

Alligator is a clinical-stage biotechnology company developing antibody-based pharmaceuticals for cancer treatment. Alligator specializes in the development of tumor-directed immunotherapies, in particular agonistic mono- and bispecific antibodies, with full focus on lead candidate mitazalimab.

The idea behind immuno-oncology is basically to enable the body's own immune system to attack cancer cells and destroy them more effectively. The reason why the immune system cannot do this effectively on its own is that cancers have many ways of tricking the immune system. Immuno-oncology therefore uses various strategies to help the immune system recognize cancer cells as enemies, and to harness its inherent ability to fight cancer.



General immune activation (figure to the left) may lead to severe adverse effects. Selective activation (figure to the right) of tumor-specific immune cells results in fewer adverse effects.

Cancerous tumors often contain a high number of immune cells that can potentially attack and destroy the tumor. However, cancer cells can often find ways to hide from the immune system by activating immunosuppressive agents that inhibit attacks. Immuno-oncology focuses on various strategies to enhance the immune response. The aim of one such strategy is to educate the immune system to *recognize tumor cells*. The aim of another strategy is to *boost or enhance* the capabilities of the immune system so that it attacks the cancer tumor with full force. Alligator's lead drug candidate, mitazalimab, is designed to effectively combine these two strategies. Importantly, these strategies are further emphasized and strengthened in the design of the third generation CD40 agonists, like ATOR-4066.

Successful immuno-oncology therapies also have a vaccination-like effect, preventing the specific type of cancer that has been eliminated from reoccurring.

Alligator believes that unique drug candidates and innovative technologies differentiate Alligator from the vast majority of its competitors. Alligator's drug candidates are developed to stimulate the immune system to selectively attack tumors, without affecting the rest of the body to the same extent.

Alligator believes that the greatest advantage of this tumor-directed treatment is the positive effect it has on the tumor, while the adverse effects caused by stimulating the whole immune system can be kept as low as possible. This enables effective combination treatments with other cancer therapies.

2024
significant events

Positive topline results from OPTIMIZE-1
In January 2024, Alligator announced topline results and that the primary efficacy endpoint had been met in the Phase 2 study OPTIMIZE-1, which evaluates mitazalimab in combination with mFOLFIRINOX for first-line treatment of metastatic pancreatic cancer. The positive results also confirmed clinically relevant benefits compared to the current standard of care.

Restructuring to increase competitiveness
In February 2024, Alligator announced a restructuring to focus resources on key priorities and maximize long-term value creation. The workforce reduction resulted in annual savings of approximately SEK 20 million.

Rights issue raises approximately SEK 107.1 million
In February 2024, Alligator announced a rights issue of units, which was approved at the extraordinary general meeting on 14 March 2024. The issue raised approximately SEK 107.1 million for Alligator before issue costs.

Milestone achieved in collaboration with Orion Corporation
In April 2024, Alligator announced that Orion Corporation had exercised a development option and selected lead candidates among the antibodies developed within the immuno-oncology research collaboration and license agreement established in 2021. This triggered a milestone payment to Alligator.

In November 2024, Alligator announced that Orion Corporation had acquired all financial obligations to Alligator related to the two antibodies developed, thereby concluding the research collaboration.

Positive 18-month follow-up data from OPTIMIZE-1
In June 2024, Alligator announced positive data from the 18-month follow-up in the OPTIMIZE-1 study. The results demonstrated significant survival benefits and an unprecedented Duration of Response compared to current standard treatments.

Directed issue and loan facility with Fenja Capital
In June 2024, Alligator announced the decision to carry out a directed issue of convertible bonds to Fenja Capital, raising gross proceeds of SEK 12 million. Additionally, an agreement was entered into with Fenja Capital for a loan facility of up to SEK 68 million.

Further restructuring to enhance value creation
In December 2024, Alligator announced an additional restructuring to further strengthen its long-term value creation capabilities. The workforce reduction, primarily within the Discovery and Non-Clinical units, is expected to result in annual savings of approximately SEK 65 million.

Rights issue initially raises approximately SEK 153 million
In December 2024, Alligator announced a rights issue of units, which was approved at an extraordinary general meeting on 13 January 2025. The issue initially raised approximately SEK 153 million before issue costs, repayment of bridge loans and repayment of outstanding loans and convertibles to Fenja Capital.

Comments from the CEO

2024 has been a year of progress and challenges for Alligator Bioscience. Despite a demanding external environment, we have continued to make significant advances in our clinical programs. With a clear strategy, a dedicated team, and our focused pipeline, we have laid the foundation for long-term success and continued value creation for patients and our shareholders.

This year has been marked by both challenges and opportunities for Alligator. Our commitment to delivering innovative treatments in immuno-oncology has propelled us forward, even in a climate that has required strict financial discipline and strategic prioritization. By combining operational excellence with a focused first in class pipeline, we have taken important steps toward our long-term goals.

Clinical progress and innovation

Mitazalimab remains our top priority and has proven to be one of the most promising candidates for the treatment of pancreatic cancer. The Phase 2 OPTIMIZE-1 study has delivered strong results, and we recently reported a 24-month survival rate of 29.4% for mitazalimab in combination with mFOLFIRINOX, more than threefold higher than what has been reported for FOLFIRINOX alone. Adding to previously reported data, these unprecedented results confirm mitazalimab's potential to improve the standard of care in this hard-to-treat cancer.

In addition, we have successfully engaged US and European regulators during the last six months, on important topics like manufacturing and Phase 3 study design, confirming these are all Phase 3 enabling. Based on this encouraging progress we continue to prepare mitazalimab for registrational Phase 3 trials during 2025, while we in parallel work hard to identify a partner for the candidate.

At the same time, we have seen progress within our pipeline. During the second half of 2024, we reported data from the Phase 1 dose escalation trial with the T-cell engager ALG.APV-527, that we co-develop with Aptevo Therapeutics Inc. The trial showed a safe and well tolerated candidate, confirmed it's mechanism of action and demonstrated early signs of efficacy in heavily pretreated patients with solid tumors. These data warrant the continued development of the molecule.

During 2024, we also progressed ATOR-4066, our CD40×CEACAM5 bispecific antibody. This candidate has continued to demonstrate strong preclinical results, underscoring its potential to transform the treatment of CEACAM5-expressing solid tumors.

With ALG.APV-527 and ATOR-4066, as a follow-on to mitazalimab, Alligator maintain compelling strategic development opportunities to maximize our long-term clinical and commercial potential.

A focused strategy and financial discipline

Throughout the year, we have implemented measures to strengthen our long-term financial sustainability and ensure that resources are allocated where they can make the greatest impact. Our efforts have been directed towards refining of our pipeline and optimizing operations to position ourselves for continued success. As a consequence, we unfortunately had to say goodbye to a number of engaged and talented colleagues during the year. I wish to thank all former colleagues, who have worked with great dedication to deliver Alligator's mission.

At the same time, we have worked intensively to establish a stable foundation to finance our key priorities, with mitazalimab at the center. Hence, we are grateful for the continued support from our investors, who share our belief in the potential of our pipeline. The rights issue announced in December was subscribed to 54.4%, initially raising SEK 153 million before associated costs. These proceeds, together with disciplined cost control, have enabled us to continue advancing mitazalimab towards Phase 3 development and market approval, despite a challenging financial landscape.

Sustainability and value creation

Sustainability is a core part of our work. During our restructuring, we have continued to prioritize an inclusive working culture and strong corporate governance, as a foundation to our ability to deliver long-term innovations. Through a continued commitment to ESG, diversity, equality, and transparency, we have further strengthened our reputation as a responsible and innovative player.

Looking ahead

As we look ahead to 2025, we remain focused on delivering on our strategic goals and driving mitazalimab towards Phase 3 development. We are aware of the challenges that lie ahead but also of the opportunity and obligation we have to transform the lives of cancer patients worldwide.

With our dedicated team, a first-in-class pipeline, and a clear strategy, we are ready to face the future.

I would like to extend my sincere gratitude to our shareholders for your continued support and to our employees for your tireless efforts. Together, we are working to create the cancer treatments of the future.

Søren Bregenholt
CEO Alligator Bioscience AB (publ)

Financial summary

During 2024, Alligator focused its existing resources on the clinical studies with the most potential to develop effective therapies for cancer patients, and thereby creating value for shareholders. In December 2024, Alligator announced a restructuring to further strengthen the foundation for its long-term value creation capability. The workforce reduction primarily affected the Discovery and Non-Clinical units. Following the restructuring, the remaining staff primarily focus on the continued development of mitazalimab.

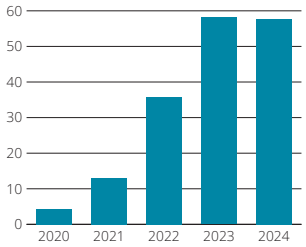
In 2024, the Group's net revenue amounted to SEK 57.8 million (58.1), including revenue from the license agreement with Orion Corporation as well as compensation for completed development work. Alligator does not have a steady revenue stream; instead, revenues are received irregularly in connection with the signing of license agreements and the achievement of milestones.

The costs for the year were primarily attributable to Alligator's ongoing Phase 2 study of mitazalimab in pancreatic cancer, clinical trial drug manufacturing, and research initiatives. Personnel costs decreased by approximately 11% during the year, from SEK 79.4 million to SEK 70.4 million, as a result of a reduction in the average number of employees from 58 to 52.

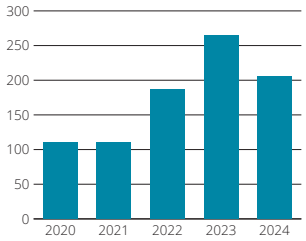
At the end of 2024, Alligator's cash and cash equivalents amounted to SEK 64.3 million (66.1). Alligator continuously works to secure the company's financing. This includes business development efforts for new partnership agreements with an initial payment upon signing, as well as other financing alternatives. In February 2025, the Board carried out a new share issue with preferential rights for Alligator's existing shareholders, amounting to approximately SEK 153 million (gross). Following the completion of the rights issue, and provided that the two subsequent warrant programs in 2025 are subscribed to at least to the expected extent, it is Alligator's assessesment that there is sufficient financing for 2025.

	2024	2023	2022	2021	2020
Net sales, KSEK	57,767	58,107	35,696	12,943	4,352
Operating profit/loss, KSEK	-229,141	-248,983	-192,789	-141,565	-144,298
Profit/loss for the year, KSEK	-233,890	-248,586	-193,403	-141,736	-143,296
Cash flow for the year, KSEK	-1,154	-30,182	-180,875	174,717	9,386
Cash and cash equivalents, KSEK	64,310	66,118	97,305	278,148	103,342
Equity ratio, %	-125 %	10 %	53 %	85 %	76 %
R&D costs as % of operating costs excluding impairments	82 %	85 %	81 %	70 %	72 %
Earnings per share before dilution, SEK	-0.32	-0.55	-0.88	-0.64	-2.01
Average number of employees	52	56	50	45	50

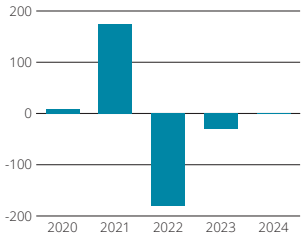
Net sales, SEK million



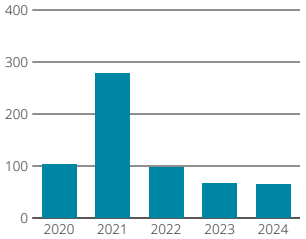
R&D costs, SEK million



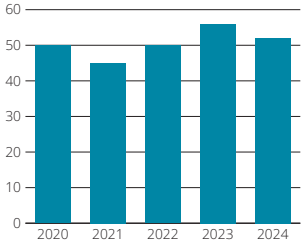
Cash flow, SEK million



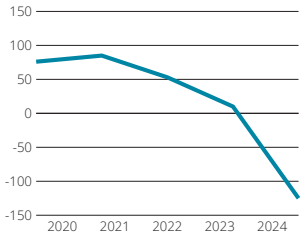
Cash and cash equivalents, SEK million



Average no. of employees



Equity ratio, %



Goals and strategies

Our goal is to become one of the worlds leading immuno-oncology companies, with our cutting edge technologies to improve combination treatment outcomes for patients with hard-to-treat cancers.

Market Overview

With the continued rise of cancer diagnoses around the world, the need for more effective treatments also grows. Cancer touches all our lives, either directly or through its effect on family and loved ones. There is a great need for therapies that can safely combine immunotherapies and other forms of cancer treatments, to treat, or possibly even cure, cancers.

NEED FOR CANCER CARE

Cancer is the leading cause of premature death in Europe, the US and other industrialized countries.[1] Almost 18 million new cancer cases are diagnosed worldwide each year,[2] and there were 10 million deaths from cancer worldwide in 2020.[3] The number of new cases is expected to reach 21.6 million by 2025, representing growth of 20 percent.[4] Approximately 40 percent of all men and women will be diagnosed with cancer at some point during their lifetimes, based on 2016-2018 data,[5] indicating a major need for advanced cancer care.

One reason for the growth in cancer rates is increased longevity, another reason improved diagnostic accuracy. This means that more cancers are being detected, and more often at an early stage, which improves the probability of treatment success. Nearly half of all cancer cases occur in Asia, approximately 25 percent in Europe, and nearly 15 percent in North America. The incidence rate is approximately 600 per 100,000 persons in Europe and North America. The rate is highest in high-income countries in North America and Europe, as well as in Australia and New Zealand.[6]

Today's cancer therapy is primarily based on surgery, radiation therapy, chemotherapy, and immunotherapy, as well as combinations of these modalities. Even though there has been significant progress in effectiveness and tolerability of these treatments over the last decades, the above numbers indicate that there is still need for better and safer cancer drugs.

THE ONCOLOGY MARKET

The increase in cancer cases is reflected by the high social costs of cancer care. In 2021, sales of oncology drugs amounted to USD 280 billion. By 2028, sales of oncology drugs are expected to increase to USD 480 billion and by 2030, sales are expected to amount to USD 680 billion.[7] During the upcoming years, a line of new innovative treatment methods are expected to be released on the market, and Alligator believes that new immunotherapies will constitute an important part of these treatment methods for cancer. In 2020, the oncology market accounted for approximately 14 percent of the total drug market and it is expected to reach 23 percent by 2026.[8]

THE IMMUNO-ONCOLOGY MARKET

Immuno-oncology is a form of cancer therapy that aims to stimulate the immune system to attack tumors. The market for immuno-oncology is expected to increase by approximately 21 percent annually and reach USD 140 billion by 2027. So-called immune checkpoint inhibitors such as Keytruda® (Merck), Opdivo® (BMS), Tecentriq® (Roche) and Yervoy® (BMS) are expected to generate combined sales revenues of approximately USD 88 billion by 2027.[9]

A unique feature of the market for biologic drugs (biologics) is that there is not the same level of competition from generic drugs, since it is not yet possible to produce identical molecules at a low cost when patents expire. Competition at product level would require the development of new products that are highly similar (biosimilars). What this means in practice is that any company that wants to compete with biosimilars will have to conduct clinical studies before the competing product is brought to the market. This applies particularly to the type of drug candidates developed by Alligator—agonistic antibodies—since the stimulatory effect can depend on the manufacturing process, which further complicates copying.

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8. The information has been obtained from the database GlobalData (Pharma Intelligence Center - Drug Sales), September 2021
9. The information has been obtained from the database GlobalData (Pharma Intelligence Center - Drug Sales), May 2022.

*) 16 main markets include: Australia, Brazil, Canada, France, Germany, India, Italy, Japan, Mexico, Russia, South Africa, South Korea, Spain, UK, US, and China

PANCREATIC CANCER AND THE PANCREATIC CANCER MARKET

Alligator is developing its lead molecule, mitazalimab, in pancreatic cancer. Approximately 495,000 new cases of pancreatic cancer are registered globally each year.[10] Of these, approximately 20 percent are eligible for surgery. The vast majority of the remaining patients are left with a poor prognosis with chemotherapy as the only available therapeutic options. Without treatment the expected median survival time is around six months – existing chemotherapies can extend the median survival to between nine and eleven months. Annual mortality from pancreatic cancer is approximately 465,000 and the five-year survival rate is below 5 percent.

Primarily three first line chemotherapy regimens are currently used in clinical practice. Gemcitabine + nab-paclitaxel provides a median overall survival of 8.1 months with approximately 23 percent of the patients responding to the treatment.[11]

FOLFIRINOX, a combination of four agents, provides a median overall survival of 11.1 months with approximately 31 percent of the patients responding to the treatment.[12] The use of FOLFIRINOX is limited by its toxicity profile, and the combination is used only in the pancreatic cancer patients with the best physical status (ECOG score).

NALIRIFOX is a FOLFIRINOX-like regimen, also a combination of four agents, and similarly has a median overall survival of 11.1 months, with approximately 41.8 percent of patients responding to treatment. In the NAPOLI-3 trial, a randomized Phase 3 study comparing NALIRIFOX with Gemcitabine + nab-paclitaxel, an approximately 2-month survival benefit of the NALIRIFOX was reported.[13] This improvement resulted in an FDA and EMA approval for first-line treatment of metastatic pancreatic cancer in February and March 2024, respectively.[14]

Despite these chemotherapy regimens being based on generic components, the global pancreatic cancer market is expected to grow at 11.6 percent CAGR to approximately USD 5.5 billion by 2029, mainly driven by novel and better chemotherapies and the expected introduction of novel biological drugs.

The clinical practices and the overall survival numbers for Gemcitabine + nab-paclitaxel, FOLFIRINOX- and NALIRIFOX-based regimens were recently confirmed in independent studies.[15, 16]

Based on input from leading physicians and key opinion leaders (KOLs), Alligator believes that this data is likely to drive a change in clinical practice, with FOLFIRINOX increasingly becoming the primary standard of care in first line mPDAC in the US, thus expanding the patient population addressed by mitazalimab.

Alligator's estimation, using an average price point for immuno-oncology drugs, models mitazalimab's peak sales to amount to up to USD 2 billion annually, based on several variables including but not limited to clinical response, efficacy, tolerability, market uptake and reimbursement.

COMPETITORS

Alligator's competitors are global pharmaceutical companies and small biotechnology companies that develop antibody-based drugs, and companies developing drugs for treatment of metastatic pancreatic cancer. There are also several biotechnology companies that develop immunotherapies to recognize the same target molecule as Alligator, including AbbVie, Adagen, Apogenix, Apexigen, Celldex, Compass, Genmab, Pieris, Roche, and SeaGen/Pfizer.

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MARKET TRENDS

Alligator assesses that the need and demand for novel immunotherapy drugs will increase moving forward. The main market trends identified by Alligator are as follows:

- **Growing number of applications for immunotherapy:**
  Alligator's assessment is that immunotherapies have a potential to revolutionize cancer treatment. Immunotherapies were first used to treat malignant melanoma, but as of today, they are approved for numerous kinds of cancers, including kidney, head and neck, gastric, lung and bladder cancer as well as lymphoma.
- **The need for combination therapies:**
  Although the emergence of immunotherapies has significantly improved cancer treatments over the past decade, only 15-25 percent of patients experience a lasting clinical effect with current treatments. To improve the result of treatments, combination therapies, which combine different treatment modalities, have become the cornerstone of cancer treatment. Alligator believes that the scope of combination therapies will increase significantly during the next couple of years. With its unique effect and safety profile, Alligator's antibody drugs are very well suited for combination therapies.
- **Partnerships between pharmaceutical companies:**
  Partnerships are increasing between Big Pharma and small research-based biotechnology and pharmaceutical companies in drug discovery and development. The cost of drug development is high, which is why small research-based pharmaceutical companies often choose to license their products to Big Pharma before large-scale clinical studies are carried out. Big Pharma then carries out the clinical studies that are required and commercialize the drug in the global market. This streamlines the product development process from concept to commercialization and distributes the risks between the parties. The research-based biotechnology and pharmaceutical companies also receive early returns in terms of upfront and milestone payments linked to development. In addition, licensing contracts usually entitle the small companies to sales-related milestone payments and royalties on sales, which secures long-term revenues.
- **Demographic trend:**
  Driven by demographic trends such as population aging in developed countries and rising incomes along with improved access to, and more widespread use of, drugs in emerging markets, Alligator expects the total pharmaceutical market to grow.
- **Increased expenditure and investment:**
  In the years ahead, Alligator expects that expenditure will increase, especially in developed countries, due to higher costs for drugs in novel and expensive therapies and a higher price per product in some countries. In addition, development in, for example, developing countries is expected to increase in the years ahead, due to improvements in social safety nets and private insurance.
- **Improved access to medicines:**
  Alligator assesses that global access to medicines will increase. The increase will be driven by a more considerable use of more expensive, patented original drugs in developed countries, more widespread use of cheaper alternatives when patents expire and improved access to medicines in developing countries.

Drug development and approval process

Marketing authorization for a drug is only granted when there is sufficient scientific evidence that the drug is safe and effective. Producing this evidence can be a time-consuming and resource-intensive task, involving preclinical research and clinical studies. It takes at least ten years from initial discovery to the approval of a drug and the entire process requires substantial financial investment. Alligator is active from the early stage of drug discovery up until Phase 2 studies to demonstrate efficacy, and potentially onward.

REGULATORY FRAMEWORK

The regulatory framework for obtaining marketing authorization for a drug is comprehensive. The drug must be approved by the competent authority in the country or region where the drug will be marketed. An approved drug is subject to extensive post regulation, such as record keeping, periodic updates of safety reports, product testing and distribution, as well as advertising and marketing. If these requirements are not met, there is a risk that marketing authorization may be revoked or that civil or criminal penalties may be imposed.

Discovery

In the Discovery phase, new drug candidates are generated by using different types of technology platforms. The phase also includes the development and evaluation of treatment concepts, evaluation of potential drug candidates and early-stage efficacy studies.

The compounds are optimized to achieve the set objectives in terms of function, binding affinity, and stability, after which a drug candidate is selected for further development.

Preclinical

In the preclinical phase, the safety and efficacy of the drug candidate is assessed as well as its clinical potential. Such studies can both be conducted internally and together with external partners, depending on a company's capacity. Alongside preclinical activities, early research continues to acquire a better understanding of the candidate's biological function. This phase also includes the manufacturing of material for upcoming clinical studies.

Clinical Phase 1

The first human studies are performed with a small number of subjects, normally 20-80 patients with metastatic cancer. The primary endpoint of these studies is to show that the compound is safe. How the drug is absorbed, distributed, and metabolized is also studied.

Clinical Phase 2

The endpoint of Phase 2 studies is to confirm the desired efficacy of the compound, and to determine the optimal dose. Normally, within immuno-oncology, 50-200 patients are tested.

By the end of Phase 2, the drug's efficacy, probable dosage, and adverse effect profile should have been determined.

Clinical Phase 3

In Phase 3, the compound is tested on a larger group of subjects, up to 3,000 patients. The primary endpoint of Phase 3 studies is to confirm that the new compound is at least as good or better than standard therapies.

By the end of Phase 3, there is convincing evidence of the performance and common side effects of the drug, and the documentation required to register the drug has been compiled.

Regulatory framework

Alligator's overall objective is to establish the Company as one of the world's leading innovators in immuno-oncology by effectively developing tumor-directed immunotherapies with unique properties that allow patients to live longer and better lives. Building on our unique position within the CD40 field, we strive to develop drug candidates through so-called proof-of-concept in Phase 2 clinical studies or further and thereby make them attractive to Big Pharma for in-licensing, further development and commercialization.

Alligator believes that for a company like Alligator, economic value is mainly created by out-licensing drug candidates at clinical study stage. Final Phase 3 clinical development as well as marketing and sales is foreseen to primarily be undertaken by Alligator's partners.

DISCOVERY STRATEGY AND TECHNOLOGY PLATFORM

Alligator has developed tumor-directed immunotherapies with a focus on active therapies that provide long-lasting tumor-specific immunity. The technologies form the basis for all drug candidates in Alligator. Alligator's technologies and know-how also provide additional value-creating opportunities through potential collaboration and licensing agreements with third parties.

PRECLINICAL DEVELOPMENT STRATEGY

The preclinical studies that have been carried out in Alligator have evaluated the safety and toxicity of the antibodies and increased Alligator's understanding of the mechanism of action in more complex systems. The latter is crucial for the design of clinical studies. Preclinical studies are required for permission to commence clinical studies, and something that Alligator transfers to external parties in the event of a need for additional activities.

MANUFACTURING

Alligator entrusts the production of clinical trial materials to Contract Development and Manufacturing Organizations (CDMOs), an approach that enables Alligator to leverage specialized expertise and advanced technology, and ensures both efficient and high-quality development processes. Alligator works continuously with manufacturing related issues throughout the entire development process. Alligator is ultimately responsible of the manufacturing conducted by a CDMO.

CLINICAL DEVELOPMENT STRATEGY

Alligator has the expertise and capacity to design and conduct clinical studies up to and including clinical proof-of-concept in Phase 2. Alligator also has the medical and regulatory expertise and ability to analyze clinical data in preparation for late-phase clinical studies. The operational aspects of the clinical development process have been contracted to Clinical Research Organizations (CRO), which also makes it possible to conduct clinical studies in several different countries. Alligator is continuously involved in all clinical development steps. Alligator is ultimately responsible for all work performed by a contracted CRO.

BUSINESS DEVELOPMENT STRATEGY

Alligator conducts business development to generate non-dilutive income for the shareholders through out-licensing of antibodies and drug candidates, mainly in the preclinical or clinical phase, or further development through collaboration.

The Alligator share

Since 2016, the Alligator share has been listed on Nasdaq Stockholm under the ATORX ticker. Alligator's share capital on 31 December 2024 amounted to SEK 607 190 made up of 758,209,917 ordinary shares and 779,169 C-shares with a par value of SEK 0.0008. Furthermore, the exercise of warrants in December 2024 increased the number of shares with an additional 1,498,157 shares. Alligator received the proceeds in December 2024, but the share issue was registered at Bolagsverket on 2 January 2025.

Price development and sales

Alligator's shares were listed on Nasdaq Stockholm on 23 November 2016. The price of the Alligator share was SEK 0.69 (1.01) at the beginning of 2024, and SEK 0.25 (0.69) at year-end. The highest price paid in 2024 was SEK 1.47 (1.67) and the lowest SEK 0.23 (0.34). Alligator's market capitalization was SEK 189 million (454) at the end of 2024. A total of 735 million shares (479) were traded during the year, at a total value of SEK 698 million (305). This corresponds to a turnover of 96.7 percent (21) of Alligator's shares. The average turnover per trading day was 34,617,632 shares (1,907,765) at a value of SEK 3.2 million (1.2). On average, 538 transactions (357) were completed on each day of trading.

Ownership, 31 December 2024

In 2024 the number of shareholders increased by 1,473 to 11,891 (10,418). The proportion of foreign shareholders was 53.1 percent (51.2). The ten largest shareholders owned 54.0 percent (54.6) of the ordinary shares.

Share capital

The Extraordinary General Meeting on 14 March 2024 resolved to carry out the rights issue and to reduce the share capital within the aggregate SEK 41,642,741.648 from SEK 42,169,864.96 to SEK 527,123.312. This reduction means that the quota value per share is reduced from SEK 0.064 to SEK 0.0008. The Rights Issue in 2024 comprised a maximum of 140,990,205 units. Each unit consisted of one ordinary share and one warrant (TO 9) free of charge. One unit entitled the shareholder to subscribe for one new ordinary share in Alligator at a subscription price of SEK 1.07 per share. In total, 100,084,946 units were subscribed for, equivalent to approximately 71 percent of the Rights Issue.

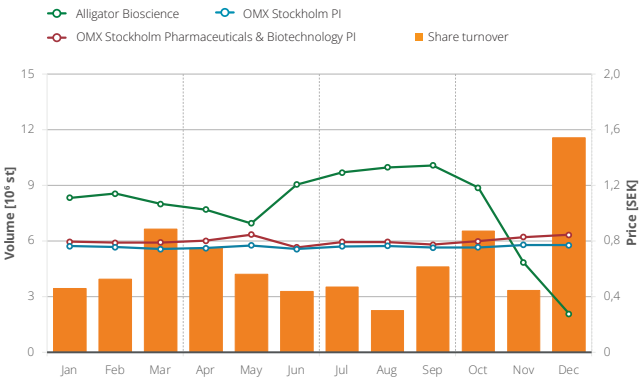
In December 2024 the share savings program at Alligator was closed whereby 170,681 series C shares were converted to ordinary shares and delivered to the participants in the share savings program (LTI 2021).

