

Q4

Alligator Bioscience AB (publ) Year-end report January - December 2022



Financial Results and Business Update

Significant events: October – December 2022

Article highlighting bispecific antibodies targeting CD40 and tumor antigens was published in peer-reviewed Journal for Immunotherapy of Cancer

Publication demonstrates how Alligator's bispecific Neo-X-Prime™ antibodies represent a promising novel treatment modality with the potential to meet key needs in immuno-oncology.

Article highlighting ALG.APV-527 preclinical data was published in peer-reviewed journal Molecular Cancer Therapeutics

The published preclinical data demonstrates ALG.APV-527's positive safety and anti-tumor activity profile in both in vitro and in vivo studies.

"Our continued advancement in the clinic has underpinned our progress throughout the year, that led to the interim efficacy readout for our lead candidate mitazalimab, reporting on outstanding data. We are now looking forward to a busy and successful 2023 with a number of important milestones ahead."

Søren Bregenholt

CEO Alligator Bioscience AB (publ)

Alligator presented two posters at the SITC Annual Meeting

Data presented shows mitazalimab induces strong immune responses in patients with advanced stage solid tumors and ATOR-1017 is safe and well tolerated at doses up to 900 mg.

Significant events after the period

Positive interim results from mitazalimab OPTIMIZE-1 Phase 1b/2 trial in pancreatic cancer

Alligator announced 52.5% Objective Response Rate in the interim efficacy analysis of mitazalimab combined with mFOLFIRINOX in 1st line metastatic cancer.

Expansion of the immuno-oncology research collaboration and license agreement with Orion

Alligator and Orion initiated a second program aiming to develop a bispecific antibody with potential applications in solid tumors.

Financial summary

Figures in brackets refer to the outcome for the corresponding period in the preceding year.

October – December 2022

- Net sales, SEK 20.1 million (5.2)
- Operating profit/loss, SEK -52.6 million (-36.9)
- Profit/loss for the period, SEK -53.3 million (-36.8)
- Earnings per share before and after dilution, SEK -0.24 (-0.41) *
- Cash flow for the period, SEK -49.8 million (198.8)
- Cash and cash equivalents, SEK 97.3 million (271.8)

January – December 2022

- Net sales, SEK 35.7 million (12.9)
- Operating profit/loss, SEK -192.8 million (-141.6)
- Profit/loss for the period, SEK -193.4 million (-141.7)
- Earnings per share before and after dilution, SEK -0.88 (-1.58) *
- Cash flow for the period, SEK -180.9 million (174.7)
- Cash and cash equivalents, SEK 97.3 million (278.1)

* Previous periods have been adjusted, see Note 8, page 21.



CEO Comments

Alligator Bioscience started 2023 by reporting outstanding data on our lead drug candidate mitazalimab in pancreatic cancer, delivering an unprecedented response rate. In 2022, we continued to raise the profile of our company, expanded our collaborations with our partners and are well positioned to meet key milestones and continue the growth and success of our company.

The encouraging clinical progress we made throughout 2022 with our OPTIMIZE-1 trial evaluating mitazalimab in combination with chemotherapy in first-line metastatic pancreatic cancer patients culminated with the announcement of very positive interim Phase 2 data. The efficacy analysis showed an objective response rate (ORR) of 52.5% in the first 23 patients, as defined by the Response Evaluation Criteria in Solid Tumors (RECIST), demonstrating that mitazalimab combined with chemotherapy has the potential to offer significant clinical benefit for pancreatic cancer patients over standard of care alone, which only demonstrated 31.6% ORR¹.

Based on these results, we are confident that we will be able to initiate discussions with regulators in the US and Europe on potentially accelerating mitazalimab's development and its route to market. Patient enrollment in the Phase 2 continue and we are now looking forward to announcing interim data on the longevity of response and survival in mid-2023 and full top-line data in Q1 2024.

These strong interim data reconfirm our commitment to mitazalimab and support the broadening of its clinical development in additional tumor types. We are utilizing these results to help derisk and enhance the design of OPTIMIZE-2, our next clinical evaluation

of mitazalimab in a second indication. I look forward to updating further on our OPTIMIZE trials as we progress through 2023.

An important element of our strategy to maximize the value of our discovery technologies and pipeline at Alligator is the pursuit of partnerships and out-licensing agreements in different markets. We have noted how the reported advancement in our clinical programs has resulted in an increased interest in our candidates from potential partners.

We are expanding one of our key collaborations with Orion Corporation, a global pharmaceutical company based in Finland. We have initiated the second program of our immuno-oncology research collaboration and license agreement, which is a testament to the strength of Alligator's antibody screening technologies and our proprietary bispecific RUBY™ format.

We are stepping up our preparations with our partner Aptevo Therapeutics for the initiation of the first-in-human multi-center Phase 1 trial in the US of ALG.APV-527 in patients with 5T4-expressing solid tumors, after receiving a "may proceed" notification from the FDA in September. We are very keen to get this trial started



and to investigate further in which indications ALG.APV-527 will be most effective.

In this quarter, we continued to build on Alligator's growing reputation as experts in the field of CD40 with the publication of a peer-reviewed article in the *Journal for ImmunoTherapy of Cancer*, demonstrating how bispecific Neo-X-Prime™ antibodies targeting CD40 and tumor-associated antigens represent a promising novel treatment modality with the potential to meet key needs in immuno-oncology.

I am very pleased to report on such a busy and productive final quarter and the whole Alligator team is looking forward to what we expect will be an important year ahead for the company. I would like to thank the Alligator employees for their hard work and dedication and the company's shareholders for their continued support and belief in our work. I look forward to updating you again soon and I wish everyone a happy and prosperous 2023.

Søren Bregenholt

CEO Alligator Bioscience AB (publ)

¹ Gemcitabine vs FOLFIRINOX: N Engl J Med 2011; 364:1817-1825; DOI: 10.1056/NEJMoa1011923.

Performance measures Group

| | Note | 2022 Oct-Dec | 2021 Oct-Dec | 2022 Jan-Dec | 2021 Jan-Dec |
|--|------|-----------------|-----------------|-----------------|-----------------|
|--|------|-----------------|-----------------|-----------------|-----------------|

Result (KSEK)

| | | | | | |
|---|---|---------|---------|----------|----------|
| Net sales | 5 | 20,062 | 5,249 | 35,696 | 12,943 |
| Operating profit/loss | | -52,646 | -36,873 | -192,789 | -141,565 |
| Profit/loss for the period | | -53,251 | -36,791 | -193,403 | -141,736 |
| R&D costs | | -65,634 | -38,067 | -186,945 | -110,123 |
| R&D costs as a percentage of operating costs excl. Impairments, % | | 89% | 87% | 81% | 70% |

Capital (KSEK)

| | | | | | |
|--|--|---------|---------|----------|----------|
| Cash and cash equivalents at end of period | | 97,305 | 278,148 | 97,305 | 278,148 |
| Cash flow from operating activities | | -46,965 | -33,527 | -172,607 | -127,033 |
| Cash flow for the period | | -49,837 | 198,769 | -180,875 | 174,717 |
| Equity at the end of the period | | 89,051 | 282,273 | 89,051 | 282,273 |
| Equity ratio at the end of the period, % | | 53% | 85% | 53% | 85% |

Info per share (SEK)*

| | | | | | |
|-------------------------------------|--|-------------|------------|-------------|------------|
| Average number of shares | | 220,584,878 | 89,670,050 | 220,584,878 | 89,670,050 |
| Earnings per share after dilution** | | -0.24 | -0.41 | -0.88 | -1.58 |
| Equity per share after dilution** | | 0.40 | 1.28 | 0.40 | 1.28 |

Personnel

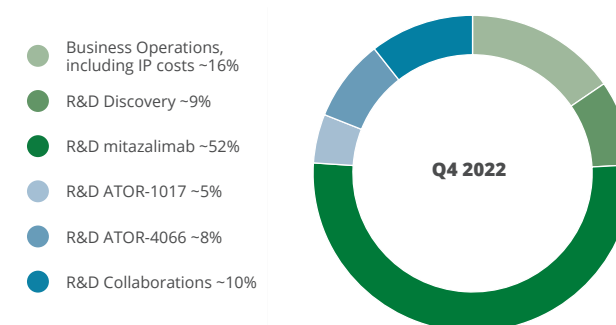
| | | | | | |
|---|--|----|----|----|----|
| Number of employees at end of period | | 53 | 46 | 53 | 46 |
| Average number of employees | | 54 | 45 | 50 | 45 |
| Average number of employees employed within R&D | | 45 | 38 | 41 | 38 |

* Previous periods have been adjusted, see Note 8, page 21.