Furthermore, in December 2024, 1,498,157 warrants (TO 9) were used to subscribe to 1,498,157 ordinary shares. Proceeds were received in December 2024, but the share issue was registered at Bolagsverket on 2 January 2025. The total number of ordinary shares outstanding in Alligator was thereafter 760,485,287.

Each ordinary share entitles the shareholder to one vote, and the series C shares shall carry one-tenth of the vote per share at the Annual General Meeting. Series C shares are not entitled to dividends. Upon the dissolution of Alligator, series C shares shall carry an equivalent right to Alligator's assets as other shares, however, not to an amount exceeding the quota value of the share.

Alligator has three ongoing warrant programs, which are described on pages 29-31 in the administration report. With full dilution of all incentive programs, a further 13,701,075 shares would be subscribed to, yielding a dilution of approximately 1.8 percent.

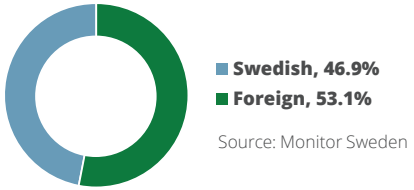
Price and volume development 2024



Brief facts about Alligator shares, 31 December 2024

Listed on:	Nasdaq Stockholm Small Cap
Number of shares:	758 209 917 ordinary shares and 779 169 C shares
Market cap:	SEK 189 million (454)
Ticker:	ATORX
ISIN:	SE0000767188

Swedish and foreign ownership



Source: Monitor Sweden

Dividend and Dividend Policy

Alligator will continue to focus on further developing and expanding its project portfolio. Available financial resources and reported profits shall therefore be re-invested in the business to finance Alligator's long-term strategy. The Board's intention is therefore not to propose any dividend to shareholders until Alligator generates sustainable long-term profitability. Any future dividends, and the amount thereof, will be determined based on Alligator's long-term growth, financial performance, and capital needs, taking into account the goals and strategies in place at any given time. Where a dividend is proposed, it will be well-balanced with regard to the business objectives, scope, and risk.

The Board and CEO propose that no dividend be paid for the 2024 financial year.

Distribution of Financial Reports

The annual report and interim reports are available on Alligator's website: www.alligatorbioscience.com.

The annual report is distributed upon request and can be ordered from Alligator Bioscience AB, Medicon Village, SE-223 81 Lund, Sweden, by calling +46 46 540 82 00 or emailing info@alligatorbioscience.com.

Future Report Dates

Interim reports will be published in 2025 on 24 April, 10 July, and 23 October. The year-end report for 2025 will be published on 12 February 2026.

Analysts Covering Alligator

- Carnegie: Erik Hultgård
- Kempen: Sebastiaan van der Schoot
- Redeye Securities: Richard Ramanius

Largest shareholders, 31 December 2024

Largest shareholders	No. of ordinary shares	%
Koncentra Holding AB (Part of Allegro Investment Fund)	249 948 629	33,0
Roxette Photo NV	64 899 291	8,6
Magnus Petersson	21 010 002	2,8
Avanza Pension	18 998 815	2,5
Johan Zetterstedt	18 500 000	2,4
Harri Salminen	10 000 000	1,3
Lars Spånberg	9 641 572	1,3
Nordnet Pensionsförsäkring	5 836 863	0,8
Zetterstedt Holding AB	5 750 000	0,8
Pearla Gem Ltd	5 023 112	0,7
Other shareholders	348 601 633	46,0
Total	**758 209 917**	**100,0**

Source: Shareholder data is based on a report from Monitor as of 31 December 2024.

Shareholder data, 31 December 2024

Size of holding in ordinary shares	No, of shareholders	No, of share-holders, %	No, of shares, %
1-500	4,073	34.25	0.09
500-1,000	1,190	10.01	0.12
1,001-5,000	2,785	23.42	0.93
5,001-10,000	1,118	9.40	1.11
10,001-20,000	934	7.85	1.78
20,001-	1,792	15.07	95.97
Total	**11,892**	**100**	**100**

Source: Shareholder data is based on a report from Monitor as of 31 December 2024.

Our business

Alligator is a clinical stage biotech company developing best-in-class antibodies for hard-to-treat cancers. We work together towards delivering best-in-class treatments to better the lives of those diagnosed with cancer while also creating value for all stakeholders.

Important milestones in Alligator's history

2001 Alligator Bioscience AB started in Lund.

2008 **Immuno-oncology**
Strategic focus on immuno-oncology.

2012 **Bispecific antibodies**
Focus expanded to include bispecifics.

2015 **Clinical development of mitazalimab**
The first Phase 1 clinical study of mitazalimab started.

License agreement with Janssen
Exclusive license agreement signed with Janssen Biotech, Inc. for the development and commercialization of mitazalimab.

2016 **Nasdaq Stockholm (ATORX)**
IPO on Nasdaq Stockholm.

2017 **Positive Phase 1 data mitazalimab**
Generally well tolerated at clinically relevant doses.

2019 **Positive data from second mitazalimab Phase 1**
Competitive safety data from Janssen Phase 1 study.

Mitazalimab global rights regained from Janssen
Phase 2-ready clinical project in-house.

2021 **OPTIMIZE-1 initiation**
Phase 2 trial with mitazalimab in metastatic pancreatic cancer.

2022 **Phase 2-dose determined for OPTIMIZE-1**
Evaluation of safety data from the dose-escalation cohort results in the selection of 900 µg/kg mitazalimab.

HLX22/AC101
Shanghai Henlius Biotech Inc. announces that Chinese IND approval has been obtained for an additional Phase 2 study with HLX22/AC101.

2023 **Multiple advances for mitazalimab**
Patient recruitment was completed in April.

Positive interim data from OPTIMIZE-1 were reported in January and June.

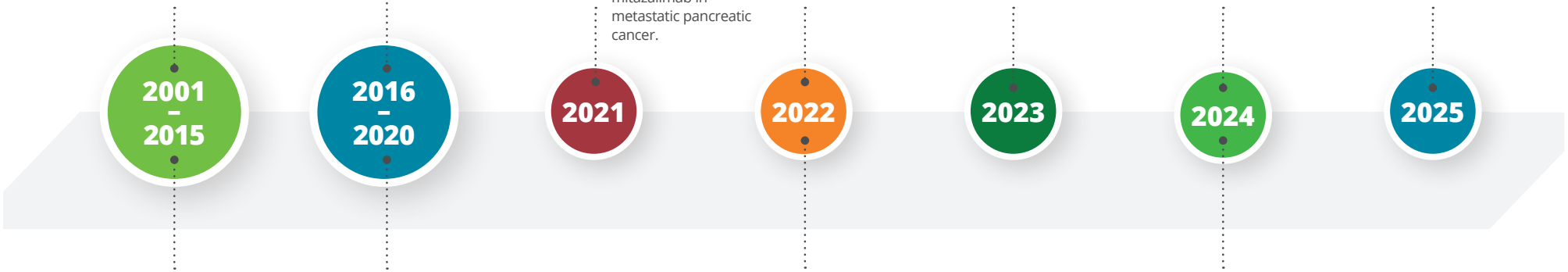
U.S. orphan drug designation was granted in May, and the European designation was granted in August.

U.S. IND approval was obtained for an additional Phase 2 study with mitazalimab in bladder cancer.

2024 **Promising topline results from OPTIMIZE-1**
In January, positive topline data for mitazalimab were announced, and in June, Alligator reported unprecedented survival data from the 18-month follow-up in the study.

Positive regulatory feedback
Manufacturing activities for the production of mitazalimab have been approved for Phase 3 development, significantly reducing the program's regulatory risk.

2025 **24-month follow-up data from OPTIMIZE-1**
In February, continued positive data for mitazalimab were announced from the 24-month follow-up in the study.



Sustainability at Alligator

Sustainability is a key priority for both Alligator's employees and other stakeholders. We firmly believe that a clear sustainability agenda is essential for driving innovation, fostering company growth, and strengthening our brand.

OUR FOCUS:

Improving human health

Alligator is strongly committed to sustainability and responsible business practices, with ethical and regulatory requirements at the core of our operations. We strive to exceed established requirements and have integrated ESG (Environmental, Social, and Governance) and DEI (Diversity, Equity, and Inclusion) objectives into our overarching goals. These serve as a catalyst for our sustainability commitment and help ensure long-term compliance and accountability.

In 2019, we conducted an assessment of our operations from an ecological, social, and economic sustainability perspective, which has since formed the foundation of our current sustainability initiatives. As part of Medicon Village, Sweden's first science park to have its sustainability efforts verified according to ISO 26000, we actively participate in initiatives to implement next-generation energy solutions, promote climate-smart construction, and foster sustainable growth.

Throughout 2024, we have focused on identifying and measuring our environmental impact. We have reviewed our policies, with particular emphasis on reducing carbon emissions from travel, and identified areas for updates in 2025 to further strengthen our sustainability efforts. As a result of these initiatives, we have seen a reduction in the number of trips, as well as in our energy consumption and waste management.

The United Nations Sustainable Development Goals

As part of our corporate initiatives, we actively contribute to the United Nations' global goals for sustainable development. We have identified goals 3, 5, and 8 as the areas where we can exert the most significant positive impact.

3. Good health and well-being

Alligator is a company developing immuno-oncology drugs, and our ambition to help patients with hard-to-treat cancers represents our strongest contribution to society.

5. Gender equality

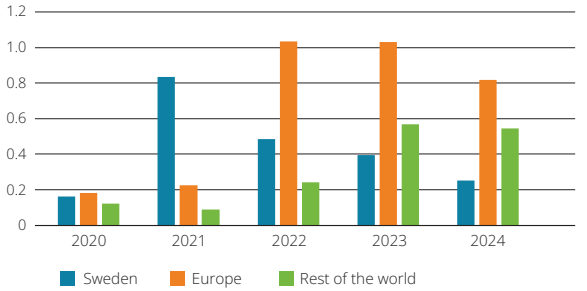
Alligator strives to be a flexible, inclusive, and diverse employer that values and leverages the unique capabilities of our employees.

8. Decent work and economic growth

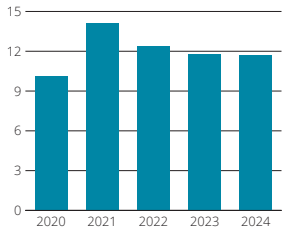
Alligator believes that fair working conditions and a balance between work and leisure are fundamental to a good workplace. We are convinced that the well-being, safety, and development of our employees significantly contribute to innovation and company growth.

Travels

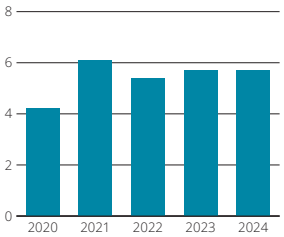
Number of travels per employee



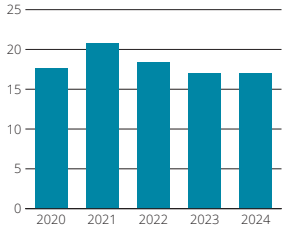
Heat (MWh per FTE)



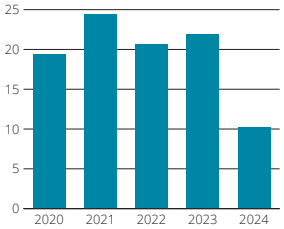
Cooling (MWh per FTE)



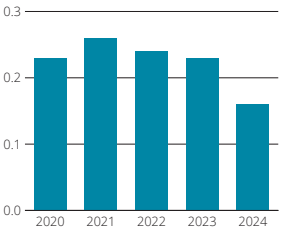
Electricity (MWh per FTE)



Water (m^3 per FTE)



Waste (T per FTE)



Calculations are based on emission data for Alligator in 2020-2024, as reported to Alligator by Medicon Village and SYSAV, and the average number of full-time employees during the year.

Stakeholders

Our primary focus is on developing best-in-class antibodies for hard-to-treat cancers. Beyond patients, our stakeholders include distributors, suppliers, employees, investors, and the public sector. Alligator places great importance on transparency, both for shareholders and other stakeholders.

To fulfill this commitment, up-to-date information is readily accessible on the company's website under the "Investors" section. This section provides clear, comprehensive, and reliable information at different levels of expertise. Communication with shareholders and stakeholders is conducted through the website, social media channels, and press releases.

Alligator places a strong emphasis on responsible business practices, which are further detailed in the Corporate Governance section of this annual report.

Alligator is also a certified Nasdaq ESG Transparency Partner for 2024,[17] a recognition awarded to companies that demonstrate a high level of transparency regarding environmental, social, and governance (ESG) issues. The certification is used by Nasdaq to signal engagement in market transparency and the promotion of higher environmental standards.

Goals for 2025

ESG and DEI initiatives remain an integral part of Alligator's overarching objectives. During 2024, we have reviewed our policies, and in 2025, we will focus on further structuring and strengthening our sustainability efforts.

We actively work towards an equal and inclusive workplace, where employees, management, and the board all play a central role.

Alligator's employees

In December 2024, we undertook a significant organizational restructuring to concentrate our resources on mitazalimab and its future Phase 3 development. This adjustment has been made to ensure long-term sustainability and continued innovation. Despite these changes, our commitment to fostering a dynamic and engaging workplace and attracting top talent in the industry remains strong. We offer a flexible and inclusive working environment, welcoming talent from across the globe.

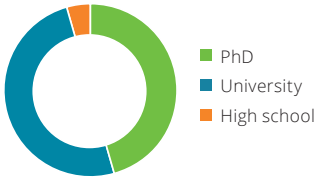
In 2024, the average number of employees was 52 (56), of whom 36 (39) were women, and 43 (48) worked in research and development. At the end of the year, the total number of employees was 45 (58). Following the announced restructuring, 15 employees continue to work for Alligator. Our workforce is highly educated, with more than 95 percent holding a university degree.

Alligator has been recognized for its commitment to diversity and was once again listed on the Allbright Green List in 2024, ranking among the most gender-equal companies on the stock exchange.[18] Additionally, in 2024, we secured a top 15 position in the Nordic Business Diversity Index by Impaktly, and in early 2025, we climbed into the top 3.[19]

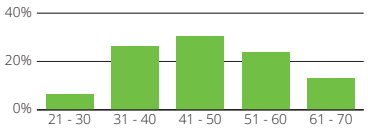
A work environment that offers equal opportunities for all employees is a cornerstone of our success and a major factor in what makes us an attractive employer. At Alligator, we firmly believe that diversity strengthens our ability to succeed and better equips us to tackle and overcome future challenges.

Employees

Education



Age structure, as a percentage



Gender distribution

References

17. Nasdaq ESG Data Portal
18. Allbright report "Women sprint towards the goal", September 2024
19. Impaktly "Nordic Business Diversity Index 2025", January 2025

A focused portfolio of antibodies and technologies that can make a difference

Alligator's drug candidates are designed to selectively activate the immune system within the tumor rather than throughout the entire body. This approach allows us to limit treatment-related side effects without compromising efficacy.

There is a significant medical need for novel and improved therapies that offer both high efficacy and safety for patients undergoing cancer treatment.

Our goal is to meet that need.

Mitazalimab

Mitazalimab is Alligator's most advanced drug candidate intended for the treatment of various types of metastatic cancer and is currently being evaluated in pancreatic cancer in a clinical Phase 2 study.

Mitazalimab is a stimulatory antibody targeting CD40, a receptor on dendritic cells of the immune system, which play a crucial role in recognizing cancer cells in the body. By activating CD40, mitazalimab enhances the ability of the dendritic cells to stimulate the immune system's key weapons—T cells—allowing for a more effective and tumor-specific immune attack. In preclinical models, mitazalimab has been shown to induce a potent tumor-directed immune response and provide long-lasting tumor immunity. Furthermore, preclinical results indicate that mitazalimab has the potential to be used across multiple cancer types, and in combination with a variety of other treatments including chemotherapy, vaccines and check-point inhibitors.

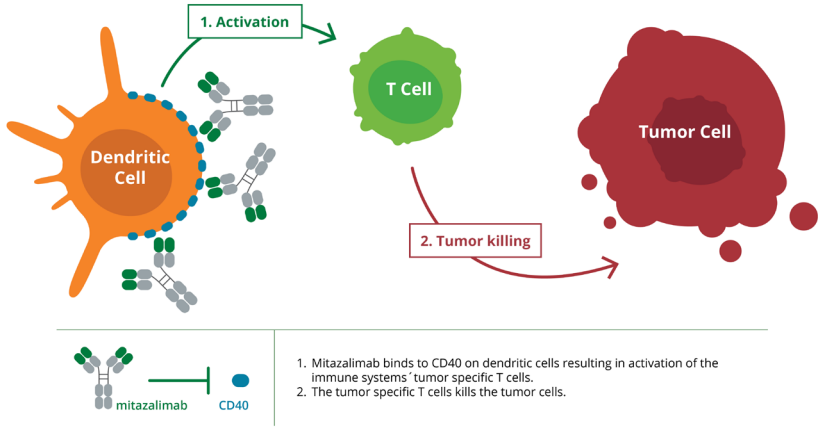
To date, three clinical Phase 1 studies and one clinical Phase 2 study have been conducted with mitazalimab. The first Phase 1 study, conducted by Alligator, focused on intratumoral administration. The second Phase 1 study, conducted by Janssen Biotech, Inc. in patients with various solid tumors, demonstrated that mitazalimab is safe and well tolerated at clinically relevant dose levels. Additionally, early signs of clinical activity were observed, including a partial response in a renal cancer patient and stable disease for at least six months in ten patients.[20] Mitazalimab has also been evaluated in combination with the cancer vaccine MesoPher in an investigator-initiated Phase 1 study, REACTIVE-2, in patients with previously treated metastatic pancreatic cancer, where the last patient was dosed in 2023.

Biomarker data from the Phase 1 study confirmed mitazalimab's mechanism of action, showing activation of macrophages, dendritic cells, and T cells—key components in the destruction of tumor cells and the achievement of clinical responses.[20]

These findings were further validated in a study analyzing gene transcription in immune cells from patients following mitazalimab administration.[21] Collectively, these biomarker data provide strong validation of mitazalimab's ability to activate the immune system in cancer patients.

The Phase 2 clinical study OPTIMIZE-1 is an open-label, multi-center study evaluating the safety and efficacy of mitazalimab in combination with the chemotherapy regimen mFOLFIRINOX in previously untreated patients with metastatic pancreatic cancer. Clinical data from the 57 patients evaluated in the study have demonstrated that mitazalimab, when combined with mFOLFIRINOX, provides significant survival benefits compared to standard of care.

MECHANISM OF ACTION



Mitazalimab delivers long-term survival benefits when combined with chemotherapy

Alligator has continuously reported promising data from OPTIMIZE-1, where the recently reported positive 24-month follow-up readout in Q1 2025 marks a significant milestone that differentiates mitazalimab from many other experimental treatments developed for this challenging disease.

In response to recommendations from the U.S. FDA to ensure that mitazalimab is well-prepared for Phase 3 evaluation, Alligator has recruited patients for an additional 450 µg/kg dose cohort to support the candidate's dose characterization. Top-line data were reported in February 2025, indicating a positive dose-response relationship for mitazalimab, further supporting the selection of 900 µg/kg as the Phase 3 dose.

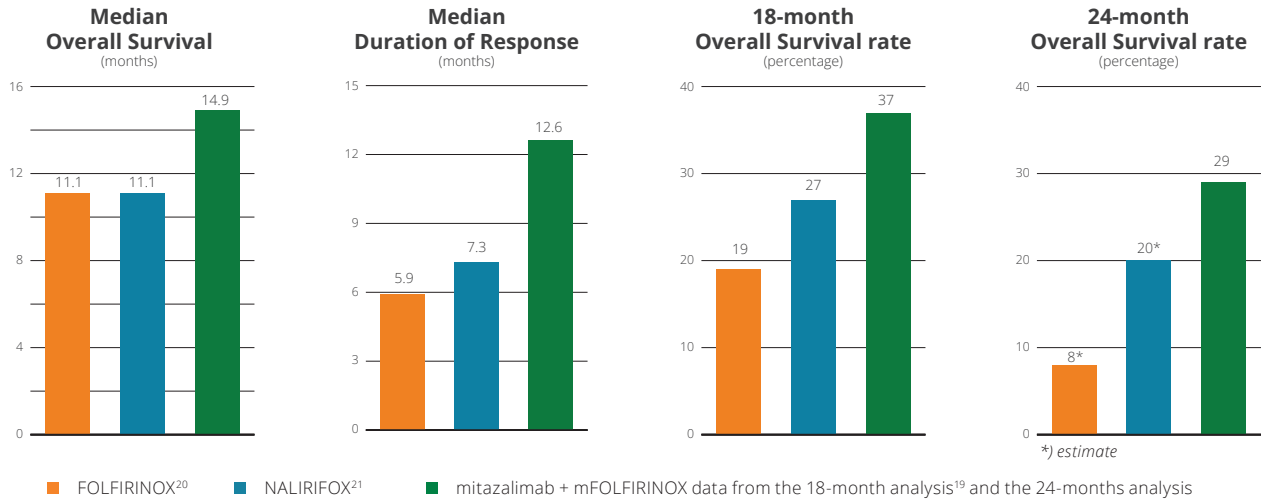
References
20. Invest New Drug. 2023 Feb;41(1):93-104. doi: 10.1007/s10637-022-01319-2.
21. Cells. 2023 Sep 27;12(19):2365. doi: 10.3390/cells12192365.

Recently reported results:

- The survival rate at 24 months was 29.4 percent in patients treated with mitazalimab in combination with mFOLFIRINOX, a threefold increase compared to the estimated 8 percent for chemotherapy FOLFIRINOX alone[22].
- Median Overall Survival (mOS) was 14.9 months[23], a strong outcome compared to 11.1 months reported for FOLFIRINOX[22] and more recently for NALIRIFOX[24].
- At the analysis cutoff at 24 months, 16 patients (28 percent) were still alive, and 5 (9 percent) remained on treatment. The longest ongoing treatment duration was 32 months.
- The confirmed Objective Response Rate (ORR) was 42.1 percent[23], aligning well with the reported ORR of 31.6 percent in a similar patient population treated with FOLFIRINOX alone[22], and the 42 percent ORR reported for NALIRIFOX[24]. The unconfirmed ORR was 54.4 percent among the 57 patients evaluated[23].
- Median Duration of Response (DoR) was 12.6 months[23], which was confirmed at the 24-month analysis — an exceptional result in this aggressive disease, significantly longer than the 5.9 months reported for FOLFIRINOX[22] and 7.3 months reported for NALIRIFOX[24].

Mitazalimab was granted orphan drug designation for pancreatic cancer on 18 May 2023 in the U.S. and on 21 August 2023 in the EU.

A COMPARISON OF MITAZALIMAB + mFOLFIRINOX WITH STANDARD OF CARE



Development beyond Phase 2

Through interactions with the FDA and European regulatory authorities during 2024 and Q1 2025, Alligator has established a clear approval pathway for mitazalimab in first-line metastatic pancreatic cancer, confirming that OPTIMIZE-1 is a Phase 3-enabling study, as announced in February 2025.

A Chemistry, Manufacturing, and Controls (CMC) interaction with the FDA in December 2024 confirmed previous feedback from the German Paul Ehrlich Institute (PEI) and ensured that completed and planned CMC work also enable Phase 3 development. Following this positive feedback, Alligator has initiated the manufacturing of GMP material for the Phase 3 trial.

Alligator is planning to proceed directly to a global Phase 3 study with the potential for accelerated approval and is preparing for a partnership to initiate the study in the second half of 2025.

To facilitate this, the OPTIMIZE-1 study was expanded in 2024 to include an additional 15 patients at the 450 µg/kg dose level, in alignment with FDA guidance from December 2023.

Patient recruitment for this cohort was completed in July 2024, and data on treatment exposure and response were reported in February 2025. The results showed an ORR of 22.7% (unconfirmed), compared to 54.4% for the 900 µg/kg dose, indicating a positive dose-response relationship for mitazalimab and further supporting the selection of 900 µg/kg as the Phase 3 dose.

The final Phase 3 study design was presented to the FDA at an "End of Phase 2 meeting" in January 2025. Both the FDA and PEI have now confirmed that the proposed Phase 3 design can serve as the basis for Biologics License Application (BLA) and Market Authorization Application (MAA) submissions.

References

22. N Engl J Med 2011; 364:1817-1825; DOI: 10.1056/NEJMoa1011923.
23. Lancet Oncol. 2024 Jul;25(7):853-864; DOI. 10.1016/S1470-2045(24)00263-8.
24. Lancet. 2023 Oct 7;402(10409):1272-1281; DOI: 10.1016/S0140-6736(23)01366-1.

ATOR-4066

A next generation CD40-agonist

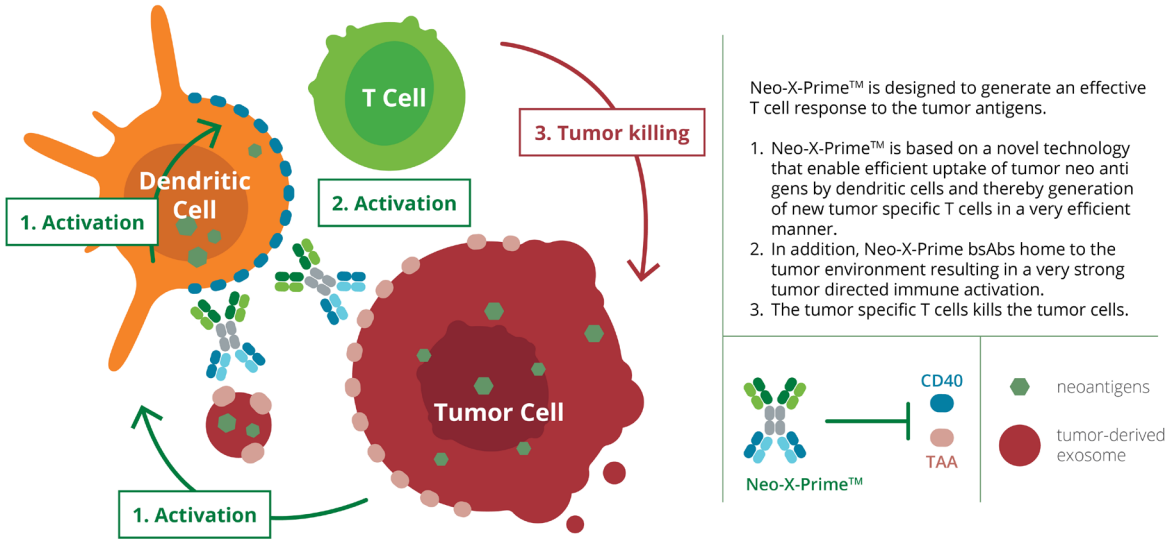
ATOR-4066 is a preclinical first-in-class bispecific antibody developed using Neo-X-Prime™ technology. It binds CD40 and the tumor-associated antigen CEACAM5, with the aim to induce a potent anti-tumor response and remodeling the tumor microenvironment for more effective cancer treatment.

ATOR-4066 is a bispecific antibody developed by Alligator within the Neo-X-Prime™ concept as a sequel to mitazalimab. In addition to CD40, ATOR-4066 targets CEACAM5 (carcino-embryonic antigen 5). CEACAM5 is a protein found in certain tumors, for example colorectal cancer, but not at all or in low amounts in normal tissue, which makes it an attractive target molecule for cancer treatment. Preclinical data show that ATOR-4066 selectively activates dendritic cells and T cells in material from human tumors, and that this activation is dependent on CEACAM5-expression in the tumor. Moreover, data from experimental models demonstrate that the molecule activates the immune system and protects against tumors. These results has been published in the peer-reviewed journal JITC.[22]

The mechanism and potential of ATOR-4066 was strengthened further during the data published at SITC in November 2024 showing that ATOR-4066 alone can eliminate large tumors with heterogenous CEACAM5-expression, thereby limiting tumor-escape mechanisms and forming the basis for single agent use of the molecule in certain cancers. Based on these positive data, Alligator expects to initiate CMC process development and other IND-enabling activities for ATOR-4066 as soon as possible, dependent on operational and financial capability.

In January 2024, the USPTO granted the first US patent for ATOR-4066.

THE NEO-X-PRIME™ MECHANISM OF ACTION FOR ATOR-4066



References

22. J Immunother Cancer. 2022 Nov;10(11):e005018. DOI: 10.1136/jitc-2022-005018.

ALG.APV-527

Co-development with Aptevo Therapeutics Inc.

ALG.APV-527 is a bispecific antibody co-developed by Alligator and Aptevo Therapeutics since 2017. The antibody combines a tumor-binding domain (5T4) and an immunomodulatory domain (4-1BB) within a single molecule and is only active upon simultaneous binding to its target molecules.

Co-development with Aptevo Therapeutics Inc.

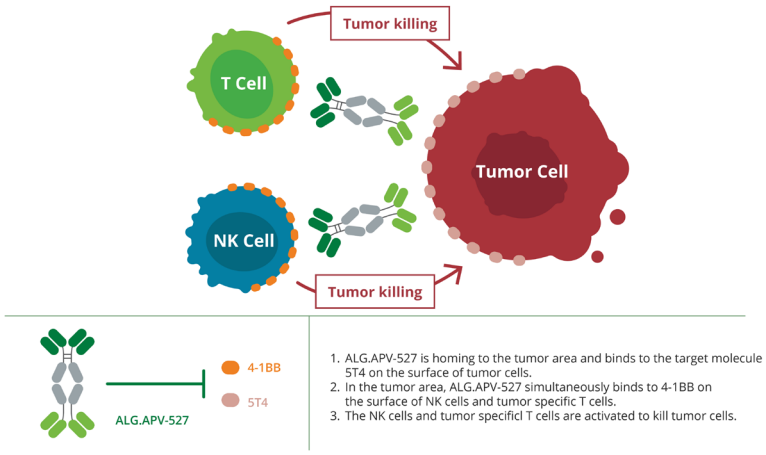
ALG.APV-527 is a bispecific antibody that targets the 4-1BB and 5T4 molecules and is expected to stimulate T cells and NK cells driving tumor specific immune attacks. 5T4 is a protein preferentially expressed on several tumor types including triple negative breast cancer and renal cell carcinoma. ALG.APV-527 requires simultaneous binding to 4-1BB and 5T4 to stimulate T cells and NK cells, thereby securing that it will only drive immune responses in the tumor and not elsewhere in the body, thus securing a favorable balance between efficacy and safety.

In July 2017, Aptevo Therapeutics Inc. and Alligator signed an agreement regarding the co-development of ALG.APV-527. Under the agreement, both companies will own and finance the development equally (50/50). The original molecules of the tumor-binding and immunomodulatory parts of ALG.APV-527 was developed using Alligator's proprietary ALLIGATOR-GOLD® antibody library. The bispecific molecule was further developed and improved with the technology platform ADAPTIR™, which has been developed by the partner Aptevo Therapeutics Inc. By combining a tumor-binding and an immunomodulatory part in one and the same molecule, a drug candidate has been created whose effect is selectively targeted to the tumor and activates the anti-tumor-specific immune cells present there.

Phase 1 dose escalation completed

In recent years, preclinical data for ALG.APV-527 has been presented at several international conferences. In November 2022, consolidated preclinical data was published in the peer-reviewed journal Molecular Cancer Therapeutics.[23] The data demonstrates that ALG.APV-527 effectively and selectively stimulates and strengthens the T cell response in the tumor, leading to tumor elimination. ALG.APV-527 also induces a tumor-specific immunologic memory in experimental disease models. Furthermore, the data shows that ALG.APV-527 has a good preclinical safety profile, with no signs of systemic immunostimulation or liver toxicity. Overall, the results support the potential of ALG.APV-527 to induce effective tumor-targeted immunostimulation with fewer adverse events.

MECHANISM OF ACTION



In February 2023 the first patient in the study was dosed with ALG.APV-527 in a Phase 1 study assessing the safety and efficacy of ALG.APV-527 in up to 30 patients with solid tumor types over-expressing 5T4. In March 2024, the companies announced the first interim data from the Phase 1 study with more than half of the planned patients recruited. The data demonstrated an encouraging safety and pharmacokinetics profile for ALG.APV-527, as well early signs of clinical efficacy in heavily pretreated breast cancer patients. In Q4 2024, the companies reported Phase 1 data for the candidate which indicated that trial endpoints of adequate exposure, safety, tolerability and biological activity had been met.

References

23. Mol Cancer Ther. 2023 Jan 3;22(1):89-101. DOI: 10.1158/1535-7163.MCT-22-0395.

Collaborations and licensing agreements

HLX22/AC101

HLX22/AC101 AGREEMENT WITH ABCLON INC.

Through its subsidiary Atlas Therapeutics AB, Alligator holds a participating interest in the clinical Biosynergy (HLX22/AC101) project, run by the Korean company AbClon Inc. The HER2 antibody AC101 is currently being developed by the Chinese company Shanghai Henlius Biotech Inc., which expanded its rights to encompass a global license for development and commercialization in 2018.

Alligator incurs no overheads for this project but is entitled to 35 percent of the revenue received by AbClon Inc. from out-licensing to Shanghai Henlius Biotech Inc. In previous financial years, Alligator has received two milestone payments totaling USD 3 million.

HLX22/AC101 entered into Phase 2 clinical development in gastric cancer during Q3 2021, a study that is expected to be completed in December 2025. In Q4 2022, Shanghai Henlius Biotech Inc. announced the Chinese IND approval for a second Phase 2 clinical study of HLX22/AC101 in gastric cancer. In September 2024, Shanghai Henlius Biotech Inc. reported updated Phase 2 clinical data for HLX22/AC101 at the 2024 ESMO Gastrointestinal Cancers Congress, showing that HLX22/AC101 in combination with trastuzumab (HLX02) and chemotherapy significantly prolonged progression-free survival and led to an increased antitumor response in patients with HER2-positive gastric cancer. An additional IND for a multicenter Phase 3 study of HLX22/AC101 in combination with trastuzumab and chemotherapy was approved by the US FDA in May 2024, in which the first patient was dosed in Q4 2024.

Biotheus, Inc.

In August 2019, an agreement was concluded with the Chinese company Biotheus Inc, who obtained the Chinese rights (China, Hong Kong, Taiwan and Macao) to an antibody from the ALLIGATOR-GOLD® library. Under the agreement, Alligator is entitled to potential upfront payments and future milestone and license option payments totaling USD 142 million. To date, Alligator has received upfront payments of about USD 1 million, for events such as positive results after an initial evaluation period.

Orion Corporation

In 2021, Alligator entered into a research collaboration and license agreement with Orion Corporation, a global pharmaceutical company headquartered in Finland. The goal of the collaboration is to discover novel bispecific antibody cancer therapies designed to engage immuno-oncology targets. The agreement included the option to develop up to three bispecific antibodies.

In November 2024, Alligator announced the sale of future financial commitments for two bispecific antibodies to Orion Corporation and confirmed that no further activities would be conducted under the research collaboration.

MacroGenics

In 2021, Alligator entered into a research collaboration with the U.S.-based MacroGenics, Inc., a Nasdaq-listed biopharmaceutical company focused on the development and commercialization of innovative monoclonal antibody-based therapies for cancer treatment. In 2024, the parties agreed not to proceed with the development of the bispecific molecules generated under the collaboration.

Administration report

The Board and CEO of Alligator Bioscience AB (publ), based in Lund, Sweden, corporate ID no. 556597-8201, hereby present the annual accounts and consolidated accounts for the 2024 financial year for the parent company and the Group.

Overview of business 2024

Alligator's business

Alligator is a research-based biotechnology company developing antibody-based pharmaceuticals for cancer treatment. Alligator specializes in the development of tumor-directed immunotherapies, in particular agonistic mono- and bispecific antibodies. In immunotherapy, the patients' immune system is activated to cure cancer. The term tumor-directed means that the drug is administered or designed such that the pharmacological effect is localized to the tumor. This results in an advantageous efficacy and safety profile. Alligator is developing the clinical drug candidate mitazalimab (previously ADC-1013), which is an agonistic, or stimulatory, antibody that targets CD40, a receptor on the dendritic cells of the immune system, which are the cells that detect enemies such as cancer cells. The study OPTIMIZE-1 is an open-label, multi-center trial assessing the clinical efficacy of mitazalimab in combination with chemotherapy (mFOLFIRINOX) in patients with first line metastatic pancreatic cancer.

Employees

The average number of employees in 2024 was 52 (56), of whom 36 (39) were women. At the end of the year, the number of employees was 45 (58), of whom 37 (48) were in research and development. Salaries, remuneration and other employee-related expenses totaled SEK 70.4 million (79.3).

Significant events in 2024

- In January 2024, Alligator announced topline results and that the primary endpoint had been met in the Phase 2 study OPTIMIZE-1, evaluating mitazalimab in combination with mFOLFIRINOX for first-line treatment of metastatic pancreatic cancer. The positive results also confirmed clinically relevant benefits compared to the current standard of care.
- In February 2024, Alligator announced a restructuring to focus resources on key priorities and strengthen long-term competitiveness. The reduction in workforce resulted in annual savings of approximately SEK 20 million.
- In February 2024, Alligator announced a rights issue of units, which was approved at an Extraordinary general Meeting on 14 March 2024. The issue provided Alligator with approximately SEK 107.1 million before transaction costs.
- In April 2024, Alligator announced that Orion Corporation had exercised a development option and selected lead candidates among the antibodies generated within the immuno-oncology research collaboration and license agreement entered into in 2021. The exercise triggered a milestone payment to Alligator. In November 2024, Alligator announced that Orion Corporation had acquired all financial obligations to Alligator related to the two developed antibodies, thereby concluding the research collaboration.
- In June 2024, Alligator announced positive data from the 18-month follow-up in the OPTIMIZE-1 study. The results demonstrated substantial survival benefits and an unprecedented Duration of Response compared to current standard treatments.
- In June 2024, Alligator announced the decision to carry out a directed issue of convertible bonds to Fenja Capital, providing gross proceeds of SEK 12 million, as well as an agreement with Fenja Capital for a loan facility of up to SEK 68 million.
- In December 2024, Alligator announced a further restructuring to continue strengthening long-term value creation. The reduction in workforce, primarily within the Discovery and Non-Clinical units, is expected to result in annual savings of approximately SEK 65 million.
- In December 2024, Alligator announced a rights issue of units, which was approved at an Extraordinary General Meeting on 13 January 2025.
- In December 2024, Alligator announced an outcome of 1.5 percent for the exercise of warrants TO 9, providing Alligator with approximately SEK 0.8 million before transaction costs.

Significant events after the end of the period

- In December 2024, Alligator announced that it would perform a rights issue of units (ordinary shares and warrants, series TO 12 and TO 13) in February 2025. The completed rights issue provided initial proceeds of SEK 153 million (gross) before issue costs, repayment of bridge loans and repayment of outstanding loans and convertibles to Fenja Capital (these repayments amount to approximately SEK 108 million in total, including accrued interest).

Conflicts in the world

Many wars and conflicts are raging around the world, resulting I enormous human suffering. The Russian invasion of Ukraine has worsened the political security situation in the rest of the world and created great uncertainty in the financial markets, which may affect Alligator's ability to finance clinical trials in the future. The conflict between Israel and Palestina has been going on for decades and has flared up many times over the years. Recently, the violence has escalated and caused enormous suffering. Some other countries around the world are also at war right now.

Alligator has no direct business in, nor does it conduct any clinical studies in affected countries but sees that Alligator will suffer from increased raw material and energy prices, which in turn will translate into increased prices for goods and services.

Organization and management strengthened

In August 2024 Alligator announced that Johan Giléus has been employed as the new Chief Financial Officer. As a result of the restructuring announced in December 2024 the executive management team consists of CEO, CFO, CMO and CTO.

Income, expenses, and earnings

Due to the nature of the business operations, there may be significant fluctuations in income over the periods. These are not seasonal or otherwise recurring in nature but rather are primarily related to the achievement of milestones that trigger remuneration in out−licensed research projects.

Net sales during the year amounted to SEK 57,767 thousand (58,107). Income for the year ware generated primarily based on the now terminated research and licensing agreement with Orion Corporation.

Other operating income of SEK 1,945 thousand (3,795) relates mainly to exchange gains in Alligator's operations and government grants for doctoral positions.

Operating costs amounted to SEK −288,853 thousand (−310,884). The costs have decreased compared with the previous year and are mainly attributable to the lower number of employees and lower external costs for ongoing clinical studies. Operating costs 2024 include a write-down amounting to SEK 48,127 thousand of right of use assets relating to the new office and laboratory premises but not to be used going forward due to the restructuring communicated in December 2024. A partial reversal (SEK 9,917 thousand) of a previous write-down has been made related to participation in development projects.

The operating loss amounted to SEK −229,141 thousand (−248,983).

Total financial items amounted to SEK −4,749 thousand (397) and pertain to exchange gains/losses as a result of liquidity positions in EUR, GBP, and USD, interest income, interest costs relating to external debt and convertible bond and financial income relating to warrants (TO 9) not exercised. The previous year pertained to exchange rate gains/losses due to liquidity positions in EUR, GBP, and USD.

The Group had no tax cost for 2024 (−). At the end of 2024, the Group's cumulative tax loss carryforwards amounted preliminary to SEK 1,779 million (1,522).

The loss before and after tax was SEK −233,890 thousand (−248,586). Loss per share before and after dilution was SEK −0.32 (−0.55).

Financial position

At year-end, equity amounted to SEK −130,558 thousand (11,855). At the end of the period, this corresponded to equity per share outstanding of SEK −0.17 (0.02) before and after dilution.

The Board has noted that the equity is below half of the registered share capital. Alligator has considered the provisions in Chap. 25 in the Swedish Companies Act and and concluded that Alligator has large surplus values in primarily the mitazalimab project that good margin exceeds the deficiency in equity. Thus, no actual deficiency in equity exists that requires the Board to prepare a balance sheet for liquidation purposes.

Cash and cash equivalents comprised of bank balances and totaled SEK 64,310 thousand (66,118) at the end of the period. Alligator works continuously to secure financing of the operation. This includes new licensing agreements with upfront payments as well as other financing alternatives. Alligator completed a rights issue in February 2025. Following the completion of the rights issue, it is Alligator's assessment that there is funding for 2025, provided that the two subsequent warrant programs in 2025 are subscribed to at least the expected extent. However, this means that as of the date of the annual report, Alligator's funding for 2025 is not secured.

Alligator has external financial debt amounting to SEK 135 million (including a convertible bond with a nominal amount of SEK 12 million). Repayment of the financial debt and convertible bond is expected to be made through the proceeds from the rights issue and the following exercises of warrants during 2025. No financial debt existed as of 31 December 2023.

The Group plans to use its liquid funds to finance its operating activities. According to Alligator's Financial Policy, the Group must have sufficient bank balances to cover its expected liquidity requirements for at least 12 months. Some liquidity is invested in foreign currency accounts in USD, GBP, and EUR. In accordance with Alligator's Financial Policy, inflows of foreign currencies exceeding the expected requirements for the coming 18 months are converted to SEK at the time of payment. Besides this, no further hedging has taken place.

Investments and cash flow

Investments during 2024 totaled SEK 0 thousand (2,459). Of these, SEK 0 thousand (1,727) was invested in laboratory equipment. Cash flow for the year amounted to SEK −1,154 thousand (−30,183).

Future outlook

Alligator will in the future focus on the latest stage development projects with an organization of approximately 15 FTE. Alligator will in addition be able to conduct limited other research and development activities, mainly related to mitazalimab, through internal and external resources.

Environmental information

Alligator's business does not require a permit under the Swedish Environmental Code, but it is subjected to regular environmental inspections. We comply with official requirements for the management and destruction of hazardous waste and work actively to reduce our use of environmentally harmful substances and our energy consumption.

Guidelines for remuneration of senior executives

According to the Swedish Companies Act, the Annual General Meeting shall decide on guidelines for remuneration to the CEO and other senior executives. Guidelines were adopted at the Annual General Meeting on 7 May 2024, and no deviations from these guidelines have been made. The Board of Directors proposes that amended principles for remuneration to the CEO and other senior executives shall apply from the Extraordinary General Meeting on 27 March 2025. Current principles have the following content:

Scope and applicability of the guidelines

These guidelines comprise the persons who are part of Alligator's executive management team, currently the CEO, CFO, CMO and CTO. The guidelines also encompass any remuneration to members of the Board, in addition to board remuneration.

These guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting. These guidelines do not apply to any remuneration resolved by the general meeting, such as board remuneration and share-based incentive programs.

The guidelines' promotion of Alligator's business strategy, long-term interests, and sustainability

Alligator's business model is based on proprietary drug development. To maximize the value of the portfolio, Alligator intends to bring molecules from drug discovery and preclinical studies to demonstration of Proof-of-Concept in clinical Phase 2 trials and beyond. To generate income, limit portfolio risk, and maximize long-term value, Alligator seeks strategic global and regional partnerships for certain programs and technologies.

The successful implementation of Alligator's business strategy and safeguarding of Alligator's long-term interests, including its sustainability, require that Alligator is able to recruit and retain highly competent senior executives with a capacity to achieve set goals. To achieve this, Alligator must offer a competitive total remuneration on market terms, which these guidelines enable.

Long-term share-based incentive programs have been implemented in Alligator. For further information about these programs, see page 29-31. The share-based incentive programs were approved by the general meetings and are not covered by these guidelines.

Types of remuneration, etc.

The remuneration shall be on market terms and be competitive and may consist of the following components: fixed salary, variable cash remuneration, pension benefits and other benefits. For the individual senior executive, the level of remuneration shall be based on factors such as work tasks, expertise, experience, position, and performance. Additionally, the general meeting may—irrespective of these guidelines—resolve on, e.g. share and share price-related remuneration. The remuneration shall not be discriminating on grounds of gender, ethnic background, national origin, age, disability, or any other irrelevant factors.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Fixed salary

The CEO and other senior executives shall be offered a fixed annual cash salary. The fixed salary shall be based on the individual's responsibility, competence, and performance. For CEO, the fixed cash salary shall be determined annually on 1 January and refer to the following twelve months. For other senior executives, the fixed cash salary shall be determined annually on 1 April and refer to the following twelve months.

Variable cash remuneration

In addition to fixed salaries, the CEO and other senior executives may, according to separate agreements, receive variable cash remuneration. Variable cash remuneration covered by these guidelines is intended to promote Alligator's business strategy and long-term interests, including its sustainability.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over one or several years. Any variable cash remuneration may amount to a maximum of 30 percent of the fixed annual cash salary. Variable cash remuneration shall not qualify for pension benefits, save as required by mandatory collective bargaining agreements.

The variable cash remuneration shall be linked to one or several predetermined and measurable criteria, which can be financial, such as Alligator's revenues or achieved milestone payments, or non-financial, such as application of Clinical Trial Authorizations (CTA) for entering clinical studies. The variable cash remuneration may be entirely independent of non-financial criteria. By linking the goals in a clear and measurable way to the remuneration of the senior executives to Alligator's financial and operational development, they contribute to the implementation of Alligator's business strategy, long-term interests, and sustainability.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated and determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by Alligator.

Additional variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis, either for the purpose of recruiting or retaining senior executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such a remuneration may not exceed an amount corresponding to 30 percent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution to such remuneration shall be made by the Board based on a proposal from the Remuneration Committee.

Pension benefits

Pension benefits, including health insurance, shall be defined contribution, in so far as the senior executive is not covered by defined benefit pension under mandatory collective bargaining agreements. Pension premiums for defined contribution pensions may amount to a maximum of 30 percent of the fixed annual cash salary.

Other benefits
Other benefits may include, i.e. life insurance, medical insurance, and a company car. Premiums and other costs relating to such benefits may amount to not more than the lower of SEK 18,000 per month or 20 percent of the fixed annual cash salary.

Termination of employment and severance payment
Senior executives shall be employed until further notice or for a specified time. Upon termination of employment, the notice period may not exceed six months. Severance pays, in addition to salary and other remuneration during the notice period, may not exceed an amount corresponding to six times the fixed monthly cash salary. Upon termination by the senior executive, the notice period may not exceed six months, without any right to severance pay. In addition to fixed cash salaries during the notice period and severance pay, additional remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid as far as the previously employed senior executive is not entitled to severance pay for the period for which the non-compete undertaking applies. The remuneration shall be based on the fixed cash salary at the time of termination of employment and amount to not more than 60 percent of the fixed cash salary at the time of termination of employment, unless otherwise provided by mandatory collective bargaining agreements, and shall be paid during the time as the non-compete undertaking applies, however not for more than 12 months following termination of employment.

Salary and employment conditions for employees
In the preparation of the Board proposal for these remuneration guidelines, salary, and employment conditions for employees of Alligator have been taken into consideration by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Consultancy fees to the members of the Board
To the extent a member of the Board renders services for Alligator, in addition to his or her assignment as a member of the Board, consultancy fee on market terms may be paid to the member of the Board, or to a company controlled by such member of the Board, provided that such services contribute to the implementation of Alligator's business strategy and the safeguarding of Alligator's long-term interests, including its sustainability.

Preparation and decision-making progress
The Board has established a Remuneration Committee. The Remuneration Committee's duties include, i.e. preparing the Board's resolution to propose guidelines for remuneration to senior executives. The Board shall prepare a proposal for new guidelines at least every fourth year and submit them to the general meeting. The guidelines shall be in force until new guidelines have been adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the senior executives, the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and compensation levels in Alligator. The Remuneration Committee members are independent in relation to Alligator and its executive management team. The CEO and other members of the senior management do not participate in the Board's processing of resolutions regarding remuneration-related matters as far as they are affected by such matters.

Deviation from these guidelines
The Board may temporarily resolve to deviate from these guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve Alligator's long-term interests, including its sustainability, or to ensure Alligator's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board's resolutions in remuneration-related matters, which include any resolutions to deviate from these guidelines.

Share capital and ownership
Alligator's share capital on 31 December 2024 totaled SEK 607,191, made up of 758,209,917 ordinary shares and 779,169 C-shares with a quota value of SEK 0.0008. Each ordinary share entitles the shareholder to one vote and the series C shares shall carry one-tenth of a vote per share at the Annual General Meeting. On 31 December 2024, Koncentra Holding AB (part of Allegro Investment Fund), was the largest shareholder with 249,948,629 shares corresponding to 33.0 percent of the share capital and the votes.

Share incentive programs
WARRANT PROGRAM LTI 2022 I
The Annual General Meeting held on 5 May 2022 resolved to implement a warrant program for employees under which a total of 3,700,000 warrants have been issued free of charge to the Alligator's subsidiary A Bioscience Incentive AB for transfer to the participants in the warrant program. In June 2023, 1,073,000 unallocated warrants were cancelled. Of the original number of warrants, 2,627,000 warrants remain. The transfer to the participants was made in exchange for cash corresponding to the warrant's market value at the time of the transfer. In connection with transfers of warrants, the subsidiary has entered into agreements with the participants which entail a right for the subsidiary to, considering customary so-called "good and bad leaver" conditions, repurchase warrants in the event the participant's employment or assignment in the Alligator terminates or if the participant wants to transfer the warrants. After recalculation due to completed rights issues during 2023 and 2024 (further recalculation will occur as a result of the Rights Issue in February 2025), each warrant in the program entitles to subscription of 1.38 new ordinary shares in the Alligator at a subscription price amounting to SEK 2.46 per share. The warrants can be exercised during the period from and including 1 June 2025 up to and including 30 June 2025. As of 31 December 2024, participants in the program hold 2,298,666 warrants, while the remaining 328,334 warrants are held by the subsidiary. Upon full

exercise of all warrants held by the participants in the program to subscribe for shares, a total of 3,172,159 new ordinary shares will be issued, corresponding to a dilution of approximately 0.42 percent of the Alligator's ordinary shares as of 31 December 2024. The warrants are subject to customary recalculation conditions in connection with new issues etc.

WARRANT PROGRAM LTI 2022 II

The Annual General Meeting held on 5 May 2022 furthermore resolved to implement a warrant program for certain board members under which a total of 600,000 warrants have been issued free of charge to the Alligator's subsidiary A Bioscience Incentive AB for transfer to the participants in the warrant program. In June 2023, 100,000 unallocated warrants were cancelled. Of the original number of warrants, 500,000 warrants remain. The transfer to the participants was made in exchange for cash corresponding to the warrant's market value at the time of the transfer. After recalculation due to completed rights issues during 2023 and 2024 (further recalculation will occur as a result of the Rights Issue in February 2025), each warrant in the program entitles to subscription of 1.38 new ordinary shares in the Alligator at a subscription price amounting to SEK 2.46 per share. The warrants can be exercised during the period from and including 1 June 2025 up to and including 30 June 2025. As of 31 December 2024, the participants in the program hold all outstanding 500,000 warrants. Upon full exercise of all warrants held by the participants in the program to subscribe for shares, a total of 690,000 new ordinary shares will be issued, corresponding to a dilution of approximately 0.09 percent of the Alligator's ordinary shares as of 31 December 2024. The warrants are subject to customary recalculation conditions in connection with new issues etc.

WARRANT PROGRAM LTI 2023 I

The Annual General Meeting held on 26 May 2023 resolved to implement a warrant program for employees under which a total of 8,955,000 warrants have been issued free of charge to the Alligator's subsidiary A Bioscience Incentive AB for transfer to the participants in the warrant program. The transfer to the participants was made in exchange for cash corresponding to the warrant's market value at the time of the transfer. In connection with transfers of warrants, the subsidiary has entered into agreements with the participants which entail a right for the subsidiary to, considering customary so-called "good and bad leaver" conditions, repurchase warrants in the event the participant's employment or assignment in the Alligator terminates or if the participant wants to transfer the warrants. After recalculation due to completed rights issue during 2024 (further recalculation will occur as a result of the Rights Issue in February 2025), each warrant in the program entitles to subscription of 1.05 new ordinary shares in the Alligator at a subscription price amounting to SEK 1.01 per share. The warrants can be exercised during the period from and including 1 June 2026 up to and including 30 June 2026. As of 31 December 2024, participants in the program hold 4,888,333 warrants, while the remaining 4,066,667 warrants are held by the subsidiary. Upon full exercise of all warrants held by the participants in the program to subscribe for shares, a total of 5,132,750 new ordinary shares will be issued, corresponding to a dilution of approximately 0.67 percent of the Alligator's ordinary shares as of 31 December 2024. The warrants are subject to customary recalculation conditions in connection with new issues etc.

WARRANT PROGRAM LTI 2023 II

The Annual General Meeting held on 26 May 2023 furthermore resolved to implement a warrant program for certain board members under which a total of 1,440,000 warrants have been issued free of charge to the Alligator's subsidiary A Bioscience Incentive AB for transfer to the participants in the warrant program. The transfer to the participants was made in exchange for cash corresponding to the warrant's market value at the time of the transfer. After recalculation due to completed rights issue during 2024 (further recalculation will occur as a result of the Rights Issue in February 2025), each warrant in the program entitles to subscription of 1.05 new ordinary shares in the Alligator at a subscription price amounting to SEK 1.01 per share. The warrants can be exercised during the period from and including 1 June 2026 up to and including 30 June 2026. As of 31 December 2024, the participants in the program hold all 1,440,000 outstanding warrants. Upon full exercise of all warrants held by the participants in the program to subscribe for shares, a total of 1,512,000 new ordinary shares will be issued, corresponding to a dilution of approximately 0.20 percent of the Alligator's ordinary shares as of 31 December 2024. The warrants are subject to customary recalculation conditions in connection with new issues etc.

WARRANT PROGRAM LTI 2024 I

The Annual General Meeting held on 7 May 2024 resolved to implement a warrant program for employees under which a total of 5,915,000 warrants have been issued free of charge to the Alligator's subsidiary A Bioscience Incentive AB for transfer to the participants in the warrant program. The transfer to the participants was made in exchange for cash corresponding to the warrant's market value at the time of the transfer. Recalculation will occur due to the Rights Issue in February 2025. In connection with transfers of warrants, the subsidiary has entered into agreements with the participants which entail a right for the subsidiary to, considering customary so-called "good and bad leaver" conditions, repurchase warrants in the event the participant's employment or assignment in the Alligator terminates or if the participant wants to transfer the warrants. Each warrant in the program entitles the participant to subscription of one new ordinary share in the Alligator at a subscription price amounting to SEK 1.69 per share. The warrants can be exercised during the period from and including 1 June 2027 up to and including 30 June 2027. As of 31 December 2024, program participants hold 2,554,166 warrants, while the remaining 3,360,834 warrants are held by the subsidiary. Upon full exercise of all warrants held by the participants in the program to subscribe for shares, a total of 2,554,166 new ordinary shares will be issued, corresponding to a dilution of approximately 0.34 percent of the Alligator's ordinary shares as of 31 December 2024. The warrants are subject to customary recalculation conditions in connection with new issues etc.