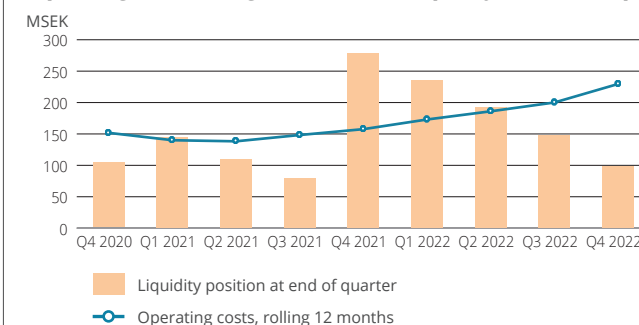
** Effect from dilution is not considered when result is negative and options where call rate is higher than closing rate is not considered.

For definitions and calculations, see the sections later in this report.

Operating costs distributed by function, Parent Company



Operating costs, rolling 12 months and Liquidity (MSEK), Group



Operations

Alligator Bioscience is a clinical stage biotech company developing tumor-directed best-in-class antibodies for hard-to-treat cancers. Our drug candidates have the potential to meet key needs in immuno-oncology by increasing the quantity and quality of tumor specific T cells within the tumor and at the same time remodel the tumor microenvironment making the tumor more inflamed. Alligator's high demands on safety and efficacy of our drug candidates increase their potential to be able to be combined with current standard therapies of cancer, which is highly important for improving treatment results in oncology today.

In 2022, the Company has kept its focus on its prioritized drug candidates. Our technology platforms and pharmaceutical research continue to build long-term value. To drive competitive and time-efficient development, parts of Alligator's work are conducted in collaboration with other biotechnology companies, contract laboratories and leading international research institutions. Our clinical studies are carried out in collaboration with leading specialist physicians and CROs with expertise in oncology clinical development. In summary, the Company has all necessary expertise to pursue successful projects from concept to clinical development.

Alligator's Organization

Alligator's research and development organization is divided into five units: Discovery, CMC (Chemistry, Manufacturing & Control), Non-Clinical Development, Medical Science and Clinical Operations. Members of all these functions collaborate cross-functionally in project teams. The Discovery unit is responsible for early-stage research projects up until a drug candidate has been identified. This normally includes the development and evaluation of treatment concepts, the evaluation of potential drug candidates and early-stage confirmation of efficacy. The CMC unit develops manufacturing processes and is responsible for clinical trial material manufacturing. The Non-Clinical Development unit is responsible for pre-clinical evaluation of safety and efficacy

of our molecules, including preparation of the data packages required for clinical trial applications. The Medical Science unit, led by our Chief Medical Officer is responsible for designing all the clinical and regulatory development plans required to show that Alligator's products are safe and effective. The Clinical Operations unit is responsible for timely and excellent implementation of the clinical studies. Alligator will continue to build and shape the organization to match and support its strategy and objectives.

Several Proprietary Technologies

Alligator's technology platforms—FIND® (protein optimization technology), ALLIGATOR-FAB™ and ALLIGATOR-GOLD® (antibody libraries)—are used for the discovery and development of novel drug candidates. These platforms enable efficient generation of novel drug candidates with high potential.

In addition, the Company has bispecific antibody formats for the development of new dual-action antibodies. With the most recent antibody format, RUBY™, Alligator can generate bispecific molecules from any two antibodies, with excellent properties in terms of stability and yield. The format eliminates the need for further optimization, enabling Alligator to quickly move drug candidates from preclinical research to clinical development.



Our 3rd generation proprietary platform technology aims at a more personalized immuno-therapy, using CD40-antibodies that instruct the immune system to recognize and attack cancer cells, based on the tumor mutations unique to the individual patient. These antibodies contain one part that binds to tumors and tumor particles and another part that binds to dendritic cells through the CD40 molecule. This interaction between tumor particles and dendritic cells eventually results in a very efficient education and activation of tumor-specific T cells, that subsequently can recognize and destroy the tumor cells.

Business Model that Creates Value Across the Development Chain

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

Immuno Oncology Market Overview

Cancer touches all our lives, either directly or through its effect on family and loved ones. With the continued rise of cancer diagnoses around the world, the need for more effective treatments also grows. Alligator's drug candidates are designed with an optimal efficacy-tolerability balance to meet the need for therapies that can safely be combined with current standard cancer treatments, to treat, or possibly even cure, cancers.

Oncology Market Trends

In 2020, 19.3 million new cancer cases were diagnosed globally, with the number expected to rise to 30.2 million by 2040,¹ and the oncology drug market is expected to almost double by 2026 reaching a total of USD 460 billion.² A surge of new and innovative treatment methods is expected to emerge in the marketplace, and immunotherapies will play an important role in these treatment options for cancer.

Alligator believes that the demand for novel immuno-therapy drugs will increase along with the global demand for new and more effective oncology therapies.

Immuno-oncology

Most tumors contain immune cells with the potential to attack and destroy cancer cells, and possibly eradicate the entire tumor itself. Cancer cells often activate immunosuppressive strategies to inhibit these types of attacks. Immunotherapies provide several different opportunities to help the immune system defend the

body against the cancer. Such strategies could be to educate the immune system to better identify tumor cells, while others aim to enhance the capabilities of the immune system to attack the tumor with full force.

Alligator's innovative assets and technologies target key immune-oncology molecules to educate and activate the immune system to selectively attack tumors without affecting the rest of the body, a core concept that separates us from other competitors in the industry. The main benefit of tumor-directed treatment is the ability to effectively attack the tumor while minimizing the adverse effects caused by stimulating the whole immune system. This allows our candidates to work synergistically with current chemotherapy regimens and other immunotherapeutic drugs in hard-to-treat, metastatic solid tumors.

Our lead asset mitazalimab is in a clinical Phase 2 study for the treatment of metastatic pancreatic tumors, a tumor type that is one of the hardest cancers to treat and has one of the lowest five-year survival rates.

Roughly 40,000 people in the United States and about 70,000 in Europe are diagnosed with pancreatic cancer each year. Only 15-20 percent of those diagnosed can be treated by surgery, and there are few treatment options available for the remaining 85 percent, with chemotherapy regimens being the standard of care.³

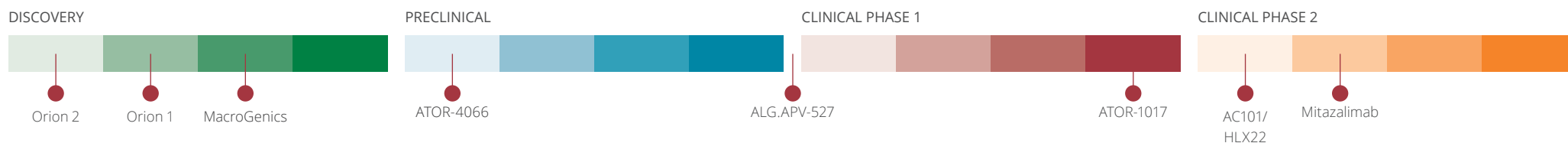
We develop our pipeline programs, from Discovery Phase through clinical Phase 2, with an excellent efficacy-tolerability balance in mind, either alone or in collaboration. These collaborations provide an opportunity of income, and an external validation of our platform, building on our confidence that our candidates will provide meaningful treatment options for people with hard-to-treat cancer, as stand-alone or combination therapies.