WARRANT PROGRAM LTI 2024 II

The Annual General Meeting held on 7 May 2024 furthermore resolved to implement a warrant program for certain board members under which a total of 640,000 warrants have been issued free of charge to the Alligator's subsidiary A Bioscience Incentive AB for transfer to the participants in the warrant program. The transfer to the participants was made in exchange for cash corresponding to the warrant's market value at the time of the transfer. Recalculation will occur due to the Rights Issue in February 2025. Each warrant in the program entitles the participant to subscription of one new ordinary share in the Alligator at a subscription price amounting to SEK 1.69 per share. The warrants can be exercised during the period from and including 1 June 2027 up to and including 30 June 2027. As of 31 December 2024, participants in the program hold all outstanding 640,000 warrants. Upon full exercise of all warrants held by the participants in the program to subscribe for shares, a total of 640,000 new ordinary shares will be issued, corresponding to a dilution of approximately 0.08 percent of the Alligator's ordinary shares as of 31 December 2024. The warrants are subject to customary recalculation conditions in connection with new issues etc

Proposed appropriation of profits

The Board proposes that sums available to the shareholders' meeting:	
Share premium reserve	1,144,552,403
Accumulated losses	-1,040,678,398
Loss for the year	-231,001,806
Total	**-127,127,801**

The Board proposes that Alligator does not pay dividends for the financial year 2024

Carried forward to new account	**-127,127,801**

Multi-year overview of the Group

Performance measures, Group	2024	2023	2022	2021	2020
Profit/loss (KSEK)					
Net Sales	57,767	58,107	35,696	12,943	4,352
Operating profit/loss	-229,141	-248,983	-192,789	-141,565	-144,298
Profit/loss for the year	-233,890	-248,586	-193,403	-141,736	-143,296
R&D costs	-205,311	-264,585	-186,945	-110,123	-110,252
R&D costs as a percentage of operating costs excluding impairments	82.2,%	85.1,%	81.3,%	70.3,%	73.0,%
Capital (KSEK)					
Cash and cash equivalents including securities at end of year	64,310	66,118	97,305	278,148	103,342
Cash flow from operation activities	-212,426	-189,285	-172,607	-127,004	-141,352
Cash flow for the year	-1,154	-30,182	-180,875	174,746	9,386
Equity	-130,588	11,855	89,051	282,273	115,244
Equity ratio, %	-125%	10%	53%	85%	76%
Data per share (SEK)*					
Earnings per share before and after dilution	-0.32	-0.55	-0.88	-0.64	-2.01
Equity per share before and after dilution	-0.17	0.02	0.40	-0.88	1.61
Share price, 31 December	0.25	0.69	1.55	2.57	7.63
Personnel					
Number of employees at end of year	45	58	53	46	43
Average number of employees	52	56	50	45	50
Average number of employees in Research and Development	43	46	41	38	43

* The dilution effect is not taken into account in the case of a negative result

Derivation of performance indicators

Alligator presents certain financial performance measures in this annual report, including measures that are not defined under IFRS. Alligator believes that these performance measures are an important complement because they allow for a better evaluation of the Alligator's economic trends. These financial performance measures should not be viewed in isolation or be considered to replace the performance indicators that have been prepared in accordance with IFRS. In addition, such performance measures, as Alligator has defined them, should not be compared with other performance measures with similar names used by other companies. This is because the above-mentioned performance measures are not always defined in the same manner, and other companies may calculate them differently to Alligator.

To the right is shown the calculation of key figures, for the mandatory earnings per share according to IFRS and also for performance measures that are not defined under IFRS or where the calculation is not shown in another table in this report.

Alligator's business operation is to conduct research and development which is why "R&D costs/Operating costs excluding impairment in % is an essential indicator as a measure of efficiency, and how much of the Alligator's costs relate to R&D.

As mentioned earlier, Alligator does not have a steady flow of income, with irregular income generated in connection with the signing of licensing agreements and the achievement of milestones. Therefore, Alligator monitors performance indicators such as equity ratio and equity per share in order to assess Alligator's solvency and financial stability. These are monitored along with the cash position and the various measures of cash flows shown in the consolidated statement of cash flow.

For definitions, see the section "**Financial definitions**" on page 84.

Derivation of performance indicators	**2024**	**2023**	**2022**	**2021**	**2020**
Profit/loss for the year, KSEK	-233 890	-248 586	-193 403	-141 736	-143 296
Average number of shares before dilution	734 278 406	448 489 815	220 584 878	89 670 050	71 388 615
Earnings per share before dilution, SEK	**-0,32**	**-0,55**	**-0,88**	**-1,58**	**-2,01**
Average number of shares after dilution	734 278 406	448 489 815	220 584 878	89 670 050	71 388 615
Earnings per share after dilution, SEK	**-0,32**	**-0,55**	**-0,88**	**-1,58**	**-2,01**
Operating costs, KSEK	-288 853	-310 884	-229 925	-156 691	-150 964
Write-down of tangible and intangible fixed assets, KSEK	**-39,062**	**-**	**-**	**-**	**-**
Operating costs excl. Impairment, KSEK	**-249 791**	**-310 884**	**-229 925**	**-156 691**	**-150 964**
Reduce of administrative expenses, KSEK	34 814	35 810	31 213	35 423	29 191
Reduce of depreciation, KSEK	9 667	10 489	11 767	11 144	11 522
Research and development costs, KSEK	**-205 311**	**-264 585**	**-186 945**	**-110 123**	**-110 252**
R&D costs / Operating costs, excluding impairments %	**82 %**	**85 %**	**81 %**	**70 %**	**73 %**
Equity, KSEK	-130 588	11 855	89 051	282 273	115 244
Number of shares before dilution	758 209 917	657 954 290	220 584 878	220 584 878	71 388 615
Equity per share before dilution, SEK	**-0,17**	**0,02**	**0,40**	**1,28**	**1,61**
Number of shares after dilution	758 209 917	657 954 290	220 584 878	220 740 173	71 388 615
Equity per share after dilution, SEK	**-0,17**	**0,02**	**0,40**	**1,28**	**1,61**
Equity, KSEK	-130 588	11 855	89 051	282 273	115 244
Total assets, KSEK	104 338	118 450	169 584	333 200	151 938
Equity ratio, %	**-125 %**	**10 %**	**53 %**	**85 %**	**76 %**

Risk and risk management

Alligator's results have been, and will be, affected by several factors, some of them outside Alligator's control. The principal factors which Alligator considers have affected the results and can be expected to do so in the future are set out below.

Preclinical and clinical development of drug candidates
Alligator currently has one drug candidate which is in the late clinical phase and three drug candidates which are subject to development in cooperation with partners. All drug candidates must undergo extensive preclinical and clinical studies in order to demonstrate the drug candidate's safety and efficiency in humans before they can receive regulatory approval to be launched on the market as finished products. Clinical studies are expensive and time-consuming to conduct, and their outcome is uncertain. This could affect the possibility of commercializing Alligator's drug candidates.

Alligator tries to minimize the impact of this risk by working with standardized processes, an established project methodology, regular steering group meetings and regular evaluation of the different projects.

Delays in clinical studies are quite common and may be caused by many different things. Clinical studies may be held up for many different reasons, including delays in e.g.: approval from supervisory authorities to commence a study; failure of contract suppliers to provide their services; recruitment of patients to take part in clinical studies; and the necessary provision of clinical study material.

Particularly with regard to patients, there are many factors that influence the chances of successful recruitment, such as the type of patient population, competing clinical studies and the perception among clinics and patients of the potential benefits of participating in the study.

To avert these risks, Alligator's clinical team strives constantly to establish close relationships with the clinics that are needed to run planned clinical studies effectively.

Limited project portfolio in the early development phase
Alligator's drug candidate mitazalimab is currently in clinical Phase 2, and for the drug candidate ALG.APV-527, which is developed together with Aptevo Therapeutics Inc. Furthermore, Alligator has the dormant preclinical program ATOR-4066. Alligator has not yet launched any of its drug candidates on the market, neither by itself nor through partners, and has therefore not yet conducted any sales or generated any sales revenue from sales of commercialized drug candidates, which makes it difficult to evaluate Alligator's sales potential. Alligator has invested significant amounts in the development of its drug candidates and additional significant amounts will need to be invested for the ongoing and future development of Alligator's drug candidates. Furthermore, Alligator has for example entered into a license agreement with the Chinese company Biotheus Inc. regarding antibodies from ALLIGATOR-GOLD®, and, through its subsidiary Atlas Therapeutics AB, entered into an agreement with the South Korean company AbClon Inc. for out-licensing of the project HLX22/AC101 to the Chinese company Shanghai Henlius Biotech Inc., which is responsible for financing and conducting the clinical development of HLX22/AC101 which is in clinical Phase 3. Alligator is entitled to 35 percent of the revenues that AbClon Inc. receives from the out-licensing to Shanghai Henlius Biotech Inc.

Dependence on partners for development and commercialization
According to Alligator's current business strategy, some of Alligator's potential future revenues will consist of milestone payments, meaning interim and option payments received from partners on the condition that certain agreed targets related to Alligator's development project are reached, and licensing revenue from out-licensing and royalties from sales in the event of the commercialization of drug candidates. Alligator and its operations are therefore largely dependent on collaboration, out-licensing and the commercialization of Alligator's development projects to generate future revenue. In the short to medium term, potential revenue is mainly expected to comprise milestone payments and licensing revenue linked to development projects in clinical phase. In the long term, potential revenue may also include sales revenue or royalties following possible commercialization of one or more of Alligator's drug candidates. At present, Alligator's main source of income is development-based milestone payments and license payments. Alligator has entered into a partnership agreement with the US Biotech company Aptevo Therapeutics Inc. for the co-development of ALG.APV-527 through clinical Phase 1. In addition, Alligator has entered into a licensing agreement with the Chinese company Biotheus Inc. In the jointly owned project AC101 with AbClon Inc, has Alligator, via the subsidiary Atlas Therapeutics AB, entered into an agreement for the licensing of HLX22/AC101 to the Chinese company Shanghai Henlius Biotech Inc.

Alligator's current business strategy involves potential sales or out-licensing of Alligator's drug candidates and clinical development projects. There is a risk that Alligator fails to attract buyers or licensees for Alligator's drug candidates, which may mean future revenue is delayed or alternatively, partially, or entirely, foregone.

Alligator's dependence on collaboration carries a number of risks, such as: Alligator cannot control the volume of resources or the time when these resources are to be dedicated to the drug candidates; Alligator may be required to waive significant rights, including intellectual property rights and marketing and distribution rights; and the ability of Alligator's partners to meet their commitments under the collaboration agreement may be affected by changes in a partner's business strategy.

Alligator strives to reduce this risk by thoroughly evaluating potential partners, assigning sufficient and appropriate resources, and striving to sign agreements for more projects.

Conflicts in the world

Many wars and conflicts are raging around the world, resulting in enormous human suffering. The Russian invasion of Ukraine has worsened the political security situation in the rest of the world and created great uncertainty in the financial markets, which may affect Alligator's ability to finance clinical trials in the future.

The conflict between Israel and Palestina has been going on for decades and has flared up many times over the years. Recently, the violence has escalated and caused enormous suffering. Some other countries around the world are also at war right now.

Alligator has no direct business in, nor does it conduct any clinical studies in affected countries but sees that Alligator will suffer from increased raw material and energy prices, which in turn will translate into increased prices for goods and services.

Alligator's ability to influence these risks is limited and is mainly done by Alligator actively working with various sources for financing and continuous cost follow-up.

Market acceptance

So far none of Alligator's drug candidates has been commercialized. Even if Alligator's drug candidates are approved for marketing and sale by the competent authorities, doctors might not prescribe them, which could prevent Alligator from generating income or achieving profitability. Market acceptance of potential future products from Alligator and its partners will depend on a number of factors, including: the clinical indications for which the product has been approved; acceptance by doctors, patients, and payers; perceived benefits compared to competing treatments; the extent to which the product has been approved for use in hospitals and 'managed care' organizations; and access to adequate reimbursement systems and price subsidies.

Alligator's ability to influence these risks is limited and mainly involves Alligator considering these factors carefully when out-licensing product candidates.

Competition

The development and commercialization of novel drug candidates is highly competitive and characterized by rapid technology development. Alligator is exposed to competition in relation to its current drug candidates and will be exposed to competition in relation to all drug candidates that may try to develop or commercialize in the future, from large pharmaceutical companies, specialized drug companies and biotech firms all over the world. Currently, there are some 20 approved pharmaceutical products on the market for immuno-oncology and a lot of pharmaceutical and biotech companies engaged in research and development of drugs for immunotherapy of cancer, these include several large, pharmaceutical companies. Competitors, including those referred to above, may have greater financial resources than Alligator and its partners, which may offer them advantages in research and development, contacts with licensing authorities, marketing, and product launch. There is a risk that Alligator's competitors successfully commercialize products before Alligator and its partners, or that competitors develop products that are more effective, have a better side effect profile and are more affordable than Alligator's drug candidates, which may mean Alligator's competitors establish

a strong market position before Alligator can enter the market. Such competing products may restrict Alligator's opportunities to commercialize its drug candidates and therefore generate future revenue.

Alligator strives to reduce competition by developing clearly differentiated drug candidates and through strategic partnerships that can bring other competitive advantages.

Key people and qualified employees

Alligator has established an organization with qualified employees to create the best possible conditions for research, development, and commercialization of Alligator's drug candidates. The future growth of Alligator is highly dependent on sector-specific knowledge, experience and commitment possessed by Alligator's senior executives and key persons. Alligator's ability to retain and recruit qualified employees is vital to Alligator's future success and if Alligator is unable to retain these key people or fails to recruit new qualified employees to the extent needed, this could negatively impact Alligator's operations, leading to, for example, increased personnel costs and delays.

Alligator handles these risks by working actively to make Alligator an attractive and enjoyable place to work, where employees are offered the opportunity to develop within their roles. Alligator also has a wide network from which to recruit the skills that it needs.

Financing risk

Alligator is dependent on liquidity to be able to meet its commitments related to the Alligator's financial liabilities and the continuation of Alligator's operations. Alligator's activities in research and development work mean that parts of its available liquidity are being continuously consumed. The inflow of liquidity is very irregular and comes mainly with various events related to licensing agreements. It may also take a significant amount of time before Alligator's drug candidates are commercialized and cash flow can be generated from Alligator's operations. Possible delays to Alligator's research and development projects may mean the generation of positive cash flow occurs later than planned.

In order to reduce this risk, Alligator works continuously to evaluating various financing alternatives to ensure continued operation. It is Alligator's assessment that there are good conditions to secure future financing through, for example, a new issue of shares, licensing agreements or other revenue-generating collaborations.

Currency fluctuations

Alligator has its registered seat in Sweden and reports its financial position and earnings in SEK, which means that transactions in foreign currency will be converted to SEK. Alligator's operating income consist primarily of remuneration received in accordance with an agreement with AbClon Inc. regarding out-licensing of HLX22/AC101 to Shanghai Henlius Biotech Inc. and a license agreement with Biotheus Inc. These incomes are obtained in USD and EUR, while Alligator's operating expenses are mainly obtained in SEK and other foreign currencies, for example USD, EUR, and GBP. Currency flows in connection with the purchase and sale of goods and services in currencies other than SEK give rise to a so-called transaction exposure. There is a risk that measures taken to manage Alligator's transaction exposure and conversion risk may prove insufficient and not sufficiently effective and Alligator may fail to successfully establish and manage such measures. Changes in exchange rates may therefore affect Alligator's cash flow, income statement and statement of financial position negatively.

Corporate governance report

Alligator's corporate governance is governed by the Nasdaq Stockholm rules for issuers, the Swedish Corporate Governance Code (the "Code"), the Swedish Companies Act, good practice in the stock market and other applicable rules and recommendations, and Alligator's Articles of Association and internal governing documents. The internal governing documents mainly cover the rules of procedure for the Board, the mandate to the CEO and the terms of reference for financial reporting. Alligator also has a number of policy documents and manuals containing rules and recommendations, laying down principles and providing guidance for Alligator's operations and for its employees.

This corporate governance report has been drawn up in accordance with the rules in the Annual Accounts Act and in the Code. The corporate governance report has been reviewed by Alligator's auditors in accordance with the provisions of the Annual Accounts Act, and the auditor's opinion is included in the auditor's report on page 78-81.

Legal structure

Shareholders

At the end of 2024, Alligator had 11,891 shareholders. On 31 December 2024, Alligator has 758,987,130 shares of which 758,209,917 (657,954,290) are ordinary shares with one vote per share and 779,169 (949,850) are series C shares with one-tenth of a vote per share. The total number of votes in Alligator amounts to 758,287,833 votes. Furthermore, the exercise of warrants in December 2024 increased the number of shares with an additional 1,498,157 shares. Alligator has received the proceeds in December 2024, but the share issue was registered at Bolagsverket on 2 January 2025.

Each ordinary share entitles the holder to one vote and the and series C shares shall carry one-tenth of a vote per share at the Annual General Meeting. Series C shares are not entitled to dividends. Upon the dissolution of Alligator, series C shares shall carry equivalent right to Alligator's assets as other shares, however, not to an amount exceeding the quota value of the share.

Further details of Alligator's shareholder structure, shares etc. are presented on page 13-14.

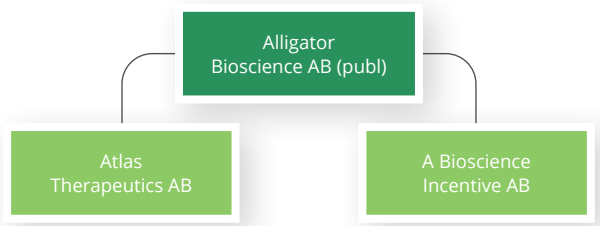
Shareholders' meeting

The shareholders' right to decide on Alligator's affairs is exercised through the supreme decision-making body, the shareholders' meeting (Annual General Meeting or any Extraordinary General Meeting). For example, the meeting decides on changes to the Articles of Association, appoints the Board and the auditors, approves the income statement and balance sheet, releases the Board and CEO from liability, decides on the appropriation of profit/loss, and adopts principles for appointing the Nomination Committee and guidelines for remuneration of senior executives.

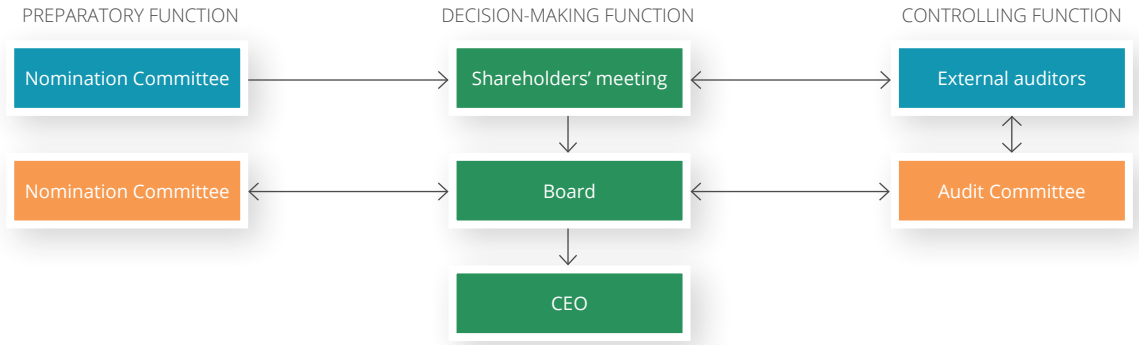
Shareholders may raise a given issue for discussion at the shareholders' meeting. Shareholders who wish to exercise this right must submit a written request to the Board. Such requests must normally reach the Board no later than seven weeks before the shareholders' meeting.

The shareholders' meeting is held in Lund, Sweden. Invitations to the Annual General Meeting and any Extraordinary General Meeting which is to discuss changes to the Articles of Association must be sent out no more than six weeks and no later than four weeks before the meeting. Invitations to other Extraordinary General Meetings must be sent out no more than six weeks and no less than three weeks before the meeting. Invitations are published in Post- och Inrikes Tidningar (the Swedish government gazette) and on Alligator's website. The invitations are also advertised in Dagens Industri.

Legal structure



Overview of corporate governance in Alligator



In order to participate in the shareholders' meeting, shareholders must be entered in the register of shareholders maintained by Euroclear Sweden AB no later than six working days before the meeting, notify Alligator no later than the date provided in the meeting invitation. This day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not be earlier than five working days before the shareholders' meeting.

Annual General Meeting 2024

At the Annual General Meeting held on 7 May 2024, it was decided in accordance with the Nomination Committee's proposal to re-elect Anders Ekblom, Hans-Peter Ostler, Eva Sjökvist Saers, Staffan Encrantz and Denise Goode as board members. Graham Dixon and Veronica Wallin have declined re-election. Furthermore, it was decided to re-elect Öhrlings PricewaterCoopers AB as the auditor. The Annual General Meeting resolved on fees to the Board in accordance with what appears under the heading "Remuneration to the Board" below.

Nomination Committee

The Code stipulates that Alligator should have a Nomination Committee whose duties should include preparing and producing proposals for the election of board members, the Chairman of the Board, the chair of the shareholders' meeting and the auditors. The Nomination Committee should also propose the fees payable to board members and auditors. At the Annual General Meeting on 9 May 2019, it was decided to adopt an instruction and rules of procedure for the Nomination Committee (valid until a decision is taken by the shareholders' meeting to change these) whereby the Nomination Committee should be made up of four members representing the three largest shareholders on the last working day of June, and the Chairman of the Board. The largest shareholders are owner-registered shareholders or other known shareholders as of the last working day in June. Before accepting the assignment, a member of the Nomination Committee should consider carefully whether there is any conflict of interest.

If any of the three largest shareholders declines to appoint a representative, or their representative leaves or steps down before completing the assignment without the shareholder that appointed the member appointing a new one, the Chairman of the Board must invite the next-biggest shareholders in order of size down to the tenth largest (i.e. starting with the fourth-largest) to appoint a shareholder representative within one week of the request. If, despite such requests, only three members have been appointed four months before the Annual General Meeting, the Nomination Committee must be able to be constituted with three ordinary members and it must then be able to decide whether this procedure should be pursued to appoint the fourth member.

The members of the Nomination Committee should be published no later than six months before the Annual General Meeting on Alligator's website. In the event of significant changes of ownership earlier than six weeks before the Annual General Meeting, a new shareholder representative should be appointed. The Chairman of the Board should then contact whichever of the three largest shareholders has no shareholder representative and invite them to appoint one. When this shareholder representative is appointed, they should join the Nomination Committee and replace the previous member who no longer represents one of the three largest shareholders.

The Nomination Committee must meet the requirements for its composition laid down in the Code. If the larger shareholders who are entitled to appoint members of the Nomination Committee wish to appoint people who cause the requirements for the composition of the Committee laid down in the Code not to be satisfied, a larger shareholder will take precedence over a smaller in its choice of members. When a new member is appointed because of significant changes in ownership, the shareholder who is to appoint a new member must consider the composition of the existing Nomination Committee. The Nomination Committee should appoint its own chairperson. The Chairman of the Board or other Board representative may not chair the Nomination Committee. The mandate for the appointed Nomination Committee will run until a new Nomination Committee is appointed.

Fees may be paid to the members of the Nomination Committee as decided by the shareholders' meeting.

In accordance with the adopted instructions, the Nomination Committee for the 2025 Annual General Meeting has been constituted consisting of Bertil Brinck representing Koncentra Holding AB, (chairman of the Nomination Committee), Lars Bergkvist representing Roxette Photo SA, Magnus Petersson representing himself and Chairman of the Board, Anders Ekblom.

External audit

Alligator's auditor is appointed by the Annual General Meeting for the period up to the end of the next Annual General Meeting. The auditor reviews the annual report and accounts and the administration by the Board and the CEO. After each financial year, the auditor is required to submit an audit report to the shareholders' meeting.

Alligator's auditor reports his/her observations from the audit to the Board each year, along with an assessment of Alligator's internal control.

At the Annual General Meeting on 7 May 2024, Öhrlings PricewaterCoopers AB was elected as Alligator's auditor, with certified public accountant Ola Bjärehäll as auditor-in-charge. The Annual General Meeting also decided that fees should be paid to the auditor in accordance with the usual charging rules and approved invoices. The auditor's fee for the 2024 financial year was SEK 886 thousand, whereof SEK 704 thousand relates to the audit.

The Board of Directors

Duties of the Board

Next to the shareholders' meeting, the Board is Alligator's highest decision-making body. The Board is responsible for the organization of Alligator and the management of Alligator's affairs, e.g., by setting its goals and strategy, maintaining procedures and systems to monitor the specified goals, continuously assessing Alligator's economic situation and evaluating its operational management. The Board is also responsible for ensuring that correct information is given to Alligator's stakeholders, that Alligator complies with laws and regulations and that Alligator produces and implements internal policies and ethical guidelines. The Board also appoints Alligator's CEO and decides on his/her salary and other remuneration based on the guidelines adopted by the shareholders' meeting.

Composition of the Board

The members of the Board appointed by the shareholders' meeting are elected each year at the Annual General Meeting for the period up to the next Annual General Meeting. According to Alligator's articles of association, the Board should comprise at least three and at most eight members, without deputies.

According to the Code, most board members elected by the shareholders' meeting should be independent of Alligator and its senior management. To decide if a member is independent, an overall assessment should be made of all matters that could cast doubt on the member's independence of Alligator or its senior management. According to the Code, at least two of the members who are independent of Alligator and of its senior management should also be independent of major shareholders. Major shareholders are those who directly or indirectly control 10 percent or more of all shares and votes in Alligator. To determine a member's independence, the extent of that member's direct and indirect relationships with the major shareholder should be taken into consideration. A board member who is an employee or board member in a company that is a major shareholder is not considered to be independent.

The Board's assessment is that all proposed board members are independent in relation to Alligator and its senior management and all proposed board members except Staffan Encrantz are also considered to be independent in relation to larger shareholders. As indicated, the Board believes Alligator meets the Code's independence requirements.

Chairman of the Board

The role of the Chairman is to lead the work of the Board, and to ensure that its work is carried out effectively and that the Board can meet all its obligations.

The Chairman should meet with the CEO to monitor developments in Alligator and ensure that the members of the Board are provided through the auspices of the CEO with the information needed to monitor Alligator's position, financial planning, and development.

The Chairman should also consult with the CEO on strategic matters and check that the decisions of the Board are implemented in an effective manner. The Chairman is responsible for contacts with shareholders on matters of ownership and for conveying the views of the shareholders to the Board. The Chairman is not involved in the day-to-day work of Alligator. Nor is he a member of senior management.

Work of the Board

The Board follows written procedure rules reviewed each year and adopted by the constituent board meeting. Among other things, the rules of procedure govern the Board's working methods, tasks, decision-making within Alligator, the meeting schedule for the Board, the tasks of the Chairman and the breakdown of responsibilities between the Board and the CEO. The terms of reference for financial reporting and instructions to the CEO are also adopted at the constituent board meeting.

The work of the Board is also driven by an annual presentation schedule, to meet the Board's need for information. The Chairman and the CEO, along with the members of the Board, maintain an ongoing dialog on the management of Alligator.

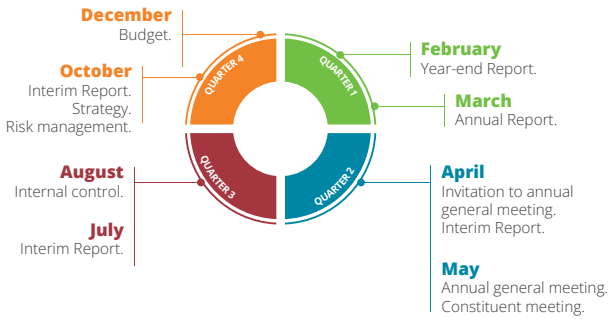
The Board meets according to a predefined annual timetable and should hold at least seven ordinary board meetings between Annual General Meetings. Extra meetings may also be arranged to deal with matters that cannot be postponed to any of the ordinary meetings. In 2024, the Board met on a total of 32 occasions, whereof 8 meetings have been part of the normal annual wheel.