¹ International Agency for Research on Cancer (IARC), Cancer Tomorrow. 30 March 2022.

² Database GlobalData (Pharma Intelligence Center – Drug Sales), September 2021.

³ Database GlobalData (Pancreatic Cancer – Opportunity Analysis and Forecasts to 2029), December 2020.

PIPELINE PROJECTS



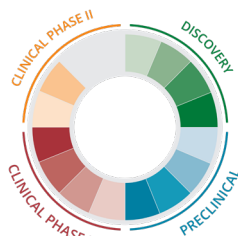
Pipeline Projects – Internal Programs

Alligator's competitive project portfolio consists of the two clinical-stage assets, mitazalimab and ATOR-1017, and ATOR-4066, a pre-clinical program developed using Alligator's proprietary technology platform Neo-X-Prime™ – as well as several programs developed in collaboration with partners.

Mitazalimab

Alligator's most advanced drug candidate mitazalimab, a potential game changer in the treatment of solid tumors, entered a Phase 2 clinical trial in pancreatic cancer, with the first patient dosed in the OPTIMIZE-1 study in Q3 2021. This clinical trial is designed to evaluate the safety and efficacy of mitazalimab in combination with mFOLFIRINOX, the most efficacious standard of care chemotherapy for the treatment of advanced pancreatic cancer.

The clinical trial has been designed on the principal that mFOLFIRINOX efficiently kills tumor cells, leading to an increased release of tumor antigens which, when mFOLFIRINOX is used as standalone therapy, only triggers minimal immune response, leading to limited overall efficacy. The use of mitazalimab in combination with mFOLFIRINOX allows for activation of CD40, a receptor on dendritic cells, leading to significantly improved tumor antigen-presentation and subsequent activation of tumor-specific T cells that attack the cancer. The combination of mitazalimab with mFOLFIRINOX is therefore expected to significantly boost the immune response secondary to the release of tumor antigens, hence triggering powerful attack on the solid tumors.



Mitazalimab has previously undergone two Phase 1 clinical trials, one conducted by Alligator, and one conducted by Janssen Biotech Inc., both of which showed strong evidence of efficacy and proof-of-mechanism, as well as a manageable safety profile.

Subsequent to the 450 µg/kg dose cohort of mitazalimab in combination with mFOLFIRINOX showing good safety, Alligator announced in Q1 2022 that also 900 µg/kg was safe in combination with mFOLFIRINOX. The study is progressing better than initially anticipated with the recruitment of patients in the 900 µg/kg dose level having accelerated over the summer in 2022. As a consequence, Alligator announced that the full Phase 2 data would become available in Q1 2024, 9 months earlier than initially expected. The expected interim efficacy readout for OPTIMIZE-1 was published in the first week of January 2023, showing an objective response rate exceeding 50% in 23 evaluable patients, and a disease control rate of more than 90%.

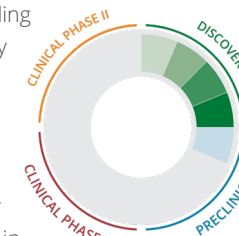
ATOR-4066

ATOR-4066 is a bispecific antibody created to elicit powerful, tumor-specific immune effects, developed using Alligator's technology platform, Neo-X-Prime™. In Neo-X-Prime, we combine Alligator's expertise in immuno-oncology and CD40 targeted therapies with our state of the art technology platform and our bispecific antibody format RUBY™. The concept builds on

bispecific antibodies simultaneously binding to CD40 and to molecules preferentially expressed on tumor cells. In addition to a tumor directed activation of dendritic cells, this will also promote physical linkage of circulating tumor material to dendritic cells. This linking of tumor material with the dendritic cells results in education and activation of tumor neoantigen-specific T cells and induces superior anti-tumor immunity.

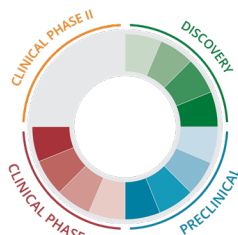
ATOR-4066 is a tumor directed bispecific antibody that binds to CD40 and carcinoembryonic antigen (CEA), a tumor-associated antigen that is preferentially expressed in certain cancer types such as colorectal, gastric and pancreatic cancer. During the year, the preclinical data package supporting the mode of action of ATOR-4066 and its potent anti-tumor effect in in vivo models has been presented at several scientific meetings and in November a scientific article was published in the peer-reviewed Journal for Immunotherapy of Cancer, highlighting the potential of ATOR-4066 and the Neo-X-Prime platform.

Efforts to further strengthen the preclinical data package supporting ATOR-4066 and preparations for clinical development are ongoing.



ATOR-1017

ATOR-1017 is Alligator's second most advanced program and is in the final stages of a Phase 1 dose-escalation study. The study is designed to assess the safety and tolerability of ATOR-1017 in patients with advanced, solid cancers, and to establish a recommended Phase 2 dose for future studies.



ATOR-1017 is a 4-1BB agonist with a unique profile, most importantly through its ability to enhance the immune activating effect in tumors. This creates opportunities for a powerful, tumor-directed immune activation, which can increase the therapeutic effect and reduce adverse side effects for patients.

Alligator presented a poster at the SITC Annual Meeting in November, highlighting new results from the Phase 1 first-in-human clinical trial of ATOR-1017, showing it to be safe and well tolerated at doses up to 900 mg, with an excellent clinical profile as a potential best-in-class asset. These data warrant further development of ATOR-1017 in combination with other therapeutic approaches in solid tumors and Alligator is now seeking a partner to support this.



Collaborations and Out-Licensing Agreements

Aptevo Therapeutics, Inc.

ALG.APV-527 is a bispecific antibody targeting 4-1BB and 5T4, designed for the treatment of metastatic solid tumors. In 2017, Aptevo Therapeutics and Alligator Bioscience AB signed a co-development agreement. Under the agreement, both companies will equally own and finance the development.

The original molecules involved in the tumor-binding function and the immunomodulatory function of ALG.APV-527 were developed using Alligator's patented ALLIGATOR-GOLD® antibody library. The bispecific molecule was further developed and improved with Aptevo's technology platform ADAPTIR™. By combining a tumor-binding function with an immunomodulatory function in the same molecule, the drug candidate selectively targets the tumor and stimulates the antitumor-specific immune cells that are present in the tumor.

A publication in a peer-reviewed journal Molecular Cancer Therapeutics highlighting ALG.APV-527 preclinical data was published in November 2022. The data demonstrates a favorable preclinical efficacy and safety profile of ALG.APV-527 compared to a first generation 4-1BB antibody. ALG.APV-527 is now rapidly progressing to Phase 1 clinical development in the US for evaluation in treatment of solid tumors after receipt of a "may proceed" notification of the Investigational New Drug (IND) application from the US Food and Drug Administration (FDA) in September 2022.

Orion Corporation

In 2021, Alligator entered a research collaboration and license agreement with Orion Corporation, a global pharmaceutical company based in Finland. The aim of the collaboration is to discover new bispecific antibody cancer therapeutics against immuno-oncology targets. The agreement covers an option to develop three bispecific antibodies. In January 2023 we announced that Orion had exercised its option to initiate a second program within the agreement.

Under the agreement, Alligator will employ its proprietary phage display libraries and its RUBY™ bispecific platform. During the initial research period of the collaboration, Alligator will receive an upfront payment and reimbursement of research costs and other fees.

As part of the agreement, Alligator is eligible for development, approval, and sales milestone payments of up to EUR 469 million. Should Orion exercise its option to continue development and commercialization of the resulting product candidates, Alligator will be eligible to receive additional royalty payments.

MacroGenics, Inc.

In 2021, Alligator entered a joint research collaboration with US-based MacroGenics, Inc., a Nasdaq-listed biopharmaceutical company focused on developing and commercializing innovative monoclonal antibody-based therapeutics for the treatment of cancer. The research collaboration utilizes Alligator's proprietary myeloid engaging Neo-X-Prime™ platform to develop bispecific antibodies against two undisclosed targets.

Under the joint research collaboration agreement, which covers activities from candidate drug generation up until IND-enabling studies, each company will be responsible for its own costs. The parties may continue further development of the resulting bispecific molecule under a separate co-development collaboration and licensing agreement.

Biotheus

In 2019, an agreement was concluded with Chinese company Biotheus, where Biotheus obtained the Chinese rights (Greater China, Hong Kong, Taiwan and Macao) to an antibody from the ALLIGATOR-GOLD® antibody library. The agreement gives Alligator the right to total initial upfront payments, as well as milestone and option payments of potentially USD 142 million. To date, Alligator has received upfront payments of SEK ~10 million.

Abclon

Through its subsidiary Atlas Therapeutics AB, Alligator holds a participating interest in the clinical Biosynergy (AC101/HLX22) project, run by the listed Korean company AbClon. The drug candidate is now being further developed by the Chinese company Shanghai Henlius, which increased its rights to encompass a global license for development and commercialization in 2018. The phase 2 study had the first patient dosed in Q3 2021, and the estimated primary completion date for the study is April 2023. In 2022, an IND application has been approved for a second Phase 2 trial in China with AC101/HLX22 in gastric cancer.

Alligator incurs no cost for this project and is entitled to 35% of AbClon's revenue from out-licensing to Shanghai Henlius. In previous financial years, Alligator received two milestone payments totaling USD 3 million in conjunction with regional and global out-licensing.

The Alligator Share

Number of shares, stock option program and share saving program

The total number of outstanding shares in the Company at the end of the quarter was 221,534,728 (220,584,878), of which 220,584,878 are ordinary shares with one vote per share and 949,850 (0) are series C shares with one-tenth of a vote per share. The total number of votes in the company amounts to 220,679,863 votes.

Share saving 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 the company ("LTI 2021"). For each ordinary share acquired by the participant on Nasdaq Stockholm, so called saving shares, the participant has a right to receive so called matching shares. In addition, given that a requirement related to the development of the company'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 the company free of charge, so called performance shares. After recalculation due to a completed rights issue in 2021, each saving share entitles to 1.0947 matching shares. The thresholds for the receipt of one, two or four performance shares per saving share amounts to SEK 15.74 for receipt of one performance share, SEK 31.65 for receipt of two performance shares and SEK 52.89 for receipt of four performance shares.

The maximum number of ordinary shares that can be issued in relation to LTI 2021 amount to 882,896, whereby 671,812 for the deliverance of matching shares and performance shares to participants and 211,084 to hedge payments of future social security contributions, which corresponds to a dilution of approximately 0.4 per cent of the company's share capital and votes.

Warrant programs, LTI 2022 I/II

At the annual general meeting 2022 it was resolved to implement a long-term incentive program by way of a warrant program for employees in the company ("LTI 2022-I"). In case all warrants issued within the warrant program LTI 2022-I are utilized for subscription of new ordinary shares, a total of 3,700,000 new ordinary shares will be issued, which corresponds to a dilution of approximately 1.65 per cent of the company's ordinary shares after full dilution.

The annual general meeting 2022 also resolved to adopt a warrants program for certain board members of the company, (LTI 2022-II"). In case all warrants issued within this program are utilized for subscription of new ordinary shares, a total of 600,000 new ordinary shares will be issued, which corresponds to a dilution of approximately 0.27 per cent of the company's ordinary shares after full dilution.

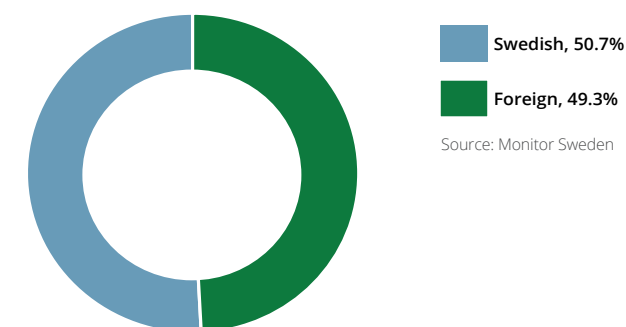
Each warrant in LTI 2022-I/II entitle to subscription of one ordinary share in the company. Subscription of shares by virtue of the warrants may be effected as from 1 June 2025 up to and including 30 June 2025. The subscription price per share for above warrant programs, was calculated to SEK 3,38 which corresponds to 200 per cent of the volume weighted average price during 10 trading days immediately after the annual general meeting 2022. All warrants have been transferred to the participants at fair market value.

In case the existing share saving program as well as both warrant programs are exercised in full, a total of 5,182,896 new shares will be issued, which corresponds to a total dilution of approximately 2,3 percent.

The Alligator share in brief December 31, 2022

| | |
|---------------------------|---|
| Listed on: | Nasdaq Stockholm Small Cap |
| Number of shares: | 221,534,728 (220,584,878 ordinary shares and 949,850 C shares) |
| Average turnover per day: | Approximately 133,000 (preceeding quarter: approx. 159,000) |
| Number of shareholders: | Approx. 8,500 (preceeding quarter: approx. 8,600) |
| Market capitalization: | MSEK 342 (preceeding quarter: approx. MSEK 331) |
| Ticker: | ATORX |
| ISIN: | SE0000767188 |

Swedish and foreign ownership



| Largest Shareholders, Dec 31, 2022 | No of Shares | % |
|------------------------------------|--------------------|------------|
| Allegro Investment, Inc. | 55,643,092 | 25.2 |
| Roxette Photo NV | 18,413,950 | 8.3 |
| Lars Spånberg | 9,641,572 | 4.4 |
| Magnus Petersson | 6,455,297 | 2.9 |
| Fjärde AP-fonden | 6,408,628 | 2.9 |
| Sunstone Capital | 5,758,485 | 2.6 |
| Avanza Pension | 5,390,643 | 2.4 |
| Nordnet Pensionsförsäkring | 5,128,382 | 2.3 |
| Mikael Lönn | 4,326,547 | 2.0 |
| Öhman Fonder | 3,786,791 | 1.7 |
| Other shareholders | 99,631,491 | 45.3 |
| Total number of shares | 220,584,878 | 100 |

The Company's owner structure is updated regularly on the Company's website: www.alligatorbioscience.com

Source: Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen).

Other information

Review

This report has not been reviewed by the Company's auditor.

Employees

The number of employees in the Group at the end of the quarter was 53 (46). Of these, 16 (12) were men and 37 (34) were women. Of the total number of employees at the end of the quarter 44 (38) were employed within research and development.

Future report dates

Alligator intends to publish its financial reports according to the following:

- Annual Report, 2022 : Week 12, March 2023
- Q1 Interim Report: April 26, 2023
- Q2 Interim Report: July 13, 2023
- Q3 Interim Report: October 26, 2023

Risks and uncertainties

During the course of its business operations, the Group is exposed to various financial risks, such as market risk (comprising foreign exchange risk, interest-rate risk and price risk), credit risk and liquidity risk. The aim of the Group's overall risk management is to achieve minimal adverse effects in terms of earnings and financial position. The Group's business risks, risk management and financial risks are described in detail in the Annual report for 2021.

The impact of Covid-19 on the Group's risks

The Covid-19 pandemic has affected the way we work, but currently we do not foresee any negative long-term effects on our operations due to the pandemic.