The yearly evaluation of the Board has been performed by individual interviews with Board members and senior management about their view on the Board's work, composition, and areas for improvement. The feedback has been reported back to the Nomination Committee and the Board consolidated.

Remuneration of the Board

Remuneration for Board members elected by the Annual General Meeting is decided by the Annual General Meeting.

Board meetings 2024



Board and committee members 2024

Name	Position	Attendance		
		Board	Audit Committee	Remuneration Committee
Anders Ekblom	Chairman of the Board, Chair of the Remuneration Committee	32/32		4/4
Hans-Peter Ostler	Vice Chairman of the Board, Chair of the Audit Committee	32/32	5/5	
Graham Dixon*	Board member, Member of the Remuneration Committee	11/32		2/4
Eva Sjökvist Saers	Board member, Member of the Audit Committee	31/32	5/5	
Veronica Wallin*	Board member, Member of the Audit Committee	13/32	3/5	
Staffan Encrantz	Board member	29/32		
Denise Goode	Board member, Member of the Remuneration Committee	29/32		4/4
Anette Sundstedt*	Board member, Employee representative	11/32		
Karin Nordbladh**	Board member, Employee representative	29/32		

*) Position(s) until and including the annual general meeting on 7 May 2024.
**) Position from and including the annual general meeting on 7 May 2024, previously deputy employee representative.

Ahead of the 2024 Annual General Meeting, the Nomination Committee will submit proposals regarding the fee. At the Annual General Meeting on 7 May 2024, it was resolved that board remuneration shall be paid with SEK 650,000 to the Chairman of the board of directors (SEK 650,000), with SEK 400,000 to the Vice Chairman of the board of directors (SEK 400,000) and with SEK 300,000 to each of the other board members who are not employed by Alligator (SEK 300,000). Furthermore, remuneration for committee work is proposed with SEK 125,000 to be paid to the Chairman of the Audit Committee (SEK 125,000), with SEK 50,000 to each of the other members of the Audit Committee (SEK 50,000), with SEK 50,000 to the Chairman of the Remuneration Committee (SEK 50,000) and with SEK 25,000 to each of the other members of the Remuneration Committee (SEK 25,000). See also Note 12, Remuneration to senior executives.

Audit Committee

The Audit Committee monitors Alligator's financial position and the effectiveness of its internal control and risk management, it keeps itself informed of the audit of the annual accounts and consolidated accounts and reviews and monitors the impartiality and independence of the auditor. The Audit Committee should also assist the Nomination Committee with resolutions on the election of and fees payable to the auditor. Following the Annual General Meeting on 7 May 2024, the Audit Committee consists of Hans-Peter Ostler (chairman) and Eva Sjökvist Saers.

Remuneration Committee

The Remuneration Committee chiefly addresses questions of remuneration and other conditions of employment of the CEO and senior executives. The Remuneration Committee should also follow up and evaluate ongoing variable remuneration schemes for senior management and those schemes completed during the year and follow up and assess compliance with the guidelines on remuneration of senior executives decided on by the Annual General Meeting. Following the Annual General Meeting on 7 May 2024, the Remuneration Committee consists of Anders Ekblom (chairman) and Denise Goode.

CEO and other senior executives

The CEO is subordinate to the Board and his main task is to handle Alligator's day-to-day management and operations. The rules of procedure for the Board and the instruction to the CEO set out the matters to be decided by the Board and those for which the CEO is responsible.

The CEO is also responsible for producing reports and decision-making documents ahead of the Board meetings, and for presenting this material at Board meetings.

Alligator's Management Team consists of four people: CEO, CFO, CMO and CTO.

Remuneration of senior executives

The remuneration of senior executives may consist of basic salary, variable remuneration, pension benefits, other benefits, and severance conditions. The CEO and other senior executives were paid salaries and other remuneration for the 2024 financial year as set out in Note 12.

The notice period for the CEO is six months, whichever party serves notice. The CEO will be entitled to a severance payment equal to six months' salary in the case of termination by Alligator. The notice period for other senior executives is three to six months, whichever party serves notice. No severance payments have been agreed for other senior executives.

See also Guidelines for remuneration to senior executives on page 27.

Internal control

The Board's responsibility for internal control is let down in the Companies Act, the Annual Accounts Act, which contains requirements to the effect that details of the major features of Alligator's systems for internal control and risk management in relation to financial reporting must be included in the corporate governance report, and the Code. Among other things, the Board is required to ensure that Alligator has good internal control and formalized procedures to ensure that the established principles for financial reporting and internal control are adhered to and that there are suitable systems for follow-up and control of Alligator's activities and the risks inherent in Alligator and its operations.

The overall purpose of internal control is to provide reasonable assurance that Alligator's operational strategies and goals are followed up and that the shareholders investments are protected. The internal control should also provide reasonable assurance that external financial reporting is reliable and prepared in accordance with good accounting practice, that applicable laws and regulations are obeyed and that requirements for listed companies are complied with. Internal control essentially covers the following five components:

Control environment

The Board bears the overall responsibility for internal control over financial reporting. In order to create and maintain a functioning control environment, the Board has adopted a number of policies governing financial reporting. These mainly comprise the rules of procedure for the Board, the mandate to the CEO and the terms of reference for financial reporting. The Board has also adopted a special set of signatory rules and a Financial Policy. Alligator also has a finance manual containing principles, guidelines, and process specifications for accounting and financial reporting. The Board has also set up an Audit Committee whose main task is to ensure that the approved principles for financial reporting and internal control are complied with and that regular contact with Alligator's auditor is maintained. The responsibility for maintaining an effective control environment and for the day-to-day work on internal control over financial reporting rests with the CEO. The CEO reports to the Board on a regular basis in accordance with the instruction to the CEO and the terms of reference for financial reporting. The Board also receives reports from Alligator's auditor.

Based on a control environment assessed as good, and the size of Alligator, the Board has determined that there are no special circumstances in the business or other matters to justify setting up an internal audit function.

Risk assessment

The risk assessment involves identifying risks that could arise if the fundamental requirements for financial reporting in Alligator were not met. In a separate risk assessment document, Alligator's Management Team has identified and evaluated the risks arising in Alligator's operations and assessed how these risks can be handled. Within the Board, the Audit Committee bears the primary responsibility for regularly assessing Alligator's risk situation, after which the Board carries out an annual review of the risk situation.

Control activities

Control activities contain identified risks and ensure correct and reliable financial reporting. The Board is responsible for internal control and monitoring by senior management. This is done via both internal and external control activities and through review and follow-up of Alligator's governing documents relating to risk management.

Information and communication

Alligator has information and communication paths designed to promote accuracy in financial reporting and to enable reporting and feedback from the business to the Board and senior management, such as by making governing documents in the form of internal policies, guidelines, and instructions available and known to the employees concerned. The Board has also adopted an information policy governing Alligator's disclosure of information.

Follow-up

Compliance with and effectiveness of the internal controls are followed up on a regular basis. The CEO ensures that the Board receives regular reports on the development of Alligator's operations, including the development of Alligator's results and financial position and details of significant events such as research findings and major agreements. The CEO also reports on these matters at each Board meeting.

Board of Directors

Anders Ekblom

Born 1954. Chairman since 2021 and Board member since 2017.
Chairman of the Remuneration Committee.

Anders Ekblom is a physician, board certified in anesthesia and intensive care, dentist and Associate Professor in physiology at the Karolinska Institute. Anders Ekblom has extensive experience from the biopharmaceutical industry globally, including being EVP Global Medicines Development at AstraZeneca and CEO and president of AstraZeneca AB Sweden.

Other ongoing assignments: Chairman of Atrogi AB, Brf Sportspalatset and Xspray Pharma AB. Board member of AnaMar AB, Flerie AB, Flerie Invest AB, Mereo BioPharma Group plc, NxtSicence AB and Synerkine Pharma B.V. Board alternate in Xspray Pharma Futurum AB.

Holdings in Alligator: 367,696 shares, 100,000 warrants in program TO 2022/2025 II, 240,000 warrants in program TO 2023/2026 II and 160,000 warrants in program TO 2024/2027 II.

Independent in relation to Alligator, its senior management and major shareholders.

Hans-Peter Ostler

Born 1971. Deputy chairman of the Board and Board member since 2021.
Chairman of the Audit Committee.

Hans-Peter Ostler has university studies in economics and law at the School of Business, Economics and Law and School of Public Administration at Gothenburg University. Hans-Peter Ostler has more than 20 years of experience in investment banking and private banking, including from Danske Bank. Hans-Peter Ostler's previous experiences include assignments such as board member of IRLAB Therapeutics AB

Other ongoing assignments: Chairman of Hoodin AB, NH3 Greentech AB and Vakona AB. Board member of Encare AB, Oblique Therapeutics AB and OPSY AB. Board alternate in O Mgmt AB. CEO of Tikomed AB.

Holdings in Alligator: 2,111,884 shares, 100,000 warrants in program TO 2022/2025 II, 240,000 warrants in program TO 2023/2026 II and 160,000 warrants in program TO 2024/2027 II..

Independent in relation to the Alligator, its senior management and major shareholders.

Staffan Encrantz

Born 1951. Board member since 2022.

Staffan Encrantz has a Law degree (Summa Cum Laude) from Uppsala University, Sweden. He is the founder and chairman of Allegro Investment, Inc., a company based in Menlo Park, California, which manages a $750 million investment portfolio. He has actively led investments in and operation of a variety of companies for over 35 years and has led the growth and development of both early-stage companies and established businesses in a wide variety of fields. Additionally, Staffan has extensive experience in commercial real estate, primarily in Sweden and USA, and of the hedge fund industry as representing substantial investors in a number of hedge funds and as former Board member of MKM Longboat Multi Strategy Fund Ltd., Harbour Litigation Funding and Harbour Solutions Group Ltd.

Other ongoing assignments: Chairman of Allegro Investment Inc., AnaMar AB, Creston Water Solution Inc., GovX Inc. Koncentra AB, Koncentra Holding AB, Oxymetal SAS and Sight Sciences Inc. Board member of Allegro Fund GP Ltd, Koncentra Finans AB, KS Large Bore Pistons Group GmbH and Verkstads SMG AB. Managing member of Allegro Investors LLC, Allegro Properties, Inv. LLC and Parkfield Properties Holding LLC.

Holdings in Alligator: 249,948,629 shares through legal entity.

Independent in relation to Alligator and its senior management, but not in relation to major shareholders.

Eva Sjökvist Saers

Born 1962. Board member since 2021.
Member of the Audit Committee.

Eva Sjökvist Saers has a Doctoral degree in pharmaceutical science from Uppsala university. Eva Sjökvist Saers has many years of experience from the pharmaceutical industry where she has worked in various leading positions within Astra/AstraZeneca, Apoteket AB and as CEO of Apotek Produktion & Laboratorier AB for more than ten years. Eva Sjökvist Saers is also Chairman of the strategic innovation area Swelife and has previously been Chairman of Apotekarsocieteten and deputy chairman of SwedenBio.

Other ongoing assignments: Chairman of the Board of Coegin Pharma AB and Dicot Pharma AB. Board member of Apoex AB, Bluefish Pharmaceuticals AB and Oxcia AB. Board alternate in Brainstorm AB.

Holdings in Alligator: 100,000 warrants in program TO 2022/2025 II, 240,000 warrants in program TO 2023/2026 II and 160,000 warrants in program TO 2024/2027 II.

Independent in relation to Alligator, its senior management and major shareholders.

Denise Goode

Born 1958. Board member since 2022.
Member of the Remuneration Committee.

Denise Goode has a Bachelor of Science (Honours) in zoology from the University of Manchester, UK. Fellow of the Institute of Chartered Accountants in England and Wales. Denise Goode, brings a wealth of financial, commercial, and life science industry experience, both from her extensive career as a senior pharmaceutical executive and from board and advisory roles held in life sciences since 2008. She has a deep understanding of the pharmaceuticals sector, finance and fundraising, and is highly experienced in business development. Previously, she had a 20-year career with AstraZeneca Pharmaceuticals PLC where she held global senior leadership roles within both finance and commercial activities. Denise is a PwC alumnus.

Other ongoing assignments: Board member of Abliva AB and CEO QED Life Science Ltd.

Holdings in Alligator: 100,000 warrants in program TO 2022/2025 II, 240,000 warrants in program TO 2023/2026 II and 160,000 warrants in program TO 2024/2027 II.

Independent in relation to Alligator, its senior management and major shareholders.

Karin Nordbladh

Born 1979. Board member since 2024.

Employee representative.

Master of Science in Pharmaceutical Bioscience from Uppsala University.

Other ongoing assignments: None.

Holdings in Alligator: 27,625 shares, 100,000 warrants in program TO 2022/2025 I, 180,000 warrants in program TO 2023/2026 I and 120,000 warrants in program TO 2024/2027 I.

Not independent in relation to Alligator or its senior mangement, but independent in relation to major shareholders.

Information regarding individuals' own and related parties' shareholdings pertain to the situation on 31 December 2024.

Management

Søren Bregenholt

Born 1971. Chief Executive Officer since 2021.

Søren Bregenholt holds a PhD in biomedical research from University of Copenhagen and did his post-doctoral training at Institute Pasteur in Paris. Søren has more than 20 years of international experience from operational and strategic leadership positions in global pharma and the biotech industry including executive roles at Novo Nordisk, Symphogen and Macrophage Pharma. He has negotiated and operationalized numerous licensing, collaboration and co-development agreements.

Other ongoing assignments: Chairman of A Bioscience Incentive AB and Atlas Therapeutics AB. Board member of Oblique Therapeutics AB.

Holdings in Alligator: 1,103,019 shares, 500,000 warrants in program TO 2022/2025 I, and 1,200,000 warrants in program TO 2023/2026 I and 900,000 warrants in program TO 2024/2027 I.

Sumeet Ambarkhane

Born 1978. Chief Medical Officer since 2022.*

Sumeet Ambarkhane is an MD with a Bachelor of Medicine and a Bachelor of Surgery from Seth G.S. Medical College and King Edward Memorial Hospital, University of Mumbai, India. Sumeet is a seasoned professional with over 20 years of drug development experience in academia and in the biotechnology and pharmaceutical industries. Joined Alligator in 2022 and the Management Team in 2023.

Other ongoing assignments: None.

Holdings in Alligator: 54,205 shares and 250,000 warrants in program TO 2022/2025 I.

Johan Giléus

Born 1965. Chief Financial Officer since August 2024.

Johan Giléus has extensive experience as CFO with over 25 years of leading financial strategy and operations in different companies and sectors, including a major phase 3 program and outlicensing to Japan. Johan Giléus most recent experience is as CFO and Deputy CEO at InDex Pharmaceuticals, a company that conducted a reverse merger with Flerie Invest in 2024.

Studies in finance at Stockholm University.

Other ongoing assignments: Board member and CEO in Giléus Consulting AB and Giléus Invest AB.

Holdings in Alligator: None.

Laura von Schantz

Born 1982. Chief Technology Officer since 2023.*

Laura von Schantz is a Swedish graduate engineer in biotechnical engineering and has a doctorate in immuno-technology from Lund University. Laura joined Alligator in 2014 and has played a key role in securing Alligator's research agreements. Employee representative in the Board during 2016-2023. Member of the Management Team since 2023.

Other ongoing assignments: None.

Holdings in Alligator: 10,504 shares and 77,000 warrants in program TO 2022/2025 I and 100,000 warrants in program TO 2024/2027 I.

Information regarding individuals' own and related parties' shareholdings pertain to the situation on 31 December 2024.

*) Senior executive will end its employement on 31 March 2025.

Financial statements

Consolidated income statement

KSEK	Note	2024	2023
Operating income			
Net sales	6	57,767	58,107
Other operating income	7	1,945	3,795
Total operating income		**59,712**	**61,902**
Operating costs			
Other external costs	8,9,10	-167,207	-218,792
Personnel costs	11,12	-70,428	-79,377
Depreciation and impairment of tangible and intangible assets	10,18,19,20	-48,729	-10,489
Other operating costs	13	-2,489	-2,227
Total operating costs		**-288,853**	**-310,884**
Operating profit/loss		**-229,141**	**-248,983**
Financial items			
Financial income	14	15,594	1,788
Financial costs	15	-20,343	-1,391
Net financial items		**-4,749**	**397**
Profit/loss before tax		**-233,890**	**-248,586**
Tax on profit for the year	16	-	-
Profit/loss for the year attributable to Parent company shareholders		**-233,890**	**-248,586**
Earnings per share, SEK			
Before dilution	17	-0.32	-0.55
After dilution	17	-0.32	-0.55

Consolidated statement of comprehensive income

KSEK	Note	2024	2023
Profit/loss for the year		-233,890	-248,586
Other comprehensive income		-	-
Comprehensive income attributable to Parent company shareholders		**-233,890**	**-248,586**

Consolidated statement of financial position

Assets

KSEK	Note	2024-12-31	2023-12-31
ASSETS			
Fixed assets			
Intangible assets			
Participations in development projects	18	27,865	17,949
Softwares	19	-	15
Tangible assets			
Right of use assets	10	1,267	17,613
Equipment, machinery and computers	20	1,754	2,699
Financial deposit assets			
Deposits	22	2,056	1,986
Total fixed assets		**32,942**	**40,262**
Current assets			
Accounts receivables	23	518	2
Other receivables	24	3,842	4,521
Prepayments and accrued income	25	2,726	7,547
Cash and cash equivalents	26	64,310	66,118
Total current assets		**71,396**	**78,188**
TOTAL ASSETS		**104,338**	**118,450**

Consolidated statement of financial position

Equity and liabilities

KSEK	Note	2024-12-31	2023-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital (758,989,086 shares at a par value of SEK 0.0008)	27	607	42,170
Other capital contributions, including paid in, non-registered new share issue	27	1,146,533	1,055,224
Retained earning		-1,277,728	-1,085,539
Equity attributable to Parent company shareholders		**-130,588**	**11,855**
Non-current provisions and liabilities			
Lease liabilities	10	33,475	7,516
Total non-current provisions and liabilities		**33,475**	**7,516**
Current liabilities			
Accounts payable		3,952	21,273
Other liabilities	28	140,643	3,261
Lease liabilities	10	10,097	8,581
Accrued expenses and deferred income	29	46,759	65,964
Total current liabilities		**201,451**	**99,079**
TOTAL EQUITY AND LIABILITIES		**104,338**	**118,450**

Consolidated statement of changes in equity

KSEK	Attributable to Parent company shareholders Share capital	Other Capital Contributions	Profit/loss for the period	Total Equity
Equity, 1 January 2023	**88,614**	**911,901**	**-911,463**	**89,051**
Profit/loss for the period	-	-	-248,586	-248,586
Comprehensive income for the period	**-**	**-**	**-248,586**	**-248,586**
Transactions with the shareholders				
New share issue	27,992	167,106	-	195,097
Underwriting expenses	-	-24,142	-	-24,142
Warrants*	-	440	-	440
Warrants repurchased	-	-82	-	-82
Effect of share-based payments to personnel	-	-	74	74
Reduction of share capital to cover losses	-50,000	-	50,000	-
Reduction of share capital for allocation to unrestricted equity	-24,436	-	24,436	-
Equity, 31 December 2023	**42,170**	**1,055,223**	**-1,085,540**	**11,855**
Equity, 1 January 2024	**42,170**	**1,055,223**	**-1,085,540**	**11,855**
Profit/loss for the period	-	-	-233,890	-233,890
Comprehensive income for the period	**-**	**-**	**-233,890**	**-233,890**
Transactions with the shareholders				
New share issue	80	96,529	-	96,609
Paid in, non-registered new share issue	-	824	-	824
Underwriting expenses	-	-7,525	-	-7,525
Convertible instrument	-	474	-	474
Warrants*	-	1,060	-	1,060
Warrants repurchased	-	-53	-	-53
Effect of share-based payments to personnel	-	-	59	59
Reduction of share capital for allocation to unrestricted equity	-41,643	-	41,643	-
Equity, 31 December 2024	**607**	**1,146,532**	**-1,277,728**	**-130,588**

*The item refers to cash compensation for issued warrants. For more information on the Warrant Programs, see Note 27 Equity.

Consolidated statement of cash flows

KSEK	Note	2024	2023
Cash flow from operating activities			
Operating profit/loss		-229,141	-248,983
Adjustments for items not generating cash flow			
Depreciation and impairments	10,19,20	48,729	10,489
Effect from warrant program for personnel		59	74
Other items, no cash flow impact		-70	-1
Interest received		1,429	1,883
Interest paid		-4,041	-483
Tax paid		-	-
Cash flow from operating activities before changes in working capital		**-183,035**	**-237,020**
Changes in working capital			
Change in operating receivables		4,948	13,267
Change in operating liabilities		-34,339	34,468
Cash flow from operating activities		**-212,426**	**-189,285**
Investing activities			
Acquisition of tangible assets	20	-	-2,459
Acquisition of other short term investments		-	-50,000
Divestment of other short-term investments		-	50,000
Investing activities		**-**	**-2,459**
Financing activities			
Repayment of leasing liabilities		-8,286	-9,754
Loan		135,000	-
Set up fee		-6,750	-
New share issue		97,082	195,097
Paid in, non-registered new share issue		824	-
Transaction costs		-7,523	-24,142
Warrants		977	440
Repurchase of warants		-53	-82
Cash flow from financing activities		**211,272**	**161,561**
Cash flow for the period		**-1,154**	**-30,183**
Cash and cash equivalents at beginning of period		66,118	97,305
Exchange rate differences in cash and cash equivalents		-653	-1,004
Cash and cash equivalents at end of period	26	**64,310**	**66,118**

Parent company income statement

KSEK	Note	2024	2023
Operating income			
Net sales	6	57,767	58,107
Other operating income	7	1,945	3,795
Total operating income		**59,712**	**61,902**
Operating costs			
Other external costs	8,9,10	-220,859	-228,487
Personnel costs	11,12	-70,428	-79,377
Depreciation and impairment of tangible assets	10,18,19,20	-961	-1,200
Other operating costs	13	-2,489	-2,227
Total operating costs		**-294,737**	**-311,291**
Operating profit/loss		**-235,025**	**-249,389**
Reversal of impairment			
Impairment of investments in subsidiaries		7,865	-
Other interest income and similar income statement items	14	11,170	1,788
Interest expense and similar income statement items	15	-15,458	-910
Net financial items		**3,577**	**878**
Profit/loss after financial items		**-231,448**	**-248,511**
Appropriations			
Group contribution received		446	354
Total appropriations		**446**	**354**
Result before tax		**-231,002**	**-248,158**
Tax on profit for the year	16	-	-
PROFIT/LOSS FOR THE PERIOD		**-231,002**	**-248,158**

Parent company statement of comprehensive income

KSEK	Note	2024	2023
Profit/loss for the year		-231,002	-248,158
Other comprehensive income		-	-
Profit/loss for the year		**-231,002**	**-248,158**

Parent company balance sheet

Assets

KSEK	Note	2024-12-31	2023-12-31
ASSETS			
Fixed assets			
Intangible assets			
Softwares	19	-	15
Total intangible assets		**-**	**15**
Tangible assets			
Equipment, machinery and computers	20	1,754	2,699
Total tangible assets		**1,754**	**2,699**
Financial assets			
Participations in Group companies	21	28,159	20,294
Deposits	22	2,056	1,986
Total financial assets		**30,215**	**22,280**
Total fixed assets		**31,969**	**24,995**
Current assets			
Current receivables			
Accounts receivable	23	518	2
Receivables from Group companies		1,644	1,199
Other receivables	24	3,840	4,520
Prepayments and accrued income	25	4,336	9,961
Total current receivables		**10,338**	**15,681**
Cash and cash equivalents	26	62,262	64,510
TOTAL ASSETS		**72,599**	**80,191**
EQUITY AND LIABILITIES		**104,568**	**105,186**

Parent company balance sheet

Equity and liabilities

KSEK	Note	2024-12-31	2023-12-31
Equity			
Restricted equity			
Share capital (758,989,086 shares at a par value of SEK 0.0008)	27	607	42,170
Paid in, non-registered new share issue		824	-
Total restricted equity		**1,431**	**42,170**
Non-restricted equity			
Share premium reserve		1,144,552	1,054,452
Retained earnings		-1,040,678	-834,223
Profit/loss for the period		-231,002	-248,158
Total non-restricted equity		**-127,128**	**-27,928**
Total equity		**-125,697**	**14,241**
Provisions			
Other provisions	30	38,679	-
Total other provisions		**38,679**	**-**
Non-current provisions and liabilities			
Other long-term liabilities		-	-
Total non-current provisions and liabilities		**-**	**-**
Current liabilities			
Accounts payable		3,952	21,273
Other liabilities	28	140,643	3,262
Accrued expenses and deferred income	29	46,991	66,410
Total current liabilities		**191,586**	**90,944**
TOTAL EQUITY AND LIABILITIES		**104,568**	**105,186**

Parent company statement of changes in equity

KSEK	RESTRICTED EQUITY Share capital	Paid not registered share capital	NON-RESTRICTED EQUITY Share Premium reserve	Retained earnings	Profit/loss for the period	Total
Equity, 1 January 2023	**88,614**	**-**	**911,488**	**-715,923**	**-192,810**	91,369
Transfer of previous year's results	-	-	-	-192,810	192,810	-
Profit/loss for the period	-	-	-	-	-248,158	-248,158
Comprehensive income for the period	**-**	**-**	**-**	**-**	**-248,158**	**-248,158**
Other changes in equity						
New share issue	27,992	-	167,106	-	-	195,097
Transaction costs	-	-	-24,142	-	-	-24,142
Effect of share-based payments to personnel	-	-	-	74	-	74
Reduction of share capital to cover losses	-50,000	-	-	50,000	-	-
Reduction of share capital for allocation to unrestricted equity	-24,436	-	-	24,436	-	-
Equity, 31 December 2023	**42,170**	**-**	**1,054,452**	**-834,223**	**-248,158**	**14,241**
Equity, 1 January 2024	**42,170**	**-**	**1,054,452**	**-834,223**	**-248,158**	**14,241**
Transfer of previous year's results	-	-	-	-248,158	248,158	-
Profit/loss for the period	-	-	-	-	-231,002	-231,002
Comprehensive income for the period	**-**	**-**	**-**	**-**	**-231,002**	**-231,002**
Other changes in equity						
New share issue	80	-	97,152	-	-	97,232
Paid in, non-registered new share issue	-	824	-	-	-	824
Transaction costs	-	-	-7,525	-	-	-7,525
Convertible instrument	-	-	474	-	-	474
Effect of share-based payments to personnel	-	-	-	59	-	59
Reduction of share capital to cover losses	-41,643	-	-	41,643	-	-
Equity, 31 December 2024	**607**	**824**	**1,144,553**	**-1,040,679**	**-231,002**	**-125,697**

Parent company statement of cash flows

KSEK	Note	2024	2023
Cash flow from operating activities			
Operating profit/loss		-235,025	-249,389
Adjustments for items not generating cash flow			
Depreciation and impairments	19, 20	961	1,200
Effect from warrant program for personnel		59	74
Other items, no cash flow impact	30	38,679	-
Interest received		1,429	1,883
Interest paid		-12	-4
Cash flow from operating activities before changes in working capital		**-193,909**	**-246,235**
Changes in working capital			
Change in operating receivables		12,511	12,511
Change in operating liabilities		-4,425	34,254
Cash flow from operating activities		**-185,822**	**-199,469**
Investing activities			
Acquisition of tangible assets	20	-	-2,459
Acquisition of other short term investments		-	-50,000
Divestment of other short-term investments		-	50,000
Investing activities		**-**	**-2,459**
Financing activities			
Loan		135,000	-
Set up fee		-6,750	-
New share issue		97,082	195,097
Paid in, non-registered new share issue		824	-
Transaction costs		-7,523	-24,142
Warrants		977	440
Cash flow from financing activities		**219,610**	**171,396**
Cash flow for the period		**33,788**	**-30,532**
Cash and cash equivalents at beginning of period		64,510	96,046
Exchange rate differences in cash and cash equivalents		-653	-1,004
Cash and cash equivalents at end of period	26	**62,262**	**64,510**

Notes

1. General information

Alligator Bioscience AB (publ), corporate ID number 556597-8201, is a public limited company based in Lund, Sweden. The address of the office is Medicon Village, SE-223 81 Lund, Sweden.