The impact of the Ukraine's crisis on the Group's risks

The situation in Ukraine is foremost a humanitarian tragedy that is causing great 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 the company's ability to finance clinical trials in the future. The company has no direct business in, nor does it conduct any clinical studies in Ukraine or Russia, but see a risk that the company will suffer from increased raw material and energy prices, which are likely to translate into increased prices for goods and services.

Cyber security

Cyber attacks have become a significant threat in society and for Alligator Bioscience, which is dependent on IT support in its daily operations. The company has ongoing work to ensure that the company is well prepared to counter cyber-attacks and other types of intrusion.

Statement of financial position

The Company works continuously to secure the financing of the operation. This include both business development for new partnering agreements, with an upfront payment upon signing, as well as other options. As the company within the next 12 months has additional financing needs that have not yet been secured, the Board is continuously working on evaluating various financing options to ensure continued operation. It is the Board's assessment that the company has good prospects of securing future financing, for example, through a new share issue, however, the absence of assurance at the same time of submission of this report means that there is a significant uncertainty factor regarding the company's ability to continue operation.

Forward-looking information

Even though the board and management believe the expectations in this report are justified, no guarantees can be given that they will turn out to be correct. Accordingly, the actual outcome may differ significantly from the assumptions stated in the forward-looking information depending on, among other factors, changes in the economy or market, changes in legal or regulatory demands, political decisions and changes in exchange rates.

Parent Company

Both Group management functions and all operating activities are carried out in the Parent Company. For additional details, refer to the information provided for the Group since the subsidiaries do not conduct their own operations.

Notes to the reader

Figures in brackets refer to the outcome for the corresponding period in the preceding year for figures related to the income statement and cash flow. For figures related to the financial position and personnel, figures in brackets refer to December 31, 2021. Unless otherwise stated, all amounts stated are rounded correctly, which may mean that some totals do not tally exactly. "Dollar" means US dollars unless otherwise stated.

Registered trademarks

FIND® and ALLIGATOR-GOLD® are Alligator Bioscience AB proprietary trademarks which are registered in Sweden and other countries.

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Financial statements

Unless otherwise stated in this Year-end report, numbers refer to the Group. Due to the nature of the business, there can be large fluctuations in revenue which are not seasonal or regular but are mainly linked to when milestones generating a payment are reached in out-licensed research projects. Like revenue, expenses can also fluctuate between periods. Among other factors, this fluctuation in expenses is influenced by the current phase of the various projects since certain phases generate higher costs. Figures in brackets refer to the outcome for the corresponding period in the preceding year for figures related to the income statement and cash flow. For figures related to the financial position and personnel, figures in brackets refer to December 31, 2021. Unless stated otherwise, all amounts are in SEK thousand (KSEK). All amounts stated are rounded, which may mean that some totals do not tally exactly.

Consolidated Income Statement

Net Sales

Sales for the period pertain primarily to the collaboration and licence agreement with Orion Corporation. Alligator Bioscience and Orion Corporation announced the initiation of the second program of their Immuno-oncology Research Collaboration and License Agreement. The initiation of the second program provided Alligator Bioscience with an payment of €1.25 million, including the fee for its validated binders being made available. In the same period prior year sales referred primarily to the collaboration and licence agreement with Orion Corporation and to the joint research agreement with BioArctic AB.

Other operating income

Other operating income for the quarter comprises primarily of exchange gains in the company's operations.

Operating costs

The company's costs are higher compared to the same period previous year, and pertain mainly to costs related to Mitazalimab's OPTIMIZE-1 study and ALG. APV-527. External costs for mitazalimab amounted to SEK 29,045 thousand (7,616) during the fourth quarter of the year and the increased costs are mainly related to the increased number of patients in the study. In September 2022, an IND (Investigational New Drug)-application for ALG.APV-527 was approved, which enables the initiation of clinical studies which generates higher costs. The personnel costs in the fourth quarter is higher than last year due to an increased number of employees.

Net financial items

Pertains to unrealized exchange gains and losses as a result of liquidity positions in USD, EUR and GBP.

| All amounts KSEK unless specified | Note | 2022 Oct-Dec | 2021 Oct-Dec | 2022 Jan-Dec | 2021 Jan-Dec |
|---|------|-----------------|-----------------|-----------------|-----------------|
| Operating income | | | | | |
| Net sales | 5 | 20,062 | 5,249 | 35,696 | 12,943 |
| Other operating income | 5 | 843 | 1,816 | 1,439 | 2,183 |
| Total operating income | | 20,905 | 7,065 | 37,135 | 15,126 |
| Operating costs | | | | | |
| Other external costs | | -50,483 | -24,811 | -147,725 | -86,982 |
| Personnel costs | | -19,175 | -16,109 | -68,836 | -57,814 |
| Depreciation of tangible assets and intangible assets | | -3,473 | -2,595 | -11,767 | -11,144 |
| Other operatings expenses | | -419 | -423 | -1,597 | -751 |
| Total operating costs | | -73,550 | -43,938 | -229,925 | -156,691 |
| Operating profit/loss | | -52,646 | -36,873 | -192,789 | -141,565 |
| Financial items | | | | | |
| Other interest income and similar income statement items | | -119 | 7 | 32 | -2 |
| Interest expense and similar income statement items | | -486 | 75 | -646 | -169 |
| Net financial items | | -605 | 82 | -614 | -171 |
| Profit/loss before tax | | -53,251 | -36,791 | -193,403 | -141,736 |
| Tax on profit for the period | | - | - | - | - |
| Profit for the period attributable to Parent Company share-holders | | -53,251 | -36,791 | -193,403 | -141,736 |
| Earnings per share | | | | | |
| Earnings per share before and after dilution, SEK | | -0.24 | -0.41 | -0.88 | -1.58 |

Consolidated Statement of Comprehensive Income

| All amounts KSEK | Note | 2022 Oct-Dec | 2021 Oct-Dec | 2022 Jan-Dec | 2021 Jan-Dec |
|--|------|-----------------|-----------------|-----------------|-----------------|
| Profit/loss for the period | | -53,251 | -36,791 | -193,403 | -141,736 |
| Other comprehensive income | | - | - | - | - |
| Comprehensive income for the period | | -53,251 | -36,791 | -193,403 | -141,736 |

Consolidated Statement of Financial Position

ASSETS

Participations in development projects

The Group's participations in development projects refers to cooperation with the South Korean company AbClon Inc. for the Biosynergy project. Biosynergy is outlicensed to the Chinese company Shanghai Henlius, which is now further developing the drug candidate. At the end of the period, participations in development projects amounted to SEK 17,949 thousand (17,949).

Right of use assets

At the end of the period, right of use assets amounted to SEK 25,550 thousand (10,456). Right of use assets pertain to leases for offices and laboratories, machines and vehicles. Right of use assets are higher compared to the previous period and year due to the extension of three of our leasing contracts regarding office rent, lab space rent, rent for copier machine and one new leasing contract regarding lab instrument. The contract for office rent was due to on December 31, 2022 but has been extended for another 3 years. The contract relating to lab premises was due to expire at the end of October 2023 and has now been extended for further 3 years. The contract for copier was due to expire at the end of December 2023 but has been extended for an additional year.

In June 2022, Alligator entered into a lease agreement with Medicon Village for office premises valid from October 2024 with an agreement period of 5 years. The new agreement is estimated to increase the right of use assets by SEK 42,281 thousand, based on the use of the agreement period without extension, and replaces the current agreement with Medicon Village regarding office premises.

Cash and cash equivalents

Consolidated cash and cash equivalents, which consist of bank balances, totaled SEK 97,305 thousand (278,148).

The Group plans to use its liquidity for operating activities. A portion of the Group's liquidity is invested in USD, EUR and GBP foreign currency accounts. In accordance with the Group's Financial Policy, inflows of foreign currencies exceeding the expected requirements for the coming 18 months are to be converted to SEK at the time of payment. Besides this, no further hedging has taken place.

| All amounts in KSEK | Note | 2022-12-31 | 2021-12-31 |
|--|------|----------------|----------------|
| ASSETS | | | |
| Fixed assets | | | |
| Intangible assets | | | |
| Participations in development projects | 3 | 17,949 | 17,949 |
| Patents | | - | 17 |
| Softwares | | 70 | 201 |
| Tangible assets | | | |
| Improvements in leased premises | | - | 608 |
| Right of use assets | | 25,550 | 10,456 |
| Equipment, machinery and computers | | 1,386 | 4,355 |
| Financial assets | | | |
| Other long term financial fixed assets | 6 | 1,815 | - |
| Total fixed assets | | 46,770 | 33,587 |
| Current assets | | | |
| Current receivables | | | |
| Accounts receivable | 6 | 13,930 | 7446 |
| Other receivables | 6 | 3,636 | 7,044 |
| Prepayments and accrued income | | 7,942 | 6,975 |
| Cash and cash equivalents | 6 | 97,305 | 278,148 |
| Total current assets | | 122,814 | 299,613 |
| TOTAL ASSETS | | 169,584 | 333,200 |

Consolidated Statement of Financial Position

EQUITY AND LIABILITIES

Equity

Equity at the end of the period amounted to SEK 89,051 thousand (282,273), corresponding to an equity ratio of 53 (85) %. During the first quarter the number of shares and votes in the Company have increased due to directed issue and repurchase of 949,850 series C shares, which were resolved upon by the board of directors on 22 March 2022 pursuant to the authorization granted by the annual general meeting on 1 June 2021.

The total number of outstanding shares in Alligator Bioscience AB amounts to 221,534,728 shares, of which 220,584,878 are ordinary shares with one vote per share and 949,850 are series C shares with one-tenth of a vote per share. The number of votes in the company amounts to 220,679,863 votes.

Equity per share before and after dilution

At the end of the period, equity per outstanding share amounted to SEK 0.41 (1.28), before and after dilution. Since the subscription price for issued options has not been reached, these are not taken into account (not "in-the-money"). C shares are not taken into account either.

Lease liabilities and loans

Lease liabilities pertain to leases for offices and laboratories, machines and vehicles. At the end of the period long- and short-term lease liabilities amounted to SEK 24,502 thousand (9,736). Lease liabilities are higher compared to the previous period due to the extension of three of our leasing contracts regarding office rent, lab space rent, rent for copier machine and one new leasing contract regarding lab instrument. The contract for office rent was due to on December 31, 2022 but has been extended for another 3 years. The contract relating to lab premises was due to expire at the end of October 2023 and has now been extended for further 3 years. The contract for copier was due to expire at the end of December 2023 but has been extended for an additional year.

In June 2022 Alligator entered into a lease agreement with Medicon Village for office premises valid from October 2024 with an agreement period of 5 years. The new agreement is estimated to increase the right of use assets by SEK 42,281 thousand, based on the use of the agreement period without extension, and replaces the current agreement with Medicon Village regarding office premises.

Accrued expenses and deferred income

At the end of the period, accrued expenses and deferred income amounted to SEK 39,655 thousand (29,586). Expenses pertain to accrued expenses for clinical activities, personnel and other expenses. Accrued costs are higher compared to the same period last year and are primarily related to accrued patient costs for Mitazalimab's Optimize-1 study and costs related to the initiation of clinical studies for ALG.APV-527.

| All amounts in KSEK | Note | 2022-12-31 | 2021-12-31 |
|---|------|----------------|----------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 88,614 | 88,234 |
| Other capital contributions | | 911,901 | 911,831 |
| Retained earnings and profit/loss for the period | | -911,463 | -717,792 |
| Equity attributable to Parent Company shareholders | | 89,051 | 282,273 |
| Non-current provisions and liabilities | | | |
| Lease liabilities | 6 | 16,003 | 3,511 |
| Other long-term liabilities | 6 | - | - |
| Total non-current provisions and liabilities | | 16,003 | 3,511 |
| Current liabilities | | | |
| Accounts payable | 6 | 13,343 | 9,367 |
| Other liabilities | | 3,032 | 2,237 |
| Lease liabilities | 6 | 8,499 | 6,225 |
| Accrued expenses and deferred income | 6 | 39,655 | 29,586 |
| Total current liabilities | | 64,529 | 47,416 |
| TOTAL EQUITY AND LIABILITIES | | 169,584 | 333,200 |

Consolidated Statement of Changes in Equity, in summary

| All amounts in KSEK | | 2022 Oct-Dec | 2021 Oct-Dec | 2022 Jan-Dec | 2021 Jan-Dec |
|--|--|-----------------|-----------------|-----------------|-----------------|
| Opening balance | | 142,256 | 85,029 | 282,273 | 115,244 |
| New capital issue | | - | 273,903 | 380 | 359,570 |
| Transaction costs | | - | -39,870 | -343 | -50,801 |
| Treasury shares* | | - | - | -380 | - |
| Warrants** | | - | - | 426 | - |
| Effect of share-based payments personnel | | 46 | 1 | 99 | -3 |
| Profit/loss for the period | | -53,251 | -36,791 | -193,403 | -141,736 |
| Other comprehensive income in the period | | - | - | - | - |
| Closing balance | | 89,051 | 282,273 | 89,051 | 282,273 |

*The item refers to the repurchase of 949,850 C shares that the Board, with the support of authorized members of the Annual General Meeting on June 1, 2021, decided on March 22, 2022.

**The item refers to cash compensation for issuing warrants. For more information on the Warrant Program, see page 9.

Consolidated Statement of Cash Flows

Investments

Investments during the quarter consisted of laboratory equipment SEK 147 (-) thousand. Investments during the year consisted of laboratory equipment SEK 440 (45) thousand.

Cash flow for the period

Cash flow for the quarter totaled SEK -49,837 thousand (198,769) and relates mainly to costs from operating activities. The large difference from the period's cash flow in the previous year is mainly explained by the right issue of SEK 256,999 thousand that was carried out in December 2021, which affected the cash flow positively in 2021.

| All amounts in KSEK | 2022 Oct-Dec | 2021 Oct-Dec | 2022 Jan-Dec | 2021 Jan-Dec |
|--|-----------------|-----------------|-----------------|-----------------|
| Operating activities | | | | |
| Operating profit/loss | -52,646 | -36,873 | -192,789 | -141,565 |
| Adjustments for items not generating cash flow | | | | |
| Depreciation and impairments | 3,473 | 2,595 | 11,767 | 11,144 |
| Effect from warrant program | 46 | -4 | 99 | 4 |
| Other items, no impact on cash flow | -14 | 91 | -19 | 65 |
| Interest received | - | - | - | - |
| Interest paid | -486 | -43 | -646 | -235 |
| Tax paid | - | - | - | - |
| Cash flow from operating activities before changes in working capital | -49,627 | -34,234 | -181,588 | -130,587 |
| Changes in working capital | | | | |
| Change in operating receivables | -9,516 | -5,528 | -5,859 | -13,589 |
| Change in operating liabilities | 12,178 | 6,235 | 14,840 | 17,144 |
| Cash flow from operating activities | -46,965 | -33,527 | -172,607 | -127,033 |
| Investing activities | | | | |
| Acquisition of tangible assets | -147 | - | -440 | -45 |
| Cash flow from investing activities | -147 | - | -440 | -45 |
| Financing activities | | | | |
| Amortization of leasing liabilities | -2,725 | -1,662 | -7,806 | -6,672 |
| Amortization of installment purchase | - | -75 | -104 | -301 |
| New share issue* | - | 256,999 | 380 | 342,665 |
| Transaction costs* | - | -22,966 | -343 | -33,897 |
| Option premiums received | - | - | 426 | - |
| Purchase of treasury shares | - | - | -380 | - |
| Cash flow from financing activities | -2,725 | 232,296 | -7,827 | 301,795 |
| Cash flow for the period | -49,837 | 198,769 | -180,875 | 174,717 |
| Cash and cash equivalents at beginning of period | 147,411 | 79,314 | 278,148 | 103,342 |
| Exchange rate differences in cash and cash equivalents | -269 | 82 | 32 | 60 |
| Cash and cash equivalents at end of period | 97,305 | 278,148 | 97,305 | 278,148 |

*Refers to the share issue of C shares that was carried out in Q1 2022.