Alligator is a biotech company which develops innovative antibody-based medicines for immunotherapy of cancer. These consolidated accounts cover the parent company and its wholly-owned subsidiaries Atlas Therapeutics AB (556815-2424) and A Bioscience Incentive AB (559056-3663). All operations are conducted by the parent company.

2. Accounting policies

The consolidated financial statements for Alligator Bioscience AB have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU, and interpretations from the IFRS Interpretations Committee (IFRIC).

The Group also complies with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 'Reporting for legal entities'.

The consolidated accounts are denominated in Swedish kronor (SEK) and relate to the period January 1–December 31 for income statement- and cash flow statement items or December 31 for balance-sheet- and equity items. Assets and liabilities are recognized according to the historical cost method unless stated otherwise. The key accounting principles applied are described below.

New and amended standards and improvements which entered into force in 2024

The International Accounting Standards Board (IASB) has issued a number of new and amended standards that have taken effect during 2024. Management believes that new and amended standards and interpretations have not had a significant impact on the Group's financial statements.

New and amended standards and interpretations that have not yet taken effect

The IASB has issued a new standard IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027) which will replace IAS 1 Presentation of Financial Statements on how the accounts in the financial statements should be presented.

Although IFRS 18 will not affect the recognition or measurement of items in the financial statements, its effects on presentation and disclosure are expected to be far-reaching, particularly those related to the income statement and performance measures defined by management.

IFRS 18 states that the income statement should be divided into categories that include, among others, operations, investments and financing. For example, the standard also introduces disclosures on so-called "management-defined performance measures" (MPM), guidance on when items should be combined or reported separately in accounts or notes and requirements for certain new summary lines.

The Group will evaluate in more detail the consequences of applying IFRS 18 on the Group's financial statements in 2025.

Consolidated reporting

The consolidated accounts cover the parent company Alligator Bioscience AB and the companies over which the parent company directly exercises a controlling influence (subsidiaries). The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are included in the consolidated accounts from the acquisition date onwards and excluded from the date on which the controlling influence ceases.

The Group's results and components of comprehensive income are attributable in their entirety to the shareholders in the parent company.

All intra-group transactions, balances and unrealized gains and losses attributable to intra-group transactions have been eliminated in the preparation of the consolidated accounts.

Joint operations

Joint operations are activities where Group through agreements with one or more parties have a common decision power and the parties report assets, liabilities, income and costs and their share of common assets, liabilities, income and costs.

Business acquisitions

Business acquisitions are reported by the acquisition method.

The purchase price for the acquisition is assessed at fair value on the date of acquisition, calculated as the sum of assets paid, liabilities incurred or assumed, and equity issued in exchange for control over the acquired operation. Acquisition-related costs are reported in the income statement when they arise.

The identifiable assets acquired, and liabilities assumed are reported at fair value on the acquisition date – apart from the exceptions specified in IFRS 3.

Segment reporting

The Group currently has only one business activity, and hence only one operating result for the chief executive to take regular decisions on and allocate resources to. In light of this, there is only one operating segment which represents the Group as a whole, so there is no other segment reporting. Within the Group, the CEO of the company has been identified as the chief operating decision maker.

Revenue from contracts with customers

The Group's operating income is made up of revenues from collaboration agreements and out-licensing pharmaceutical projects.

The business model of Alligator is to develop drug candidates up to and including clinical Phase 2 to subsequently out-license the drug candidate to a partner (customer) for further development and market launch. Agreements with a partner can also contain other performance obligations such as further development work.

In all existing license and collaboration agreements, the license for intellectual property has been deemed to be distinct from other services in the agreement. In all cases, the assessment has also been made that the license entitles the licensee to use the company's intellectual property in its existing condition at the time the license is granted. In principle, compensation for the license shall be reported as revenue at the time when control of the license is transferred to the licensee.

Development work is considered performed and fulfilled over time as the customer receives and uses the services provided by Alligator. The terms of these agreements usually entail compensation in the form of one or more payment streams:

- Non-refundable, initial fixed license fees;
- Milestone payments for various development, government, and commercial milestones;
- Remuneration for development work;
- Sales-based royalties on future drugs that reach the market.

While the initial license fees by nature are fixed, milestone payments, remuneration for development work and sales-based royalties are variable.

Alligator evaluates the most likely amount for each milestone payment at the start of each contract. The estimated amount is included in the transaction price if it is very likely that a substantial reversal of income will not occur when the uncertainty associated with the milestone payment ceases. Milestone payments that are not within Alligator's or the licensee's control, such as regulatory approvals, are not included in the transaction price until such approval has been received. Alligator re-evaluates the likelihood that milestones will be achieved at the end of each reporting period, and if necessary, updates the estimated transaction price.

Alligator will report future sales-based royalties first when the related sales has taken place.

For all Alligator's agreements, milestone payments and royalty payments have been allocated to performance obligations according to the license agreements. This means that milestone payments are recognized as revenue as soon as they are included in the transaction price and that royalty payments will be recognized as revenue when the underlying sales have taken place.

In all cases where agreements include development work, Alligator has made the assessment that the agreed remuneration for development work corresponds to the independent sales price for promised services.

Payment terms are usually 30 to 60 days after transferred license rights, achieved milestone or for completed development work. This means that performance obligations are carried out before payment is received.

For accounting of accounts receivable linked to revenues from contracts with customers, reference is made to accounting principles for financial instruments.

Government grants

Government grants are reported as other income when the performance required in order to receive the contribution is carried out. If the contribution is received before performance is affected, the contribution is reported as a liability in the balance sheet. Government grants are recognized at the fair value of whatever has been or is to be received.

Dividends and interest income

Dividend income is reported when the right of shareholders to receive payment has been established.

Interest income is spread across the term, by the effective interest method. Effective interest is the interest that causes the present value of all future payments and receipts to be equal to the reported value of the receivable.

Leases

The Group determines whether a contract is, or contains, a lease at the start of the contract. The Group recognizes a right-of-use assets and a corresponding lease liability for all leases in which the Group is the lessee, with the exception of leases where the underlying asset is of a low value. For leases that fulfill the criteria for the exemption rules, the Group recognizes lease payments as an operating expense on a straight-line basis over the lease term, provided no other systematic method for allocating the lease payment provides a fairer presentation taking into account how the economic benefits from the underlying asset are consumed. The lease liability is initially measured at the present value of the future lease payments that have not been paid as of the start date for the lease, discounted by the implicit interest rate or, if this cannot easily be determined, by the incremental borrowing rate. The incremental borrowing rate is the interest rate that an affiliated company would need to pay for financing through loans in a corresponding period, and with corresponding collateral, for the right of use for an asset in a similar economic environment.

The following lease payments are included in the measurement of lease liabilities:

- fixed fees (including essentially fixed fees) less any benefits in connection with signing the lease that are to be received;
- variable lease payments that are dependent on an index or price, initially measured using an index or price on the start date;
- amounts expected to be paid by the lessee according to residual value guarantees;
- the exercise price for an option, if the lessee is reasonably certain that such an option will be exercised; and
- penalty charges paid upon termination of the lease, if the lease term reflects the fact that the lessee will exercise an option to terminate the lease.

Lease liabilities are presented on a separate line in the statement of financial position.

Lease liabilities are recognized in the subsequent period by increasing the liability to reflect the effect of interest and reducing the liability to reflect the effect of lease payments made.

Lease liabilities are remeasured with a corresponding adjustment of the right-of-use asset according to the rules of the standard.

The right-of-use asset is initially recognized at the value of the lease liability, plus lease payments made on or prior to the start date for the lease and initial direct expenses. The right-of-use asset is recognized in the subsequent period at cost loss depreciation and impairment.

If the Group undertakes an obligation to dismantle a leased asset, to restore land or to restore and renovate an asset to a condition agreed on in the lease, a provision for such obligations is recognized. Such provisions are included in the cost of the right-of-use asset, provided they are not linked to the production of inventory.

Right-of-use assets depreciated over their estimated useful life or, if it is shorter, over the agreed lease term. If a lease entails a transfer of ownership right at the end of the lease term, or if the cost includes a probable exercise of a call option, the right-of-use asset is depreciated over its useful life. Depreciation commences on the start date for the lease.

Right-of-use assets are presented on a separate line in the statement of financial position.

The Group applies the same principles for impairment of right-of-use assets in accordance with the accounting policy for tangible assets.

Variable lease payments that are not dependent on an index or price are not included in the measurement of lease liabilities and right-of-use assets. Such lease payments are recognized as a cost under operating profit in the period in which they arise.

The Group has chosen not to apply the possibility of not separating service components from leasing fees.

Foreign currencies

The consolidated accounts are drawn up in Swedish kronor (SEK), which is the parent company's functional and reporting currency. Transactions in foreign currency are converted to SEK at the rate in effect on the transaction date. Receivables and liabilities in foreign currency are converted at the rate in effect on the reporting date. Exchange rate gains and losses on operating receivables and liabilities are reported under operating profit as other operating income or other operating costs. Gains and losses on financial receivables and liabilities are reported as financial items.

Exchange rate differences are reported in the income statement in the period in which they arise.

Payments to employees

Short-term payments to employees

Payments to employees in the form of salary, bonuses, paid vacation, paid sick leave etc. and pensions are reported as and when they are accrued (usually monthly).

Severance payments

The Group reports severance payments when there is an existing legal or informal obligation and when it is likely that an outflow of resources will be required to meet the commitment and the amount can be calculated in a reliable manner.

Pensions

Pensions and other payments after cessation of employment are classified as defined-contribution or defined-benefit pension plans.

The Group's defined-benefit pension plans cover commitments for old-age and family pensions for salaried employees in Sweden covered by insurance with Alecta. According to an opinion from the Financial Reporting Board, UFR 10, this a defined-benefit plan covering multiple employers. The Group has not had access to the information that would allow it to report this as a defined-benefit plan. The ITP (white-collar) pension plan covered by insurance with Alecta is therefore reported as a defined-contribution plan.

Other pension plans in the Group are defined-contribution. A defined-contribution plan is a pension plan under which the Group makes fixed payments to a separate legal entity. The Group has no legal or informal obligations to make further payments if this legal entity does not have sufficient assets to make all payments to employees associated with the employees' service in the current or earlier periods. The Group's payments into defined-contribution pension plans are charged to profit/loss for the period in the year to which they are attributable.

Share-related payments

In 2021 Alligator introduced a performance-based share savings program. The fair value of the staff warrants and matching and performance shares is determined on the date of assignment of the right to payment. This value is reported as a personnel cost in the income statement, distributed over the qualifying period, with a corresponding increase in equity. The cost reported is equal to the fair value of the number of warrants expected to be accrued. In subsequent periods, this cost is adjusted to reflect the fair value of warrants or shares accrued.

Associated social security charges are reported as a cost and a liability and regularly revalued based on changes in the fair value of the warrants. The program ended in 2024.

Taxes

Income taxes are the sum of current and deferred tax.

Current tax

Current tax is calculated on the taxable profit/loss for the period, adjusted for current tax for previous periods. Taxable profits differ from the reported profit in the income statement because they have been adjusted for non-taxable income and non-deductible expenses and for income and expenses that are taxable or deductible in other periods. The Group's current tax debt is calculated at the tax rates decided on or announced as of the reporting date.

Deferred tax

Deferred tax is reported on temporary differences between the reported value of assets and liabilities in the financial statements and the taxable value used to calculated the taxable profit. Deferred tax is reported by the balance-sheet method. Deferred tax liabilities are reported for essentially all taxable temporary differences, and deferred tax assets are reported for essentially all deductible temporary

differences where it is likely that the amount can be offset against a future taxable surplus. Deferred tax liabilities and assets are not reported if the temporary difference is attributable to goodwill or arises out of a transaction which triggers the initial recognition of an asset or liability (which is not a business acquisition) and which affects neither the reported nor the taxable profit at the date of the transaction.

Deferred tax is calculated at the tax rates that are expected to apply for the period when the asset is recovered or the debt paid, based on the tax rates (and laws) decided on or published at the reporting date.Deferred tax assets and liabilities are netted off when they are related to income tax charged by the same authority and the Group intends to settle the tax as a net amount.

Current and deferred tax for the period

Current and deferred tax are reported as expenses or as income in the income statement, except where the tax is attributable to transactions reported under other operating profit or directly against equity. In these cases, the tax should also be reported under other operating profit or directly under equity. For current and deferred tax arising from the recognition of business acquisitions, the tax effect should be shown in the acquisition calculation.

Tangible assets

Tangible assets consist of computers, equipment and machinery. These are reported at historical cost minus cumulative depreciation and any impairments. The historical cost includes the purchase price and any expenses directly attributable to the asset for putting it in place and making it fit for its intended purpose.

Depreciation of tangible assets is posted to expenses in such a way that the value of the asset minus its estimated residual value at the end of its service life is written down on a linear basis over its expected service life, estimated at:

- Computers 3 years
- Equipment and machinery 5 years

Estimated useful life, residual values and depreciation methods are reviewed at least at the end of each accounting period, and the effects of any changes in estimates are reported going forward.

The reported value of a tangible asset is removed from the statement of financial position when it is scrapped or sold, or when no future economic benefits are expected from using or scrapping/disposing of the asset. The gain or loss made from scrapping or disposing of the asset is the difference between any net income from the disposal and its reported value, posted to the income statement in the period in which the asset is removed from the statement of financial position.

Intangible assets

Separately acquired intangible assets – Participations in development projects

Intangible assets which have been acquired separately are reported at historical cost minus cumulative depreciation and any cumulative impairments. Depreciation is linear over the estimated period of use for the asset. Estimated periods of use and depreciation methods are reviewed at least at the end of each accounting period, and the effects of any changes in estimates are reported going forward.

Depreciation starts when the projects are ready for sale or out-licensing or otherwise ready for commercialization. Depreciation has not yet been initiated for acquired participations in development projects.

Acquisition through internal processing

Work to produce an internally processed intangible asset is broken down into a research phase and a development phase. All costs deriving from the Group's research phase are reported as expenses in the period in which they arise. The costs of developing an asset may be reported as an asset if all of the following conditions are met:

- it is technically possible to finish the intangible asset so it can be used or sold,
- Alligator intends to finish the intangible asset and to use or sell it,
- the conditions exist to use or sell the intangible asset,
- it is likely that the intangible asset will generate future economic benefits,
- necessary and adequate technical, economic and other resources are in place to complete the development and to use or sell the intangible asset, and
- the costs attributable to the intangible asset during its development can be calculated in a reliable manner.

If all of the above criteria are not satisfied, the development costs are reported as an operating cost as and when they arise.

The above rules will normally mean that capitalization starts when the end-product has been approved for sale on the market. This means that in-house projects will not reach the capitalization phase because Alligato has no rights to sell the final pharmaceutical products in the market. With Alligator's present business model, the capitalization phase of development costs is unlikely to be an issue.

Patents

Patents relating to Alligator's technology platforms are reported at historical cost net of any depreciation and impairments. These patents are depreciated over a period of 5 years. Annual service costs and internal costs associated with these patents are posted to operating costs when they arise. Patent costs attributable to development projects where the capitalization phase (see above) has not been reached are posted to operating costs as they arise.

Software

Separately acquired software's are reported at historical cost minus any depreciation and impairments. Software is depreciated over a period of 5 years.

Scrapping and disposals

An intangible asset is removed from the statement of financial position when it is scrapped or sold, or when no future economic benefits are expected from using or scrapping/disposing of the asset. The gain or loss made when an intangible asset is removed from the statement of financial position is the difference between any net income from the disposal and the reported value of the asset, posted to the income statement when the asset is removed from the statement of financial position.

Impairment of tangible and intangible assets

Assets which have an undefinable period of use are impairment-tested at least once a year and when there is any indication of impairment. Assets being depreciated should be assessed for a possible decrease in value whenever events or changed circumstances indicate that the reported value is not recoverable.

An impairment is raised in the amount by which the reported value of the asset exceeds its recoverable value. The recoverable value is the greater of the fair value of the asset minus sales costs and its value in use. An impairment should be posted to the income statement immediately as an expense.

To test the value of intangible assets, Alligator uses a probability-adjusted cash flow model. The value of ongoing development projects is calculated by estimating the present value of future cash flows probability-adjusted to allow for the development risk.

Previously reported impairments are reversed if the recoverable value is considered to exceed the reported value. However, the reversal value cannot be greater than the reported value would have been if no impairments had been reported in previous periods.

Financial instruments

A financial asset or liability is reported in the balance-sheet when Alligator becomes a party to the contractual terms for the instrument.

Financial assets

Initial recognition and measurement

The Group classifies and report financial assets in the following categories: financial assets at amortized cost and financial assets at fair value through the income statement.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures financial assets at fair value plus, in the case of a financial asset not at fair value through the income statement, directly attributable transaction costs. Transaction costs related to financial assets at fair value through the income statement are expensed directly in the income statement.

In order for a financial asset to be measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent measurement

Subsequent measurement of investment in debt instruments depends on the Group's business model for managing assets and what kind of cash flow the asset gives rise to. The Group classifies its investments in debt instruments in two categories:

- Financial assets at amortized costs (debt instrument)
- Financial assets at fair value through the income statement

Financial assets at amortized costs (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets at amortized cost are measured using the effective interest method, less any provisions for impairment. Interest income for such financial assets is reported as financial income.

The Group's financial assets valued at amortized cost include other investments held as fixed assets (corporate bonds), accounts receivables and bank deposits. Due to the fact that cash and cash equivalents are payable on demand, the amortized cost value corresponds to the nominal amount.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows include cash. Other short-term investments are classified as cash and cash equivalents when they have maturity within three months from the date of acquisition, can easily be converted into cash at a known amount and are exposed to a negligible risk of value fluctuations. Cash in hand and bank balances are categorized as financial assets valued at amortized cost.

Expected credit losses

For the Group's receivables other than cash and cash equivalents, credit assessments are made on an ongoing basis based on history and current and prospective factors. Due to the short maturity of the receivables and Alligator's assessment, no credit reservation has been made. For cash and cash equivalents, the reserve is judged based on the banks' probability of failure and forward-looking factors. Due to short maturity and high liquidity, no provision has been made.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's consolidated statement of financial position) when:

- the contractual rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Initial recognition and measurement

The Group's financial liabilities consist of accounts payable and other liabilities. These are initially recognized at fair value, less directly attributable transaction costs and then at amortized cost using the effective interest method. A financial liability is removed from the Group's financial statement when the obligation for the liability is canceled, terminated or expires.

Subsequent measurement
The valuation of financial liabilities relating to accounts payable and other liabilities is initially recognized at fair value through the income statement and subsequently at amortized cost using the effective interest method.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Provisions
Provisions are raised when the Group has an existing obligation (legal or informal) as a result of an event that has occurred, it is likely that an outflow of resources will be needed to discharge the obligation, and a reliable estimate of the amount can be made.

Statement of cash flows
The statement of cash flows is prepared according to the indirect method. The reported cash flow includes only transactions that led to payments and receipts.

ACCOUNTING POLICIES FOR THE PARENT COMPANY
The parent company complies with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 'Reporting for legal entities'. The application of RFR 2 means that, as far as possible, the parent company applies all IFRS standards approved by the EU within the Annual Accounts Act and the Pension Obligations Vesting Act, and observes the relationship between reporting and taxation. Amendments to RFR 2 which entered into force in 2023 had no material impact on the Group's financial statements for the period. The differences between the accounting principles applied by the parent company and the Group are described below:

Classification and presentation
The parent company's income statement and balance sheet are prepared in accordance with the Annual Accounts Act. The main difference from IAS 1 Presentation of Financial Statements applied in preparing the Group's financial statements is in the reporting of financial income and expenses, fixed assets and equity, and in the inclusion of provisions as a separate heading.

Subsidiaries
Participations in subsidiaries are reported at historical cost in the parent company's financial statements. Acquisition-related costs to subsidiaries which are posted to expenses in the consolidated report are included as part of the historical cost of participations in subsidiaries. An impairment is raised in the amount by which the reported value of a subsidiary exceeds its recoverable value. The recoverable value is the greater of the fair value of the subsidiary minus sales costs and its value in use. An impairment should be posted to the income statement immediately as an expense. To test the value of a subsidiary intangible assets, Alligator uses a probability-adjusted cash flow model. The value of ongoing development projects is calculated by estimating the present value of future cash flows probability-adjusted to allow for the development risk.

Financial instruments
The parent company does not apply IFRS 9 Financial Instruments: Recognition and Measurement. The parent company applies RFR 2 paragraph 3 to 10 regarding IFRS 9 and a method based on historical costs pursuant to the Swedish Annual Accounts Act.

Leases
The parent company does not apply IFRS 16 Leases. The parent company as lessee recognizes lease payments straight line as a cost over the lease term unless another systematic method better reflects the user's financial benefits over time. The parent company only recognizes lease payments from leases on a straight-line basis over the lease period as other external costs. The right-of-use asset and lease liability are therefore not recognized in the balance sheet.

Approved changes to RFR 2 which have not yet taken effect
Management judges that changes to RFR 2 which have not yet taken effect are not expected to have any material impact on the parent company's financial statements on initial application.

Proposed changes to RFR 2 which have not yet taken effect
Management judges that proposed changes to RFR 2 which have not yet taken effect are not expected to have any material impact on the parent company's financial statements on initial application.

3. Important estimates and judgments
When the Board and management prepare financial statements in accordance with the accounting principles applied, some estimates have to be made which may affect the reported values of assets, liabilities, income and expenses.

The estimates and assumptions are reviewed on a regular basis. Changes to estimates are reported in the period in which the change is made if it only affects that period, or in the period in which it is made and in future periods if it affects both the current and future periods.

Regarding valuation of shares in the Group companies, which applies to the parent company, participations in subsidiaries are reported at historical cost in the parent company's financial statements. Acquisition-related costs to subsidiaries which are posted to expenses in the consolidated report are included as part of the historical cost of participations in subsidiaries. An impairment is raised in the amount by which the reported value of a subsidiary exceeds its recoverable value. The recoverable value is the greater of the fair value of the subsidiary minus sales costs and its value in use. An impairment should be posted to the income statement immediately as an expense. To test the value of a subsidiary intangible assets, Alligator uses a probability-adjusted cash flow model. The value of ongoing development projects is calculated by estimating the present value of future cash flows probability-adjusted to allow for the development risk.

Uncertainties in estimates carry a substantial risk of the value of assets or liabilities needing to be significantly adjusted during the coming financial year. Regular impairment tests are therefore performed on intangible assets with indeterminate periods of use, at least once a year.

For impairment testing of intangible assets with an indeterminate period of use, a number of key assumptions and estimates have to be taken into account in order to calculate a recoverable value. Among other things, the assumptions and estimates relate to the expected sale price for Alligator's products, expected market penetration, expected development, sales and marketing costs and the probability of the product passing through the remaining development stages. The assumptions are based on industry and market-specific data and are produced by management and reviewed by the Board. For more information on impairment testing of intangible assets with an indeterminate period of use, see Note 18 – Intangible assets.

The going concern principle is based on an assumption that Alligator will be able to continue with its operations for an indefinite period of time in the future. In order to assess how long Alligator will be able to survive, the lifetime of Alligator's assets and the agreements to which Alligator has committed itself are reviewed. According to the principle, assets must be valued at the future benefit they are expected to provide when they are sold or alternatively used within the business.

4. Financial risk management and financial instruments

The Group is exposed through its activities to various types of financial risk such as market, liquidity and credit risks. The market risks are made up mainly of interest rate risk, currency risk and other price risk. The Board bears the ultimate responsibility for exposure and handling and following up the Group's financial risks. The limits that apply to exposure, handling and following up the financial risks are set by the Board in a financial policy which is revised each year. In the finance policy, the Board has delegated the responsibility for day-to-day risk management to the CFO. The Board can decide on temporary deviations from the approved financial policy.

The Group's overall financial risk management focuses on the unpredictability in the financial markets and strives to minimize potential adverse effects on the Group's financial results. The Group's overarching objective for financial risks is to minimize the risk by investing surplus liquidity.

Market risks

Currency risks

Currency risk is the risk of fair value of future cash flows fluctuating as a result of changed exchange rates. The exposure to currency risk derives mainly from payment flows in foreign currency, known as transaction exposure.

The Group has transaction exposure from contracted payment flows in foreign currency. See table at the top of the next page for exposures in each currency.

	2024		2023	
	Operating income	Operating costs	Operating income	Operating costs
FOREIGN EXCHANGE EXPOSURE				
USD	0%	38%	0%	31%
EUR	96%	28%	94%	24%
GBP	0%	7%	0%	14%
SEK	3%	25%	6%	31%
Other	1%	1%	0%	1%
	100%	**100%**	**100%**	**100%**

As can be seen from the table above, most of the Group's transaction exposure is in USD, GBP and EUR. A 5 % stronger SEK against the USD would have a positive effect on post-tax profits and equity of approx. SEK 4,524 thousand (3,520). A 5 % stronger SEK against the EUR would have a positive effect on post-tax profits and equity of approx. SEK 3,351 thousand (2,688). A 5 % stronger SEK against the GBP would have a positive effect on post-tax profits and equity of approx. SEK 762 thousand (1,558).

Interest rate risks

Interest rate risk is the risk of fair value or future cash flows fluctuating as a result of changed market interest rates. The Group was exposed to interest rate risk mainly through its investment of surplus liquidity. During 2024, the Group has incurred short term debt.

Liquidity and financing risk

Liquidity risk refers to the risk that the Group will encounter difficulties in meeting its commitments related to the Group's financial liabilities. Liquidity risks are limited by liquidity planning.

Financing risk is the risk that cash and cash equivalents might not be available and that financing could be only partly obtainable, if at all, or only at increased cost. The Group now has funds mainly from the agreement with Orion Corporation and the share issue done in 2024. Alligator has used and will continue to need to use substantial sums to carry out research and development.

4. Financial risk management and financial instruments, cont.

The maturity periods for the Group's financial liabilities are shown below.

KSEK	2024-12-31				2023-12-31			
	Within 3 mths	3-12 mths	1-5 years	Total	Within 3 mths	3-12 mths	1-5 years	Total
Lease liabilities	2,582	7,515	33,474	**43,571**	2,154	6,248	7,695	**16,097**
Accounts payable	3,952	-	-	**3,952**	21,273	-	-	**21,273**
Other short term liabilities	137,237	-	-	**137,237**	-	-	-	**-**
Accrued expenses	42,896	-	-	**42,896**	61,474	-	-	**61,474**
Total	**186,666**	**7,515**	**33,474**	**227,656**	**84,901**	**6,248**	**7,695**	**98,844**

The Group's contractual and undiscounted interest payments and repayments of financial liabilities can be seen in the table above. Amounts in foreign currency have been converted to SEK at the rate on the reporting date. Financial liabilities with variable interest rates have been calculated at the rate in place on the reporting date. Liabilities have been included in the earliest period in which repayment can be requested.

The maturity periods for the Group's financial liabilities are shown above.

Credit and counterparty risk

Credit risk is the risk of the counterparty to a transaction causing a loss to the Group by not meeting its contractual obligations. The Group has no significant credit risks and no significant concentration of credit risks. The Group's exposure to credit risk is mainly attributable to accounts receivable. The Group has established guidelines to ensure that sales of products and services are made to customers with a suitable credit record. The payment terms may be between 30-60 days depending on the counterparty. There were no credit losses in 2024 or 2023.

Credit risk also arises when the Alligator's surplus liquidity is invested in various types of financial instrument. According to the financial policy, surplus liquidity can be deposited in interest-bearing bank accounts or invested in interest-bearing securities. According to the financial policy, the credit risk from investing surplus liquidity should be reduced by only dealing with counterparties with a very good rating. The financial policy also states that investments should be spread across multiple counterparties or issuers.

Categorization of financial instruments

The carrying value of financial assets and liabilities broken down by valuation category in accordance with IFRS 9 is shown in the table to the right.

There were no reclassifications between the valuation categories to the right during the period.

Net gains/losses from financial assets and liabilities broken down by valuation category in accordance with IFRS 9 are shown in the table to the right.