Parent Company Income Statement

| All amounts in KSEK | Note | 2022 Oct-Dec | 2021 Oct-Dec | 2022 Jan-Dec | 2021 Jan-Dec |
|--|------|-----------------|-----------------|-----------------|-----------------|
| Operating income | | | | | |
| Net sales | 5 | 20,062 | 5,249 | 35,696 | 12,943 |
| Other operating income | 5 | 843 | 1,816 | 1,439 | 2,183 |
| Total operating income | | 20,905 | 7,065 | 37,135 | 15,126 |
| Operating costs | | | | | |
| Other external costs | | -53,335 | -26,243 | -155,785 | -93,279 |
| Personnel costs | | -19,175 | -16,109 | -68,836 | -57,814 |
| Depreciation and impairment of tangible assets and intangible assets | | -776 | -1,218 | -4,165 | -5,084 |
| Other operating expenses | | -419 | -423 | -1,597 | -751 |
| Total operating costs | | -73,705 | -43,993 | -230,383 | -156,928 |
| Operating profit/loss | | -52,801 | -36,928 | -193,248 | -141,802 |
| Results from financial items | | | | | |
| Other interest income and similar income statement items | | -116 | 7 | 35 | -2 |
| Interest expense and similar income statement items | | -150 | 110 | -4 | 39 |
| Net financial items | | -266 | 117 | 31 | 37 |
| Profit/loss after financial items | | -53,067 | -36,811 | -193,217 | -141,765 |
| Appropriations | | | | | |
| Group contribution received | | 407 | - | 407 | - |
| Total appropriations | | 407 | - | 407 | - |
| Result before tax | | -52,660 | -36,811 | -192,810 | -141,765 |
| Tax on profit for the year | | - | - | - | - |
| Profit/loss for the period | | -52,660 | -36,811 | -192,810 | -141,765 |

Parent Company Statement of Comprehensive Income

| All amounts in KSEK | Note | 2022 Oct-Dec | 2021 Oct-Dec | 2022 Jan-Dec | 2021 Jan-Dec |
|---------------------------------|------|-----------------|-----------------|-----------------|-----------------|
| Profit/loss for the period | | -52,660 | -36,811 | -192,810 | -141,765 |
| Other comprehensive income | | - | - | - | - |
| Profit/loss for the year | | -52,660 | -36,811 | -192,810 | -141,765 |

Parent Company

Balance Sheet

| All amounts in KSEK | Note | 2022-12-31 | 2021-12-31 |
|--|------|----------------|----------------|
| ASSETS | | | |
| Fixed assets | | | |
| Intangible assets | | | |
| Patents | | - | 17 |
| Software | | 70 | 201 |
| Total intangible assets | | 70 | 219 |
| Tangible assets | | | |
| Improvements in leased premises | | - | 608 |
| Equipment, machinery and computers | | 1,386 | 4,355 |
| Total tangible assets | | 1,386 | 4,963 |
| Financial assets | | | |
| Participations in Group companies | 3 | 20,294 | 20,294 |
| Other long term financial fixed assets | | 1,815 | - |
| Total financial assets | | 22,109 | 20,294 |
| Total fixed assets | | 23,565 | 25,475 |
| Current assets | | | |
| Current receivables | | | |
| Accounts receivables | | 20 | 7,446 |
| Receivables from Group companies | | 845 | 438 |
| Other receivables | | 3,636 | 7,044 |
| Prepayments and accrued income | | 23,947 | 8,796 |
| Total current receivables | | 28,447 | 23,724 |
| Cash and bank deposits | | 96,046 | 277,288 |
| Total current assets | | 124,494 | 301,012 |
| TOTAL ASSETS | | 148,059 | 326,488 |

Parent Company

Balance Sheet

| All amounts in KSEK | Note | 2022-12-31 | 2021-12-31 |
|---|------|----------------|----------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Restricted equity | | | |
| Share capital | | 88,614 | 88,234 |
| Total restricted equity | | 88,614 | 88,234 |
| Non-restricted equity | | | |
| Share premium reserve | | 911,488 | 911,831 |
| Retained earnings | | -715,923 | -573,877 |
| Profit/loss for the period | | -192,810 | -141,765 |
| Total non-restricted equity | | 2,755 | 196,190 |
| Total equity | | 91,369 | 284,424 |
| Non-current provisions and liabilities | | | |
| Other long-term liabilities | | - | 143 |
| Total non-current provisions and liabilities | | - | 143 |
| Current liabilities | | | |
| Accounts payable | | 13,343 | 9,367 |
| Other liabilities | | - | 2,095 |
| Accrued expenses and deferred income | | 43,347 | 30,459 |
| Total current liabilities | | 56,690 | 41,921 |
| TOTAL EQUITY AND LIABILITIES | | 148,059 | 326,488 |

Notes

Note 1 General information

This Year End covers the Swedish Parent Company Alligator Bioscience AB (publ), corporate registration number 556597-8201, and its subsidiaries Atlas Therapeutics AB, corporate registration number 556815-2424, and A Bioscience Incentive AB, corporate registration number 559056-3663. Group's business operations are mainly carried out in the Parent Company.

The Parent Company is a Swedish public limited liability company registered and domiciled in the Municipality of Lund. The office is located at Medicon Village, SE-223 81 Lund.

Note 2 Accounting policies

This Year End report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations in the Swedish Annual Accounts Act (ÅRL). The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

The accounting policies and calculation methods used in this report are the same as those described in the Annual report for 2021.

Note 3 Effects of changed estimates and judgments

Significant estimates and judgments are described in Note 3 and Note 19 of the Annual report for 2021. There have been no changes to the company's estimates and judgments since the Annual report for 2021 was prepared.

Note 4 Segment reporting

The company conducts only one business activity, namely research and development in the field of immunotherapy, and the chief operating decision-maker is thus only responsible for regularly making decisions on and allocating resources to one entity. Accordingly, the company comprises only one operating segment, which corresponds to the Group as a whole, and no separate segment reporting is provided.

Note 5 Consolidated Income

A breakdown of the Group's revenue regarding license revenue as follows:

| All amounts in KSEK | 2022 Oct-Dec | 2021 Oct-Dec | 2022 Jan-Dec | 2021 Jan-Dec |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Licensing income | 13,910 | - | 13,910 | 4,643 |
| Reimbursement for development work | 6,151 | 5,249 | 21,786 | 8,300 |
| Total | 20,061 | 5,249 | 35,696 | 12,943 |

A breakdown of the Group's other operating income is as follows:

| All amounts in KSEK | 2022 Oct-Dec | 2021 Oct-Dec | 2022 Jan-Dec | 2021 Jan-Dec |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Swedish government grants received | 126 | 378 | 305 | 384 |
| Insurance compensation | - | 1,251 | 6 | 1,251 |
| Operational exchange rate gains | 701 | 187 | 1,103 | 547 |
| Other | 16 | - | 25 | - |
| Total | 843 | 1,816 | 1,439 | 2,183 |

Note 6 Financial instruments

Cash and cash equivalents for the Group at December 31, 2022 consisted of bank balances amounting to SEK 97,305 thousand (278,148). For financial assets and liabilities, the reported value as below is considered a reasonable approximation of fair value.

| All amounts in KSEK | 2022-12-31 | 2021-12-31 |
|---------------------|------------|------------|
|---------------------|------------|------------|

Financial assets valued at amortized cost

| | | |
|--|----------------|----------------|
| Other long term financial fixed assets | 1,815 | - |
| Accounts receivable | 13,930 | 7,446 |
| Other receivables | - | 1,823 |
| Liquid assets - bank accounts | 97,305 | 278,148 |
| Total financial assets | 113,050 | 287,417 |

Financial liabilities valued at amortized cost

| | | |
|------------------------------------|---------------|---------------|
| Long-term lease liabilities | 16,003 | 3,511 |
| Accounts payable | - | - |
| Short-term lease liabilities | 13,343 | 9,367 |
| Other short-term liabilities | 8,499 | 6,225 |
| Accrued expenses | - | 143 |
| Total financial liabilities | 36,072 | 24,038 |
| Total financial liabilities | 73,917 | 43,285 |

The Company had no related party transactions during the fourth quarter and the year 2022. Until August 31 2021, Alligator had a consulting agreement with former board member Carl Borrebaeck through the company Ocean Capital AB pertaining to expert assistance with the evaluation of early-phase research projects and new antibodies. These related party transactions corresponded to an expense of SEK 480 thousand during 2021.