Financial assets, KSEK	Group	
	2024-12-31	2023-12-31
Financial assets valued at amortized cost		
Other long term financial fixed assets	2,056	1,986
Accounts receivable	518	2
Other receivables	122	24
Liquid assets - Bank accounts	64,310	66,118
Total financial assets	**67,006**	**68,130**

Financial liabilities, KSEK	Group	
	2024-12-31	2023-12-31
Financial liabilities valued at amortized cost		
Long term lease liabilities	33,475	7,516
Accounts payable	3,952	21,273
Short term lease liabilities	10,097	8,581
Other short term liabilities	137,237	-
Accrued expenses	42,896	61,474
Total financial liabilities	**227,656**	**98,844**

4. Financial risk management and financial instruments, cont.

Preclinical and clinical development of drug candidates
Clinical studies are expensive and timeconsuming to conduct, and their outcome is uncertain. This could affect the possibility of commercializing Alligator's drug candidates.

Dependence on partners for development and commercialization
There is a risk that Alligator fails to attract buyers or licensees for Alligator's drug candidates, which may mean future revenue is delayed or alternatively, partially, or entirely, foregone.

Market acceptance
Market acceptance of potential future products from Alligator and its partners will depend on a number of factors, including: the clinical indications for which the product has been approved, acceptance by doctors, patients, and buyers, perceived benefits compared to competing treatments and the extent to which the product has been approved for use in hospitals.

Competition
The development and commercialization of novel drug candidates is highly competitive and characterized by rapid technology development. Alligator is exposed to competition in relation to its current drug candidates and will be exposed to competition in relation to all drug candidates that it may try to develop or commercialize in the future.

For more information on other significant risks, see also section **Risks and risk management** on page 34.

5. Capital management

The Group's objective for capital management is to maintain its ability to remain in operation to generate a reasonable return to shareholders and benefit to other stakeholders, but also to have 12 months financing in cash and cash equivalents.

The Group monitors its capital structure on the basis of cash and cash equivalents. The overall target is to secure sufficient and competitive financing so the operations can be run in an appropriate and cost efficient way.

At the end of the financial year, cash and cash equivalents totaled:

	Group	
KSEK	**2024-12-31**	**2023-12-31**
Cash and cash equivalents	64,310	66,118
Cash and cash equivalents	**64,310**	**66,118**

6. Revenue from contracts with customers

Revenue, Group

KSEK	2024	2023
Out-licensing	47,591	11,500
Reimbursement for development work	10,168	46,607
Other items	7	-
Total	**57,767**	**58,107**

Geographical distribution, Group

KSEK	2024	2023
Finland	57,760	58,107
Sweden	7	-
Total	**57,767**	**58,107**

Revenue, Parent company

KSEK	2024	2023
Out-licensing	47,591	11,500
Reimbursement for development work	10,168	46,607
Other	7	-
Total	**57,767**	**58,107**

Geographical distribution, Parent company

KSEK	2024	2023
Finland	57,760	58,107
Sweden	7	-
Total	**57,767**	**58,107**

7. Other operating income

	Group		Parent company	
KSEK	2024	2023	2024	2023
Swedish Government grants received	-44	1,144	34	1,144
Exchange rate gains from operations	1,871	2,632	1,871	2,632
Other items	117	18	40	18
Total	**1,945**	**3,795**	**1,945**	**3,795**

Swedish Government grants received include grant from Vinnova project SEK -296 thousand (874), and grant for doctoral students SEK 252 thousand (252).

8. Other external expenses

	Group		Parent company	
KSEK	2024	2023	2024	2023
Costs of R&D projects	-153,139	-203,405	-153,139	-203,405
Other costs	-14,068	-15,387	-67,720	-25,083
Total	**-167,207**	**-218,792**	**-220,859**	**-228,487**

9. Details of the auditor's fee and reimbursement of costs

	Group		Parent company	
KSEK	2024	2023	2024	2023
Ernst & Young AB				
Audit assignment	-	370	-	370
Audit activities other than the audit assignment	-	214	-	214
Total	**-**	**584**	**-**	**584**
Öhrlings PricewaterhouseCoopers AB				
Audit assignment	704	865	704	865
Audit activities other than the audit assignment	70	16	70	16
Tax advice	10	24	10	24
Other services	102	59	102	59
Total	**886**	**964**	**886**	**964**

10. Leases

Leases - The Group

The Group has leases with Medicon Village for the lease of office and lab premises, leases with Ikano Bank regarding the rental of copier used in daily operations, a contract with 3 Step IT Sweden AB and Becton Dickinson AB for two lab instruments and a contract with Mercedes Benz for the rental of company car. The lease period for premises extends from 3 to 5 years, the leasing period for the copier extends over 4 years, leasing for the lab instrument 5 and 3 years respectively and the company car 3 years. None of the contracts require the Group to maintain any financial ratios. For lease of premises, notice must be given in writing no later than 9 months before the end of the rental period. Unless the contracts are terminated in time, the lease of premises are each extended by 3 years. The contract relating to lab premises started in December 2024 for 5 years and has replaced previous contract with Medicon Village.

10. Leases, cont.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Right of use assets	2024			2023		
KSEK	**Buildings**	**Equipment**	**Total**	**Buildings**	**Equipment**	**Total**
Acquisitions						
As at 1 January	44,841	8,831	**53,672**	43,582	8,831	**52,414**
Additions	908	-1,126	**-218**	-	-	**-**
New leasing contracts	41,117	440	**41,557**	1,259	-	**1,259**
As at 31 December	**86,866**	**8,145**	**95,011**	**44,841**	**8,831**	**53,672**
Accumulated depreciations						
As at 1 January	-31,692	-4,368	**-36,060**	-24,281	-2,582	**-26,863**
Depreciation in the period	-7,047	-1,890	**-8,937**	-7,410	-1,786	**-9,196**
As at 31 December	**-38,739**	**-6,258**	**-44,997**	**-31,692**	**-4,368**	**-36,060**
Accumulated write-downs						
As at 1 January	-	-	**-**	-	-	**-**
Depreciation in the period	-48,127	-620	**-48,747**	-	-	**-**
As at 31 December	**-48,127**	**-620**	**-48,747**	**-**	**-**	**-**
Reported value carried-forward	**-**	**1,267**	**1,267**	**13,149**	**4,463**	**17,613**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Lease Liabilities	2024	2023
KSEK	**Total**	**Total**
As at 1 January	16,097	24,502
New lease contracts	40,653	868
Lease contracts terminated in advance	-3,920	-
Interest expenses	527	481
Payments	-9,785	-9,754
As at 31 December	**43,571**	**16,097**

Lease Liabilities	2024	2023
KSEK	**Total**	**Total**
Current lease liabilities	10,097	8,581
Non-current lease liabilities	33,475	7,516
As at 31 December	**43,571**	**16,097**

10. Leases, cont.

The following are the amounts recognised in profit or loss:

KSEK	2024 Total	2023 Total
Depreciation of right-of-use assets	-8,937	-9,288
Write-downs	-48,748	-
Interest expense on lease liabilities	-527	-481
of which costs attributable to low-value lease agreements	*-527*	*-481*
Total amount recognised in profit or loss	**-58,212**	**-9,770**

The Group's total cashflow for leasing contract for 2024 amounted to SEK -9,464 thousand (-10,251).

For maturity analysis of lease liabilities, see Note 4.

Leases – Parent company

The parent company's leasing contracts are the same as for the Group. On the reporting date, the parent company had outstanding commitments in the form of minimum leasing charges under non-terminable operational leases with maturity dates as below:

KSEK	Parent company 2024-12-31	Parent company 2023-12-31
Within 1 year	10,097	8,581
Between 1 and 5 years	33,474	7,454
Later than 5 years	-	-
Total	**43,571**	**16,035**

The total amount on the reporting date of future minimum leasing charges for non-terminable leasing agreements was SEK 43,571 thousand (16,035) for the parent company.

The parent company's expensed leasing fees during the financial year amounted to SEK 10,147 (thousands).

In June 2022 Alligator entered into a lease agreement with Medicon Village for office premises valid from December 2024 with an agreement period of 5 years. The new agreement has increased the right of use assets by SEK 41.1 million based on the use of the agreement period without extension, and replaces the current agreement with Medicon Village regarding lab and office premises. The rights of use assets have however been written down to zero as a result of the restructuring no use of the premises will happen.

11. Number of employees, salaries, other remuneration and social security costs

Average number of employees	2024 No of employees	2024 Of which men	2023 No of employees	2023 Of which men
Parent company				
Sweden	52	16	56	17
Total in parent company	**52**	**16**	**56**	**17**
Total in the Group	**52**	**16**	**56**	**17**

Subsidiaries have no employees.

Breakdown of senior executives on the reporting date	Group 2024-12-31	Group 2023-12-31	Parent company 2024-12-31	Parent company 2023-12-31
Women				
Board members	3	3	2	3
Other members of management incl. CEO	1	2	2	2
Men				
Board members	3	4	3	4
Other members of management incl. CEO	3	3	3	3
Total	**10**	**12**	**10**	**12**

Salaries, remuneration etc. KSEK	2024 Salaries and other remuneration	2024 Soc.sec.costs (of which pension costs)	2023 Salaries and other remuneration	2023 Soc.sec.costs (of which pension costs)
Parent company	**51,748**	**17,198**	**48,317**	**16,844**
		(6,926)		(6,706)
Total Group	**51,748**	**17,198**	**58,281**	**18,117**
		(6,926)		(6,970)

Subsidiaries have no employees.

12. Remuneration to senior executives

Salaries and remuneration broken down between board members etc. and employees, KSEK	2024		2023	
	Board and CEO (of which bonus etc.)	Other employees	Board and CEO (of which bonus etc.)	Other employees
Parent company	**7,668**	**44,080**	**8,077**	**50,204**
	(562)	(2,261)	(936)	(4,250)
Total Group	**7,668**	**44,080**	**8,077**	**50,204**
	(562)	(2,261)	(936)	(4,250)

Subsidiaries have no employees.

Of the parent company's and the Group's pension costs, SEK 542 thousand (496) pertains to the Board and CEO.

Pensions

For salaried staff in Sweden, the defined-contribution pension commitments under the ITP 2 plan for old-age and family pensions are covered by insurance with Alecta. According to an opinion from the Financial Reporting Board, UFR 10 'Classification of ITP plans financed through insurance with Alecta', this a defined-benefit plan covering multiple employers. For 2024, Alligator has not had access to information to allow it to report its proportional share of the obligations under the plan, assets under management and total costs, so it was not possible to report it as a defined-benefit plan. The ITP 2 (white-collar) pension plan covered by insurance with Alecta is therefore reported as a defined-contribution plan. Premiums for the defined-benefit old-age and family pension are calculated individually and depend among other things on salary, previously accrued pension and expected remaining period of employment.

The collective consolidation level is made up of the market value of Alecta's assets as a percentage of the insurance commitments calculated by Alecta's actuarial methods and assumptions, which do not conform to IAS 19. The collective consolidation level should normally be allowed to vary between 125 and 155 percent. If Alecta's collective consolidation level drops below 125 percent or exceeds 155 percent, measures should be taken to create the conditions for the consolidation level to return to the normal range. For low consolidation, a possible action might be to increase the agreed price for new cover and increasing existing benefits. For high consolidation, a measure might be to introduce premium reductions. Alectas collectively consolidation level for defined-contribution plan have preliminary been calculated to 162% (178) as per 31 December 2024.

The Group's and parent company's total cost for defined contribution pension plans amounts to SEK 6,906 thousand (7,035).

Payments to senior executives

Guidelines

According to the Swedish Companies Act, the shareholders' meeting should decide on guidelines for payments to the CEO and other senior executives. The annual general meeting on 7 May 2024 adopted guidelines with essentially the following content.

Alligator's assumption is that payments should be made on market-based and competitive terms that enable senior executives to be recruited and retained. Payments to senior executives may consist of basic salary, variable remuneration, other benefits and sharerelated incentive programs. The CEO and other senior executives are generally entitled to other customary benefits according to what may be considered reasonable in terms of market practice and the benefit to Alligator.

Payments to the CEO and other senior executives should be based on factors such as work responsibilities, expertise, experience, position and performance. The breakdown between basic salary and variable remuneration should also be in proportion to the employee's position and responsibilities. Variable remuneration should be tied to predefined and measurable criteria, designed to promote Alligator's long-term value creation. The remuneration should not discriminate on the basis of gender, ethnic background, national origin, age, disability or other irrelevant circumstances.

The CEO and other senior executives should be offered a fixed salary which is in line with the market and based on the individual's responsibilities, competence and performance. Apart from their salary, the CEO and other senior executives will normally be entitled to an annual bonus of no more than 30 percent of their basic salary.

Over and above what has been defined in collective agreements or other agreements, the CEO and other senior executives may be entitled to arrange pension solutions on an individual basis. Reductions in salary and variable remuneration may be used to increase pension provisions provided that the cost to Alligator is unchanged.

According to the guidelines, the notice period for the CEO is six months on either side, and for other senior executives, the notice period may not exceed six months. Severance payments, apart from salary paid during the notice period, will only arise for the CEO who will be entitled to a severance payment equal to six months' salary in the case of termination by Alligator.

To the extent that the board member performs work on behalf of Alligator, in addition to the work of the board, consultancy fees and other remuneration for such work shall be payable. Remuneration shall be market-based and remuneration as well as other conditions shall be decided by the Board.

The Board may deviate from the guidelines if there are specific grounds for doing so in a given case. The Board will consider each year whether or not to propose a share-based incentive program to the annual general meeting. New issues and transfers of securities decided by the shareholders' meeting according to the rules in Chapter 16 of the Companies Act where the shareholders' meeting has taken or is about to take such decisions.

12. Remuneration to senior executives, cont.

2024, KSEK	Basic salary/ fee	Variable remune-ration	Other benefits	Pension costs	Share-based remune-ration	Total
Anders Ekblom	700	-	-	-	-	**700**
Graham Dixon	108	-	-	-	-	**108**
Hans-Peter Ostler	525	-	-	-	-	**525**
Eva Sjökvist Saers	350	-	-	-	-	**350**
Veronica Wallin	117	-	-	-	-	**117**
Denise Goode	325	-	-	-	-	**325**
Staffan Encrantz	300	-	-	-	-	**300**
Søren Bregenholt (CEO)	3,966	562	168	542	6	**5,243**
Other senior executives (4 persons)	8,427	616	43	1,370	13	**10,470**
Total	**14,818**	**1,178**	**211**	**1,912**	**19**	**18,138**

2023, KSEK	Basic salary/ fee	Variable remune-ration	Other benefits	Pension costs	Share-based remune-ration	Total
Anders Ekblom	700	-	-	-	-	**700**
Graham Dixon	325	-	-	-	-	**325**
Hans-Peter Ostler	525	-	-	-	-	**525**
Eva Sjökvist Saers	350	-	-	-	-	**350**
Veronica Wallin	350	-	-	-	-	**350**
Denise Goode	325	-	-	-	-	**325**
Staffan Encrantz	300	-	-	-	-	**300**
Søren Bregenholt (CEO)	3,585	936	184	496	-	**5,202**
Other senior executives (5 persons)	9,951	2,729	4	2,028	-	**14,712**
Total	**16,411**	**3,665**	**188**	**2,525**	**-**	**22,789**

Pensions

The retirement age for the CEO is 65. Pension premiums are determined in accordance with the current ITP plan. Pensionable salary is the basic salary plus the average of the last three years' variable remuneration.

For other senior executives, the retirement age is 65. Pension premiums are determined in accordance with the current ITP plan. .

Severance payments

Between Alligator and the CEO, the notice period is six months on either side. In the case of termination by Alligator, a severance payment of six months' salary will be payable. The severance payment is not set off against other income. In the case of termination by the CEO, no severance payment will be made.

Between Alligator and other senior executives, the notice period is three to six months on either side. No severance payment will be made.

Shared-based compensation

Refers to share saving program assigned to employees in 2021 and was closed in 2024. For more information about the warrant program see note 27.

13. Other operating costs

	Group		Parent company	
KSEK	2024	2023	2024	2023
Exchange rate losses in operations	-2,489	-2,227	-2,489	-2,227
Total	**-2,489**	**-2,227**	**-2,489**	**-2,227**

14. Financial income

	Group		Parent company	
KSEK	2024	2023	2024	2023
Interest income	1,312	1,883	1,312	1,883
Other financial items	14,282	-	9,859	-
Exchange rate gains	-	-96	-	-96
Total financial income	**15,594**	**1,788**	**11,170**	**1,788**

All interest income is attributable to financial assets valued at amortized cost. Other financial items consist of valuation of financial debt related to TO 9. Exchange rate gains refers to foreign exchange gains as a result of cash and cash equivalents in USD, EUR and GBP.

15. Financial costs

	Group		Parent company	
KSEK	2024	2023	2024	2023
Exchange rate losses	-653	-908	-653	-908
Interest costs on lease liabilities	-527	-481	-	-
Other interest costs	-19,163	-2	-14,805	-2
Total financial costs	**-20,343**	**-1,391**	**-15,458**	**-910**

Other interest costs include costs for financial debt amounting to SEK 14,793 thousand (0) and costs amounting to SEK 4 358 thousand (0) stemming from valuation of financial debt related to TO 9.

16. Tax

	Group		Parent company	
KSEK	2024	2023	2024	2023
Current tax on profit/loss for the period	-	-	-	-
Deferred tax attributable to temporary differences	-	-	-	-
Total reported tax	**-**	**-**	**-**	**-**

Income tax in Sweden is calculated with 20.6% (20.6%) on the year's taxable result. In the table below a reconciliation between the accounted result and the accounted tax for the year:

Reconciliation of reported tax for the year

	Group		Parent company	
KSEK	2024	2023	2024	2023
Profit before tax	-233,890	-248,586	-231,002	-248,158

Reported tax for the year

Tax reported at Swedish tax rate 20.6% (20.6%)	48,181	51,209	47,586	51,120
Tax effect of non-deductible costs	-93	-133	-93	-133
Tax effect of non-taxable income	3,744	-73	3,744	-
Tax effect of deductible costs reported directly against equity	1,558	-	1,558	-
Loss carry-forwards during the year whose taxable values is not reported as an asset	-53,390	-51,003	-52,795	-50,987
Other	-	-	-	-
Reported tax for the year	**-**	**-**	**-**	**-**

No tax is recorded in the Consolidated of Comprehensive Income Statement or directly against the equity.

The Group's cumulative loss carry-forwards as of 31 December 2024 amounted preliminary to SEK 1,779 million (1,522), of which SEK 230 million (230) are group contribution-locked. There is no maturity date which limits the use of the loss carry-forwards. However, it is uncertain when it will be possible to use these loss carry-forwards to set off against taxable gains. Deferred tax assets attributable to the loss carry-forward are therefore not reported with any value.

Deferred tax asset and tax liability related to IFRS 16 Leasing

New rules for reporting derred tax on leasing agreements according to IFRS have taken effect as of 1st January 2023. According to IAS 12 Income Taxes, Alligator must report deferred tax on all temporary differences. Alligator has not reported the deferred tax receivables and deferred tax liabilities attributable to leasing agreements since the tax liability linked to IFRS 16 can be offset against the deficit. Alligator has a legal right of set-off and thus does not report tax in either the income statement or the balance sheet.

Set out below is the tax receivable and tax liability related to IFRS 16, gross:

	Group	
KSEK	Deferred tax liability Right of use assets	Deferred tax receivable Lease liabilities
As at 31 December 2024	1,267	43,571
Tax reported at Swedish tax rate 20.6%	261	8,976

17. Earnings per share

Earnings per share before dilution

The following results and weighted average numbers of ordinary shares have been used to calculate earnings per share before dilution:

	Group	
	2024	2023
Profit/loss for the year attributable to parent company shareholders, KSEK	-233,890	-248,586
Weighted average number of ordinary shares before dilution, number of shares	734,278,406	448,489,815
Earnings per share before dilution, SEK	**-0.32**	**-0.55**

Earnings per share after dilution

The following results and weighted average numbers of ordinary shares have been used to calculate earnings per share after dilution:

	Group	
	2024	2023
Profit/loss for the year attributable to parent company shareholders, KSEK	-233,890	-248,586
Weighted average number of ordinary shares after dilution, number of shares	734,278,406	448,489,815
Earnings per share after dilution, SEK	**-0.32**	**-0.55**

To calculate earnings per share after dilution, the weighted average number of outstanding ordinary shares is adjusted for the dilution effect or all potential ordinary shares. These potential ordinary shares relate to the warrants acquired at market value by management and employees in Alligator. If the profit/loss for the year is negative, the warrants are not regarded as diluting. Nor are the warrants diluting if the exercise price including mark-up for the value of outstanding future services to be reported during the qualifying period exceeds the average quotation for the period.

At the Annual General Meeting 2024 it was resolved to implement a long-term incentive program by way of a warrant program for employees and certain board members ("LTI 2024-I", respectively "LTI 2024-II").

For details of changes in the number of ordinary shares, see Note 27 Equity.

18. Participations in development projects

KSEK	Group 2024-12-31	Group 2023-12-31
Historical cost brought-forward	50,149	50,149
Acquisitions in the year	-	-
Cum. historical cost carried-forward	**50,149**	**50,149**
Imparments brought-forward	-32,200	-32,200
Impairments for the year	-	-
Reversal of write-downs	9,917	-
Cum. impairments carried-forward	**-22,283**	**-32,200**
Reported value carried-forward	**27,865**	**17,949**

When Atlas Therapeutics AB was acquired, a premium of SEK 50,149 thousand was paid; this was classified under 'Participations in development projects'. The acquisition of the subsidiary Atlas Therapeutics AB gave the Group 35% (originally 50% that was later re-negotiated) of a project together with the Korean company AbClon Inc. (80% of the total value) and exclusive rights to all therapeutic targets from the Human Protein Atlas (HPA) project (20% of the total value). The rights to targets from the HPA project was written down to zero in 2015, when that part of the project was discontinued. Regarding the share in the Biosynergy project, an impairment test was performed in 2016. During the test, it was decided to make a write-down that was caused by changed assessments regarding the market conditions for the project and that changed contract terms were agreed, which gave Alligator a smaller share of future revenue.

Subsequently, AbClon licensed the Biosynergy project (AC101 / HLX22) to the Chinese company Shanghai Henlius, which is now developing the drug candidate. Under current regulations, a reversal of write-downs made can only be relevant when there have been changes in the assessments that formed the basis for the write-down. It is Alligator's assessment that a reversal is relevant as the market conditions and the changed contract terms on which the write-down was based, has changed.

When Alligator holds an intangible asset with an indefinite useful life, or which has not yet started to be used (ie no depreciation takes place), an impairment test shall be performed annually. With regard to the participation in the Biosynergy project, an impairment test was performed in 2024 and 2023 respectively, as described below. The Board considers that the reported value of this project is likely to exceed the previously reported value, and should certainly not be less.

Impairment test

To test the value of ongoing development projects, Alligator uses a probability-adjusted cash flow model. The fair value of the projects after deducting sales costs is calculated by estimating the present value of future cash flows probability-adjusted to allow for the development risk. The valuation is classed at level 3 in the valuation hierarchy and is based on the following key assumptions:

- Future income and expenditure forecasts for the development project. Income is calculated from estimates based on available data for various types of possible indicator, such as forecasts of total market size, expected market share for the product, projected price level and market-conformant level of one-off, milestone and royalty payments. The size of the market, royalty levels and milestone payments are estimated with the aid of information from secondary sources, assumptions accepted within the industry and assumptions made by Alligator. Revenues during 15 years after a market introduction has been included for impairments done in 2024 and 2023.
- Costs cover development expenses and direct and indirect costs based on usual production and marketing costs within the pharmaceutical industry, and the experience Alligator has from previous development projects.
- The cash flows are calculated at present value and adjusted for the probability of the project succeeding. The probability is based on accepted models and assumptions as to the likelihood of a similar product reaching the market..
- A discount rate before tax of 14.94% (14.28%).

The most critical assumptions are those concerning market size, market share and the likelihood of the projects reaching a point where they can be licensed. As in many projects in the pharmaceutical industry, there are risks of delays, of failure to achieve the expected clinical effects, or of the market and competitive situation changing. A 5 percentage point higher discount rate or lower estimated probability would result in a write-down of SEK 10.2 million, and SEK 5.7 million, respectively.

The impairment test for the year showed that, with the assumptions made for various milestones, the project would generate cash flows well in excess of the present book value. Part of the earlier write-down has therefore been reversed.

Amortization will be initiated when the asset can be used, i.e. when it is in place and in the state required for it to be used in the manner intended by management.

19. Softwares

	Group		Parent company	
KSEK	**2024-12-31**	**2023-12-31**	**2024-12-31**	**2023-12-31**
Historical cost brought-forward	656	656	656	656
Acquisitions in the period	-	-	-	-
Disposal/scrapping	-	-	-	-
Cum. historical cost carried-forward	**656**	**656**	**656**	**656**
Depreciation brought-forward	-641	-586	-641	-586
Disposal/scrapping	-	-	-	-
Depreciation in the period	-15	-55	-15	-55
Cum. depreciation carried-forward	**-656**	**-641**	**-656**	**-641**
Reported value carried-forward	**-**	**15**	**-**	**15**

20. Equipment, machinery and computers

	Group		Parent company	
KSEK	**2024-12-31**	**2023-12-31**	**2024-12-31**	**2023-12-31**
Historical cost brought-forward	34,832	32,373	34,832	32,373
Acquisitions in the period	-	2,459	-	2,459
Disposal/scrapping	-	-	-	-
Cum. historical cost carried-forward	**34,832**	**34,832**	**34,832**	**34,832**
Depreciation brought-forward	-32,131	-30,987	-32,131	-30,987
Disposal/scrapping	-	-	-	-
Depreciation in the period	-945	-1,146	-945	-1,146
Cum. depreciation carried-forward	**-33,077**	**-32,131**	**-33,077**	**-32,131**
Reported value carried-forward	**1,754**	**2,700**	**1,754**	**2,700**

21. Participations in group companies

	Parent company	
KSEK	**2024-12-31**	**2023-12-31**
Historical cost brought-forward	52,494	52,494
Historical cost carried-forward	**52,494**	**52,494**
Impairments brought-forward	-32,200	-32,200
Impairments for the year	-	-
Reversal of write-down	7,865	-
Cum.impairments carried-forward	**-24,335**	**-32,200**
Reported value carried-forward	**28,159**	**20,294**

		2024-12-31	2023-12-31	2024-12-31	2023-12-31
Subsidiaries	**Registered Office**	**Share of capital, %***	**Share of capital, %***	**Reported value**	**Reported value**
Atlas Therapeutics AB (556815-2424)	Lund	100%	100%	27,865	20,000
A Bioscience Incentive AB (559056-3663)	Lund	100%	100%	294	294
*Also the voting rights				28,159	20,294

Atlas Therapeutics is engaged in research, development and production of antibodies and other types of binder molecules for commercialization within the field of antibody-based therapy. The business of A Bioscience Incentive AB is to administer Alligator's warrant programs.

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	Atlas Therapeutics AB		A Bioscience Incentive AB	
KSEK	**2024-12-31**	**2023-12-31**	**2024-12-31**	**2023-12-31**
Equity	249	258	-157	157
Profit/loss for the period	-4	-4	-	-

22. Other long-term receivables

KSEK	Group		Parent company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Deposits	2,056	1,986	2,056	1,986
Total	**2,056**	**1,986**	**2,056**	**1,986**

Deposits consist of receivables from a supplier of SEK 2,056 thousand (1,986). Deposit is expected to be repaid in 2025.

23. Accounts receivable

KSEK	Group		Parent company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Accounts receivable, gross	518	2	518	2
Total accounts receivable	**518**	**2**	**518**	**2**

Accounts receivable relates to sale of equipment SEK 518 thousand (2).

24. Other receivables

KSEK	Group		Parent company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Value-added tax	1,977	2,601	1,977	2,601
Other items	1,864	1,919	1,864	1,919
Total	**3,842**	**4,521**	**3,842**	**4,521**

Other items consist mostly of tax receivables SEK 1,725 thousand (1,883).

25. Prepayments and accrued income

KSEK	Group		Parent company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Prepaid rents	-	-	595	1,863
Prepaid insurance premiums	569	603	569	603
Prepaid R&D costs	1,072	2,129	1,173	2,232
Accrued income	69	3,799	69	3,799
Other items	1,016	1,017	1,930	1,464
Total	**2,726**	**7,547**	**4,336**	**9,961**

Accrued income is related to research collaboration and the license agreement with Orion Corporation and refers to compensation for the work during the last quarter of the year.