Since 2020 and up until 29 October 2021, Gayle Mills was the Company's Chief Business Officer on a consultant basis in accordance with a consultancy agreement between Alligator and Gayle Mills, and received remuneration based on hours worked. These related party transactions corresponded to an expense of SEK 60 thousand for the fourth quarter 2021 and SEK 1,054 thousand during 2021.

Note 8 Correction of error

For the financial year 2021 (comparison year), an error has been noted in the average number of shares before and after dilution. We have stated the number of shares as of the balance sheet date instead of the average number of shares before and after dilution and the comparison year has been adjusted in this interim report. The effect of the adjustment means that earnings per share before and after dilution change from SEK -0.17 to SEK -0.41 for Q4 2021 and from SEK -0.64 to SEK -1.58 for 2021 year to date.

| All amounts KSEK unless specified | 2021 Oct-Dec | 2021 Oct-Dec Restated | 2021 Jan-Dec | 2021 Jan-Dec Restated | 2021 Jan-Dec | 2021 Jan-Dec Restated |
|--|-----------------|-----------------------------|-----------------|-----------------------------|-----------------|-----------------------------|
| Profit/loss for the period | -36,791 | -36,791 | -141,736 | -141,736 | -141,736 | -141,736 |
| Average number of shares before dilution | 220,584,878 | 89,670,050 | 220,584,878 | 89,670,050 | 220,584,878 | 89,670,050 |
| Earnings per share before dilution, SEK | -0.17 | -0.41 | -0.64 | -1.58 | -0.64 | -1.58 |
| Average number of shares after dilution | 220,584,878 | 89,670,050 | 220,584,878 | 89,670,050 | 220,740,173 | 89,670,050 |
| Earnings per share after dilution, SEK | -0.17 | -0.41 | -0.64 | -1.58 | -0.64 | -1.58 |

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.

Calculation of Performance Measures

Alligator presents certain financial performance measures in this report, including measures that are not defined under IFRS. The Company believes that these performance measures are an important complement because they allow for a better evaluation of the Company'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.

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

The Company does not have a steady flow of income, with income generated irregularly in connection with the signing of license agreements and achievement of milestones. Therefore, the Company monitors performance indicators such as equity ratio and equity per share in order to assess the Company'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.

| All amounts KSEK unless specified | 2022 Oct-Dec | 2021 Oct-Dec | 2022 Jan-Dec | 2021 Jan-Dec |
|--|-----------------|-----------------|-----------------|-----------------|
| Profit/loss for the period | -53,251 | -36,791 | -193,403 | -141,736 |
| Average number of shares before dilution | 220,584,878 | 89,670,050 | 220,584,878 | 89,670,050 |
| Earnings per share before dilution, SEK | -0.24 | -0.41 | -0.88 | -1.58 |
| Average number of shares after dilution | 220,584,878 | 89,670,050 | 220,584,878 | 89,670,050 |
| Earnings per share after dilution, SEK | -0.24 | -0.41 | -0.88 | -1.58 |
| Operating costs | -73,550 | -43,938 | -229,925 | -156,691 |
| Operating costs excluding impairments | -73,550 | -43,938 | -229,925 | -156,691 |
| Reduce of administrative expenses | 4,443 | 3,275 | 31,213 | 35,423 |
| Reduce of depreciation | 3,473 | 2,595 | 11,767 | 11,144 |
| Research and development costs | -65,634 | -38,067 | -186,945 | -110,123 |
| R&D costs / Operating costs excluding impairments % | 89% | 87% | 81% | 70% |
| Equity | 89,051 | 282,273 | 89,051 | 282,273 |
| Average number of shares before dilution | 220,584,878 | 220,584,878 | 220,584,878 | 220,584,878 |
| Equity per share before dilution, SEK | 0.40 | 1.28 | 0.40 | 1.28 |
| Average number of shares after dilution | 220,584,878 | 220,740,173 | 220,584,878 | 220,740,173 |
| Equity per share after dilution, SEK | 0.40 | 1.28 | 0.40 | 1.28 |
| Equity | 89,051 | 282,273 | 89,051 | 282,273 |
| Total assets | 169,584 | 333,200 | 169,584 | 333,200 |
| Equity ratio, % | 53% | 85% | 53% | 85% |
| Cash and cash equivalents at end of period | 97,305 | 278,148 | 97,305 | 278,148 |

For definitions, see the section "Financial definitions" on page 22.

The declaration of the Board of Directors and the CEO



Anders Ekblom



Hans-Peter Ostler



Eva Sjökvist Saers



Denise Goode



Veronica Wallin



Laura von Schantz



Graham Dixon



Staffan Encrantz



Søren Bregenholt

The Board and the CEO declare that this Interim report provides a true and fair overview of the Company and the Group's operations, positions and earnings and describes the material risks and uncertainty factors faced by the Parent Company and the companies within the Group.

Lund, February 10, 2023

Anders Ekblom
Chairman of the Board

Hans-Peter Ostler
Vice chairman of the Board

Eva Sjökvist Saers
Board member

Graham Dixon
Board member

Veronica Wallin
Board member

Laura von Schantz
Board member

Denise Goode
Board member

Staffan Encrantz
Board member

Søren Bregenholt
CEO

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.

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.

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.

CTLA-4 (Cytotoxic T-lymphocyte-Associated protein-4). An immune-inhibiting molecule expressed in and on the surface of T cells, primarily regulatory T cells.

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 objective response or stabilization of disease.

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.

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.

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

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

Objective Response Rate (ORR) Assessment of the tumor burden after a given treatment in patients with solid tumors. Important parameter to demonstrate the efficacy of a treatment and serves as a primary or secondary end-point in clinical trials.

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. See also "clinical study." Phase 1 examines the safety

on healthy human subjects, Phase 2 examines efficacy in patients with the relevant disease and Phase 3 is a large-scale study that verifies previously achieved results. In the development of new pharmaceuticals, different doses are trialed and safety is evaluated in patients with relevant disease. Phase 2 is often divided into Phase 2a and Phase 2b. In Phase 2a, which is open, different doses of the pharmaceutical are tested without comparison against placebo and focusing on safety and the pharmaceutical's metabolism in the body. Phase 2b is 'blind', and tests the efficacy of selected dose(es) against placebo.

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.

Proof of concept studies. 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.

RECIST. Response Evaluation Criteria in Solid Tumors - simple and pragmatic methodology to evaluate the activity and efficacy of new cancer therapeutics in solid tumors, using validated and consistent criteria to assess changes in tumor burden.

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.

Tumor necrotic factor receptor superfamily (TNFR-SF). A group of immune-modulating target proteins related to the tumor necrosis factor protein. The name 'tumor necrosis factor' was derived from the fact that the first function detected for the protein was its ability to kill some types of tumor cells, though it was later discovered to have an immune-regulatory function.