Other items include mostly expenses for databases, software and licences, but even one upfront payment for recruitment service.

26. Cash and cash equivalents

Disposable bank deposits

KSEK	Group		Parent company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
SEK	45,085	61,448	43,036	59,841
USD	108	829	108	829
EUR	19,051	2,066	19,051	2,066
GBP	66	1,775	66	1,775
Total	**64,310**	**66,118**	**62,262**	**64,510**

27. Equity

Share capital and other capital contributions

	No of ordinary shares	No of C-shares	Share capital, KSEK	Other contributions, KSEK
As at 31 December 2022	220,584,878	949,850	88,614	911,901
As at 31 December 2023	657,954,290	949,850	42,170	1,055,224
As at 31 December 2024	**758,209,917**	**779,169**	**607**	**1,145,709**

The Extraordinary General Meeting on 14 March 2024 resolved to carry out the rights issue and to reduce the share capital within the aggregate SEK 41,642,741.648 from SEK 42,169,864.96 to SEK 527,123.312. This reduction means that the quota value per share is reduced from SEK 0.064 to SEK 0.0008. The Rights Issue in 2024 comprised a maximum of 100,084,946 units. Each unit consisted of one ordinary share and one warrant (TO 9). One TO 9 entitled the shareholder to subscribe for one new ordinary share in Alligator at a subscription price based on 90 per cent of the volume weighted average share price of Alligator's shares on Nasdaq Stockholm during 4 November and 29 November, not lower than the quota value. In total 1,498,157 new ordinary shares were issued in December 2024. Proceeds of SEK 0.8 million were received on 30 December 2024 but the share issue was registered at Bolagsverket on 2 January 2025.

The total number of ordinary shares outstanding in Alligator Bioscience AB on 31 December 2024 is 758,989,086, whereof 758,209,917 are ordinary shares and 779,169 series C shares. The total number of votes is 758,287,833.

Other capital contributions

Other capital contributions are made up of capital contributed by shareholders, e.g. share premiums.

Share savings program LTI 2021

At the Annual General Meeting 2021 it was resolved to implement a long-term incentive program by way of a performance-based share saving program for employees in Alligator ("LTI 2021"). For each ordinary share acquired by the participant on Nasdaq Stockholm, so called savings shares, the participant has a right to receive so called matching shares. In addition, given that a requirement related to the development of Alligator's share price from the day of the Annual General Meeting 2021 up until 30 September 2024 has been achieved, the participant has a right to receive further shares in Alligator free of charge, so called performance shares. The program was completed in 2024 and 170,681 ordinary shares were delivered to the participants in accordance with requirements of the savings shares. The requirements for the performance shares were not met.

Warrant program LTI 2022-I/2022-II

The Annual General Meeting held 2022 resolved to implement a warrant program for employees and certain board members ("LTI 2022-I/LTI 2022-II"). After recalculation due to completed rights issues during 2023 and 2024 the subscription price has been recalculated to SEK 2.46 per share. Each warrant is entitled to 1.38 shares. If all warrants LTI 2022-I/LTI 2022-II are exercised a total of 3,786,132 new ordinary shares will be issued, which corresponds to a dilution of approximately 0.51 per cent. All warrants have been transferred to the participants at fair market value.

Warrant program LTI 2023-I/2023-II

The Annual General Meeting held 2023 resolved to implement a warrant program for employees and certain board members ("LTI 2023-I/LTI 2023-II"). After recalculation due to completed rights issues during April 2024 the subscription price has been recalculated to SEK 1.01 per share. Each warrant is entitled to 1.05 shares. If all warrants LTI 2023-I/LTI 2023-II are exercised a total of 6,644,750 new ordinary shares will be issued, which corresponds to a dilution of approximately 0.87 per cent. All warrants have been transferred to the participants at fair market value.

Warrant program LTI 2024-I/2024-II

The Annual General Meeting held on 7 May 2024 resolved to implement a warrant program for employees and certain board members ("LTI 2024-I/LTI 2024-II"). Each warrant is entitled to one share at the subscription price SEK 1.69 per share. If all warrants LTI 2024-I/LTI 2024-II are exercised a total of 3,194,166 new ordinary shares will be issued, which corresponds to a dilution of approximately 0.42 per cent. All warrants have been transferred to the participants at fair market value.

Proposed appropriation of profits (SEK)

The Board propose that sums available to the shareholders' meeting:	
Share premium reserve	1,144,552,403
Retained earnings	-1,040,678,398
Profit/loss for the period	-231,001,806
Total	**-127,127,801**

Be allocated as follows:	
Carried forward to new account	-127,127,801
Total	**-127,127,801**

28. Other liabilities

	Group		Parent company	
KSEK	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Employee withholding tax	1,798	2,065	1,798	2,065
Social security charges	939	1,102	939	1,102
Financial debt	137,237	-	137,237	-
Other items	669	94	669	95
Total	**140,643**	**3,261**	**140,643**	**3,262**

29. Accrued expenses and deferred income

	Group		Parent company	
KSEK	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Accrued salaries	2,822	5,187	2,822	5,187
Accrued vacation pay	5,319	5,688	5,319	5,688
Accruad social security charges	2,429	3,233	2,429	3,233
Accrued development costs	30,188	49,190	30,188	49,190
Accrued interest	1,736	-	1,736	-
Prepaid income	756	555	756	555
Other items	3,509	2,111	3,741	2,557
Total	**46,759**	**65,964**	**46,991**	**66,410**

Prepaid income consists of claim for a discount included in a leasing agreement SEK 232 thousand (445), prepaid income relating to sale of equipment SEK 414 thousand (0) and other smaller items SEK 110 thousand (109). Other items include accrued special pension tax SEK 1,666 thousand (1,703) and other accrued expenses SEK 1,843 thousand (854).

30. Provisions

	Parent company	
KSEK	2024-12-31	2023-12-31
At the beginning of the year	-	-
Provisions made	38,679	-
At the end of the year	**38,679**	**-**

The provisions made is related to the restructuring Alligator announced in December 2024.

31. Securities and contingent liabilities

Neither the Group nor the Parent company had any collateral or contingent liabilities during the year.

32. Transactions with related parties

Transactions between Alligator and its subsidiaries, which are related to Alligator, have been eliminated when consolidated, so no details of these transactions are given in this note. Details of transactions between the Group and other related parties are presented below.

To secure the Group's financial requirements until the rights issue in 2024 the Group entered into a bridge financing agreement of in total SEK 58.8 million with Koncentra and Roxette Photo SA. An arrangement fee of 5 per cent and annual interest of 8 per cent were paid. The subscription commitments signed with Koncentra and Roxette Photo SA in connection with the rights issue in April 2024 were utilized to off-set the loan and the accrued interest.

In connection with the rights Issue, Alligator entered in March 2023 into an agreement relating to a top guarantee of SEK 10 million with Alligator's largest shareholder Koncentra, in which Alligator's board member Staffan Encrantz is chairman of the board of directors. Furthermore, Alligator has in March 2023 entered into an agreement of a top guarantee of SEK 0.5 milllion and a bottom guarantee of SEK 0.5 million with board member Hans-Peter Ostler. For the guarantee commitments, cash compensation of 11% of the guaranteed amounts was paid for the bottom guarantee, and of 14% of the guaranteed amount were paid for the top guarantees. The guarantee compensations were paid in June 2023 after the Swedish Companies Registration Office has registered the rights Issue.

With the exception of the above, Alligator has not carried out any other related party transactions during the 2024 or during the previous year.

33. Participation in joint arrangements

The costs stated below are included in the Group's Consolidated Financial Statements which compose the Group's part in the project ALG.APV-527 which is driven in collaboration with Aptevo Therapeutics. The project has not had any revenues, assets or liabilities that can be allocated directly to the project. The companies will under this agreement jointly own and finance the development of the drug candidate through Phase 2. During Phase 2 can the companies chose to out-license the candidate or continue the development jointly or individually. During the fourth quarter of 2024 the companies reported data from phase 1 for the candidate, which indicated that the performance measures regarding exposure, safety, tolerability and biological activity were met.

	Group	
KSEK	2024-12-31	2023-12-31
Costs in the project ALG.APV-527	24,322	28,761
Total	**24,322**	**28,761**

34. Events after reporting date

Notice of rights issue

In December 2024, Alligator announced a rights issue of units (ordinary shares and warrants, series TO 12 and 13) with preferential rights in February 2025. The completed new issue resulted in an initial capital injection of SEK 153 million (gross) before issue costs, repayment of bridge loans and repayment of outstanding loans and convertibles to Fenja Capital (these repayments amount to approximately SEK 108 million in total, including accrued interest).

35. Dividends

No dividends were paid in 2024 or 2023.

No dividend will be proposed by the Board to the Annual General Meeting on 7 May 2025.

36. Approval of financial reports

The annual accounts and consolidated accounts were adopted by the Board and approved for publication.

The annual accounts and consolidated accounts will be presented to the annual general meeting for adoption on 7 May 2025.

The Board and the CEO hereby declare that the annual accounts have been drawn up in accordance with the Annual Accounts Act and RFR 2 'Reporting for legal entities' and give a true view of Alligator's position and results, and that the directors' report provides an accurate summary of the development of Alligator's business, position and results and describes the risks and uncertainty factors that Alligator faces. The Board and the CEO hereby declare that the consolidated accounts have been drawn up in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and give a true view of the Group's position and results, and that the directors' report provides an accurate summary of the development of the Group's business, position and results and describes the risks and uncertainty factors that the Group faces.

Lund, 27 March 2025.

Signature page follows.

Lund, 27 March 2025

Anders Ekblom
Chairman of the Board

Hans-Peter Ostler
Board member

Staffan Encrantz
Board member

Eva Sjökvist Saers
Board member

Denise Goode
Board member

Karin Nordbladh
Employee representative

Søren Bregenholt
CEO

Our audit report was submitted on 27 March 2025
Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll
Authorized Public Accountant

Auditor's report

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

To the general meeting of the shareholders of Alligator Bioscience AB (publ), corporate identity number 556597-8201.

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Alligator Bioscience AB (publ) for the year 2024 except for the corporate governance statement on pages 37-43. The annual accounts and consolidated accounts of the company are included on pages 25-77 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act.

The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 37-43. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the income statement and the statement of financial position for the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Material Uncertainty Related to Going Concern

We would like to draw attention to the administration report in the annual report, under the section Financial position on page 27, where it is described that there is ongoing work related to the continued financing of the operations of Alligator Bioscience. The ongoing work means that the company does not, at the time of issuing our audit report, have a secured funding. This condition indicate that there is a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

Focus and scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of the Board of Directors and the Managing Director override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. In addition to the matter described in the section Material uncertainty regarding the going concern assumption, we have determined that the matters we describe below are the particularly significant areas to be communicated in this report.

Key audit matter

Valuation of participations in development projects and valuation in participations in group companies

The carrying value of participations in development projects as of December 31, 2024 amounts to 27.9 MSEK in the consolidated statement of financial position and valuation of participations in group companies (Atlas Therapeutics AB) amounts to 27.9 MSEK in the parent company's balance sheet. The Company tests annually and when there is any indication of impairment, that the carrying values do not exceed the calculated recoverable amount. To test the value, the Company uses a cash flow model in which the present value of expected future cash flows is estimated after taking the development risk into account. The business of the subsidiary Atlas Therapeutics AB consists of the group´s participation in development projects and it is the same expected cash flows that are used in the assessment of the valuation of participations in development projects as for the valuation in participations in group companies. Critical assumptions are those concerning market size, market share, and the likelihood of the projects reaching a point where they can obtain market approval. Changes in assumptions have a major impact on the calculation of the recoverable amount and if other assumptions had been used, this would have resulted in a different amounts of value in use.

We therefore considered that the valuation of participations in development projects and participations in group companies is a key audit matter of the audit. A description of the impairment test is disclosed in Note 18 "Participations in development projects" and in Note 3 "Important estimates and judgments".

How our audit addressed the Key audit matter

Audit procedures have included, but not limited to, the following:

- In our audit we evaluated and tested the process used by management to set up the impairment test.
- We have also evaluated the reasonability in future cash flows and the critical assumptions made by the company together with the chosen discount rate.
- We also reviewed the Company's model and method for preparing the impairment test and evaluated the Company's sensitivity analysis.
- We have reviewed the disclosures in the annual report.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-24 and 82-87. Other information also includes the remuneration report that we collected prior to the date of this auditors report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. and, as regards the consolidated accounts, according to IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determines is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company and group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, cease operations or has no realistic alternative to doing any of this.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report. opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

REPORT ON OTHER REQUIREMENTS ACCORDING TO LAWS AND OTHER CONSTITUTIONS

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, We have also audited the administration of the Board of Directors and the Managing Director of Alligator Bioscience AB for year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the loss be dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent in relation of the parent company and group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company and group's type of operations, size and risks place on the size of the parent company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the management of the company's affairs. This includes among other things continuous assessment of the company and group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration can be found on the Auditor's Inspection's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolodated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Alligator Bioscience AB (publ) for the year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Alligator Bioscience AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolodated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 37-43 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed as Alligator Bioscience AB's auditor by the general meeting on 7 May, 2024 and has been the company's auditor since 23 May 2023.

Malmö, 27 March 2025

Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll
Authorized Public Accountant
Auditor in charge

Change in share capital

The table below shows the change in share capital since the company was formed in 2000.

Year	Transaction	Increase in share capital, SEK	Increase in no. of shares	Share capital total, SEK	No. of shares	Par value, SEK
2000	Formation of company			100,000.00	1,000.00	100.00
2000	Split 250:1		249,000.00	100,000.00	250,000.00	0.40
2001	New share issues	1,230,869.60	3,077,174.00	1,330,869.60	3,327,174.00	0.40
2002	Non-cash issue	8,000.00	20,000.00	1,338,869.60	3,347,174.00	0.40
2001	New share issue	269,130.40	672,826.00	1,608,000.00	4,020,000.00	0.40
2003	New share issue	176,291.60	440,729.00	1,784,291.60	4,460,729.00	0.40
2004	New share issues	380,858.00	952,145.00	2,165,149.60	5,412,874.00	0.40
2004	Subscription options exercised	64,000.00	160,000.00	2,229,149.60	5,572,874.00	0.40
2005	New share issues	650,502.00	1,626,255.00	2,879,651.60	7,199,129.00	0.40
2005	Options exercised	33,600.00	84,000.00	2,913,251.60	7,283,129.00	0.40
2006	New share issues	973,901.20	2,434,753.00	3,887,152.80	9,717,882.00	0.40
2007	New share issues	987,432.00	2,468,580.00	4,874,584.80	12,186,462.00	0.40
2009	New share issues	1,105,743.20	2,768,358.00	5,980,328.00	14,950,820.00	0.40
2010	New share issue	134,000.00	335,000.00	6,114,328.00	15,285,820.00	0.40
2011	New share issues	2,240,874.40	5,602,186.00	8,355,202.40	20,888,006.00	0.40
2012	New share issue	849,405.20	2,123,513.00	9,204,607.60	23,011,519.00	0.40
2013	Convertible bonds	400,000.00	1,000,000.00	9,604,607.60	24,011,519.00	0.40
2013	Subscription options exercised	1,188,596.00	2,971,490.00	10,793,203.60	26,983,009.00	0.40

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Change in share capital, cont.

The table below shows the change in share capital since the company was formed in 2000.

Year	Transaction	Increase in share capital, SEK	Increase in no. of shares	Share capital total, SEK	No. of shares	Par value, SEK
...continuation from previous page.						
2013	Subscription options exercised	4,666,316.00	11,665,790.00	15,459,519.60	38,648,799.00	0.40
2013	New share issues	2,880,000.00	7,200,000.00	18,339,519.60	45,848,799.00	0.40
2013	Non-cash issue	1,056,749.20	2,641,873.00	19,396,268.80	48,490,672.00	0.40
2014	New share issue	48,628.80	121,572.00	19,444,897.60	48,612,244.00	0.40
2014	Subscription options exercised	4,160,856.00	10,402,140.00	23,605,753.60	59,014,384.00	0.40
2015	New share issues	132,000.00	330,000.00	23,737,753.60	59,344,384.00	0.40
2016	Subscription options exercised	4,307,692.40	10,769,231.00	28,045,446.00	70,113,615.00	0.40
2016	New share issue	1,275,000.00	12,750.00	28,555,446.00	71,388,615.00	0.40
2017	Subscription options exercised	59,678,505.20	149,196,263.00	88,233,951.20	220,584,878.00	0.40
2021	New share issues	379,940.00	949,850.00	88,613,951.20	221,534,728.00	0.40
2022	C-share issue	-74,435,668.61	-	14,178,282.59	221,534,728.00	0.064
2023	Reduction of share capital	25,791,420.22	402,990,941.00	39,969,702.82	624,525,669.00	0.064
2023	New share issue	2,200,222.14	34,378,471.00	42,169,924.96	658,904,140.00	0.064
2023	Subscription options exercised	2 200 222,14	34 378 471	42 169 864,96	658 904 140	0,064
2024	Reduction of share capital	-41,642,741.64	-	527,123.31	658,904,140	0.0008
2024	New share issue	80,067.96	100,084,946	607,191.27	758,989,086	0.0008
				607,191.27	**758,989,086**	**0.0008**

Financial definitions

Equity per share after dilution
Equity divided by the total number of shares at the end of the period and any outstanding options where the Company's share price on the reporting date is at least equal to the conversion price of the option.

Equity per share before dilution
Equity divided by the number of shares at the end of the period.

R&D costs
The Company's direct costs for research and development. Refers to costs for personnel, materials and external services.

R&D costs as a percentage of operating costs excluding impairments
R&D costs as a percentage of operating costs excluding impairments.

Average number of shares before and after dilution
Average number of outstanding shares during the period. The number of shares after dilution also takes account of outstanding options where the Company's share price on the reporting date is at least equal to the conversion price of the option.

Average number of employees
Average number of employees at the beginning and end of the period.

Average number of employees within R&D
Average number of employees within the Company's R&D departments at the beginning and end of the period.

Cash flow from operating activities
Cash flow before investing and financing activities.

Cash and cash equivalents, including securities
Cash and cash equivalents consists of bank balances, interest funds and publicly traded corporate bonds.

Cash flow for the period
Net change in cash and cash equivalents excluding the impact of unrealized foreign exchange gains and losses.

Earnings per share before and after dilution
Earnings divided by the weighted average number of shares during the period before and after dilution respectively. If the result is negative, the number of shares before dilution is also used for the calculation after dilution.

Operating costs excluding impairments
Other external costs, personnel costs and depreciation (excluding impairments of tangible and intangible assets).

Operating profit/loss
Profit/loss before financial items and taxes.

Equity ratio
Equity as a percentage of total assets.

Total assets
Total of the Company's assets.

Patent overview

Drug candidate	Description	Summary	Projected expiry dates
Mitazalimab	Four patent families related to anti- CD40 antibodies (including Mitazalimab), and com-bination therapies	The portfolio relating to Mitazalimab comprises four families, 25 pending applications and 59 granted filings. The filings are in 32 countries and includes key territories such as Australia, Canada, China, Europe (including Germany, Denmark, France, the United Kingdom, the Netherlands and Sweden), Japan, Mexico, New Zealand, Russia, Singapore, South Korea, and the United States.	2032-2044
ATOR-1017	Four patent families related to anti-4-1BB antibodies (including ATOR-1017), and com-bination therapies	The portfolio relating to ATOR-1017 comprises four families, 14 pending applications (including two PCT applications), two allowed applications and eleven granted patents. The filings are in 15 countries and includes key territories such as Australia, Canada, China, Europe, Hong Kong, India, Israel, Japan, Mexico, New Zealand, Russia, Singapore, South Korea, and the United States.	2037-2043
ALG.APV-527	Two patent families related to bispecific antibodies target-ing 4-1BB/5T4 (including ALG.APV-527)	The portfolio relating to ALG.APV-527 comprises two families, 19 pending applications and 22 granted filings. The filings are in 125 countries and includes key territories such as Australia, Canada, China, Europe (including Germany, France, Denmark, Switzerland, the United Kingdom, the Netherlands and Sweden), Japan, Mexico, New Zealand, Russia, Singapore, South Korea, and the United States.	2037-2038
ATOR-4066	Two patent families related to CD40-CEA bispecific anti-bodies (including ATOR-4066)	The portfolio relating to ATOR-4066 comprises two families with 15 pending applications. The filings are submitted in 13 territories, including important terri-tories such as Australia, Canada, China, Europe, Hongkong, India, Israel, Japan, Mexico, Singapore, South Korea and the United States.	2042-2044
Technologies			
ALLIGATOR-GOLD®	One patent family relat-ed to an antibody library	The portfolio relating to ALLIGATOR GOLD® comprises one family with five granted filings in the following key territories: Europe (Germany, France, the United Kingdom and Sweden) and the United States.	2035-2036
RUBY™	Three patent families related to a bispecific antibody format	The portfolio relating to RUBY™ comprises three families with ten pending applications (including a GB priority application) in the following key territories: Europe, China, Japan, South Korea, the United Kingdom and the United States.	2039-2042
Neo-X-Prime™	Two patent families related to bispecific antibodies targeting dendritic cells and overexpressed tumor antigen	The portfolio relating to Neo-X-Prime™ comprises two families with a total of six pending applications in the following key territories: Europe, China, and the United States.	2039

Glossary

Agonist. A compound which binds to a receptor and stimulates its activity.

Antigen. Substance which triggers a reaction in the immune system, such as a bacteria or virus.

Antibody. Proteins used by the body's immune defenses to detect and identify xenobiotic material.

Bispecific antibodies. Antibody-based products which bind to two different targets and thus have dual functions.

Cancer. A disease in which cells divide in an uncontrolled manner and invade neighboring tissue. Cancer can also spread (metastasize) to other parts of the body through the blood and the lymphatic system.

CEACAM5. A well-known clinical target for cancer therapy that is overexpressed on the cell surface of many cancers including colorectal, gastric, pancreatic, and non-small cell lung cancer, with limited expression in normal adult tissue.

Checkpoint inhibitor. An antibody with the ability to break the immune system's tolerance to something dangerous, for example a cancer tumor. Immune-inhibiting signals can be blocked through binding to a specific receptor such as CTLA-4 or PD-1.

Clinical study. The examination of healthy volunteers or patients to study the safety and efficacy of a potential drug or treatment method.

Cohort. Group of individuals with a common characteristic to investigate, for example patients who receive the same type of drug treatment.

CRO (Clinical Research Organization). Company specialized in performing contract research and clinical studies on behalf of other pharma or biotech companies.

CTA (Clinical Trial Authorization). Application to start clinical trials in humans which is submitted to a regulatory authority.

Dendritic cell. A type of cell which detects xenobiotic substances. A key role of dendritic cells is their ability to stimulate T cells in the immune system.

Discovery. This research phase usually encompasses the development and evaluation of treatment concepts, the evaluation of potential drug candidates, and early efficacy studies.

Disease Control Rate (DCR). Proportion of patients with an objective response or stable disease upon treatment.

Duration of Response (DoR). Time a patient responds to treatment without disease progression.

Drug candidate. A specific compound usually designated before or during the preclinical phase. The drug candidate is the compound that is then studied in humans in clinical studies.

EMA. The European Medicines Agency.

Experimental model. A model of a disease or other injury to resemble a similar condition in humans.

FDA. The US Food and Drug Administration.

GMP (Good Manufacturing Practice). Quality assurance methodology designed to ensure that products are manufactured in a standardized manner, such that quality requirements are satisfied.

Immuno-oncology. Field of oncology in which cancer is treated by activating the immune system.

IND (Investigational New Drug). Drug or biological product in clinical trials to evaluate its safety and efficacy prior to FDA approval.

INN (International Nonproprietary Name). Generic name on a drug substance. The INN is selected by the World Health Organization (WHO) since 1953.

Lead. A potential drug candidate which binds to the actual target molecule/s.

Ligand. Binds to a receptor. Could be a drug, hormone or a transmitter substance.

Lymphocyte. A type of white blood cells.

Macrophages. A type of white blood cell of the immune system that engulfs and digests cellular debris and foreign materia such as bacteria.

Milestone payment. Financial consideration received in the course of a project/program when a specified objective is reached.

Mitazalimab. Generic name (INN) for ADC-1013.

Monospecific antibodies. Antibody-based product which bind only to one target, such as a receptor.

Neoantigens. Mutated tumor proteins.

NK cells. NK cells (Natural Killer) are lymphocytes with the ability to activate several different cells in the immune system, such as macrophages.

Objective Response Rate (ORR) . Percentage of people in a study or treatment group who have a partial response or complete response to the treatment within a certain period of time.

Oncology. Term for the field of medicine concerned with the diagnosis, prevention and treatment of tumor diseases.

Overall Survival (OS) . Length of time from either the date of diagnosis or the start of treatment for a disease that patients diagnosed with the disease are still alive.

Patent. Exclusive rights to a discovery or invention.

PD-1 (Programmed Death-1). Immune-inhibiting receptor on the surface of certain cells, for example tumor cells.

PD-L1 (Programmed Death-Ligand-1). The ligand that binds to PD-1, helping the cancer evade the body's immune defense.

Phase 1, 2 and 3. The various stages of studies on the efficacy of a pharmaceutical in humans.

Pharmacokinetics. The study of the turnover of substances in the body, for example how the amount of the substance is changed by absorption, distribution, metabolism and excretion.

Pharmacology. The study of how substances interact with living organisms to bring about a functional change.

Preclinical. The stage of drug development before the drug candidate is tested in humans. It includes the final optimization of the drug candidate, the production of materials for future clinical studies and the compilation of a data package for an application to start clinical studies.

Progression Free Survival (PFS). The length of time during and after the treatment of a disease, such as cancer, that a patient lives with the disease but it does not get worse.

Proof of Concept (PoC). Studies carried out to provide support for dosages and administration paths in subsequent clinical studies.

R&D. Research & Development

Receptor. A receptor on a cell which picks up chemical signals.

Sponsor. The person, company, institution or organization responsible for initiating, organizing or financing a clinical study.

T cell. A type of white blood cell which is important to the specific immune defense.

Tumor-associated antigen (TAA). A protein expressed to a much higher degree on the surface of tumor cells than healthy cells.

Tumor cell. A cell that divides relentlessly.

Other information

Financial reports 2025
Alligator intends to release financial statements as follows:

- Q1 interim report: 24 April 2025
- Q2 interim report: 10 July 2025
- Q3 interim report: 23 October 2025
- Year-end report 2025: 12 February 2026

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Prospective information
These annual accounts contain prospective statements which represent subjective estimates and forecasts of the future. These predictions are only valid as of the date on which they are made and are by their nature, like research and development work in the biotech field, fraught with risks and uncertainties. In view of this, the actual outcome may differ significantly from what is described in this annual report.

Brand names
FIND®, ALLIGATOR-GOLD®, RUBY™ and Neo-X-Prime™ are Alligator Bioscience AB proprietary brand names which are registered in Sweden and other countries.

Photography
The photos in this annual report are taken by photographer Ola Torkelsson, Nille Leander at Moorland Photography, and others.

AGM 2025

Alligator's Annual General Meeting 2025 will be held on Wednesday 7 May 2025 at 10.00 a.m. at Medicon Village, conference room Bengt, Scheelevägen 4 in Lund, Sweden.
The invitation will be published in Post- och Inrikes Tidningar (the Swedish government gazette) and on the company's website.

Shareholders who wish to attend the AGM must:

- be entered in the register of shareholders maintained by Euroclear as of Monday, 28 April 2025.
- notify Alligator of their intention to attend no later than Wednesday, 30 April 2025 by letter to Alligator Bioscience AB, Att: Greta Höög, Medicon Village, SE-223 81 Lund Sweden, or by e-mail to anmalan@alligatorbioscience.com.

Shareholders whose shares are registered with fund managers must request temporary entry in the Euroclear register of shareholders in order to participate in the AGM. Re-registration must be completed by Wednesday, 30 April 2025, and the manager must be informed of this in good time before this date.

Notification
The notification should include the name, personal or corporate ID number, shareholding, telephone number and the number of any representatives (maximum two). For shareholders to be represented by a proxy, authorization must be sent together with the notification. Anyone representing a legal person must carry a copy of the registration certificate or equivalent authorization documents showing authorized signatories. The company will provide authorization forms to shareholders who require them.

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