Q4

Alligator Bioscience AB (publ)
Year-end report January - December 2023
Financial Results and Business Update

”Alligator’s remarkable progress in 2023 resulted in the release of OPTIMIZE-1 top-line data, showing significant survival benefits for mitazalimab in metastatic pancreatic cancer, and FDA discussions affirm a clear approval pathway for the candidate. This success underscores mitazalimab’s potential, and requires us to remain laser focused on our objective to deliver outstanding returns to our stakeholders and to maximize the chances of developing innovative therapies in an ever more challenging Biotech environment. Unfortunately, this initiative will affect our most important asset, our colleagues. We could not be more grateful for their efforts to advance our pipeline to reach those who suffer from hard-to-treat cancers, and remain committed to supporting those colleagues impacted by this initiative.”

Søren Bregenholt
CEO Alligator Bioscience AB (publ)

Significant events: October – December 2023

Capital Markets Day hosted by Alligator’s executive management team

The in-person event in Stockholm, which was also streamed live, featured presentations by Alligator’s senior leadership team providing an overview of the Company’s strategic outlook, its projects and technology platforms, as well as question-and-answer sessions between the speakers and attendees. Key Opinion Leader Prof. Gregory Beatty, Associate Professor of Medicine at the University of Pennsylvania, explained the current treatment landscape for pancreatic cancer and shared his thoughts on the potential of mitazalimab to change the treatment paradigm.

ATOR-4066 presentation at the 2023 SITC (Society for Immunotherapy of Cancer) Annual Meeting

Presentation highlighted how Neo-X-Prime® bispecific antibody ATOR-4066 has a superior anti-tumor effect compared to a CD40 monospecific antibody and strongly emphasized the potential of ATOR-4066 as a monotherapy agent as well as a potential partner of choice for checkpoint inhibitor combination.

Scientific article highlighting ATOR-1017 preclinical data published in ”Cancer Immunology, Immunotherapy”

Publication demonstrated how the design, detailed binding epitope and molecular properties of ATOR-1017 translate into very potent activity both in vitro and in vivo, as monotherapy and in combination with PD-1 inhibitors, while being well tolerated in preclinical models.

New Composition of Matter patent granted for mitazalimab in Europe

The new patent expands protection for mitazalimab in Europe, protecting its composition of matter until 2038, including a potential supplementary term.

Agreement with FDA on the development and regulatory path for mitazalimab

Discussions were held with the US Food and Drug Administration concerning the design of the proposed Phase 3 study to evaluate mitazalimab in combination with mFOLFIRINOX in pancreatic cancer along with the necessary steps for mitazalimab to complete before regulatory approval.

Significant post-period events

First U.S. Patent for Neo-X-Prime® Bispecific Antibody ATOR-4066 granted

The patent, titled ”Novel peptides” provides ATOR-4066 with protection regarding methods of treating cancer and/or a tumor using a bispecific antibody comprising the binding regions of the 4066 molecule.

Positive top-line results from mitazalimab OPTIMIZE-1 Phase 2 trial in 1st line pancreatic cancer

The top-line readout from the trial demonstrated that mitazalimab achieved a 40.4% Objective Response Rate, meeting the study’s primary endpoint and confirming the benefit of mitazalimab combined with mFOLFIRINOX. Median Overall Survival and Duration of Response data also showed that mitazalimab provides significant survival advantage to pancreatic cancer patients compared to standard of care FOLFIRINOX.

Alligator to adjust headcount by approximately 20%

Alligator announced the Company’s plans to restructure and reduce workforce, in order to align with long-term strategic priorities and reduce burn rate.

Financial summary

October-December 2023

- Net sales, SEK 11.7 million (20.1)
- Operating profit/loss, SEK -70.4 million (-52.6)
- Profit/loss for the period, SEK -69.8 million (-53.3)
- Earnings per share before and after dilution, SEK -0.11 (-0.24)
- Cash flow for the period, SEK -7.1 million (-49.8)
- Cash and cash equivalents, SEK 66.1 million (97.3)

January-December 2023

- Net sales, SEK 58.1 million (35.7)
- Operating profit/loss, SEK -249.0 million (-192.8)
- Profit/loss for the period, SEK -248.6 million (-193.4)
- Earnings per share before and after dilution, SEK -0.55 (-0.88)
- Cash flow for the period, SEK -30.2 million (-180.9)
- Cash and cash equivalents, SEK 66.1 million (97.3)

The information was submitted for publication at 5:35 p.m. CET on February 8, 2024. For contact details and notes to the reader, see page 10.

CEO Comments

This is a very exciting time for Alligator with our lead asset mitazalimab delivering a set of outstanding top-line results in pancreatic cancer. The outcome of the OPTIMIZE-1 trial is a worthy validation of all the hard work put in by the entire Alligator team and provides us with an excellent platform from which to achieve further key milestones with our CD40 programs and our wider immuno-oncology pipeline as we move into 2024.

Over the last twelve months, we have seen the OPTIMIZE-1 trial deliver two sets of highly encouraging interim efficacy data. Now we have the top-line results, and we are very pleased to report that the study met its primary endpoint achieving an Objective Response Rate (ORR) of 40.4%, as defined by the Response Evaluation Criteria in Solid Tumors (RECIST1.1) and a disease control rate of approximately 80%. Even more important for further clinical development, patients and potential partners are the promising long-term benefits that were observed, including an unprecedented Duration of Response of 12.5 months and median Overall Survival of more than 14 months. As more than half of the patients were in the study at time-of-analysis we believe these data will improve even further. Together, these data reinforce the promise that mitazalimab in combination with standard of care will provide pancreatic cancer patients with significant clinical and survival advantages over standard of care.

We firmly believe that mitazalimab could transform the treatment paradigm for pancreatic cancer and we have been busy with preparations for the next stages of its clinical and regulatory development. We have held discussions with the US Food and Drug Administration on the design of the proposed Phase 3 study, as well as the necessary steps before approval in order to establish a firm development and regulatory roadmap for mitazalimab in pancreatic cancer. Based on these dialogues, it is clear that OPTIMIZE-1 is Phase 3-enabling, thus giving us a clear path toward a Phase 3 registration study, which we expect can be initiated in early 2025. We have also been intensifying our business development activities in the search for potential commercial partners who can assist Alligator in delivering mitazalimab to patients in the quickest way possible.

While we have rightly focused a good deal of time, effort and financial resources into progressing our lead asset, we have ensured that our overall operations and our other pipeline projects continue to receive the necessary attention. We continue to advance our wider CD40 program, and we were very pleased this quarter to present a key abstract on our Neo-X-Prime® bispecific antibody ATOR-4066 at the prestigious SITC Annual Meeting, held this year in San Diego. The data emphasized ATOR-4066's potential as both a monotherapy and as a combination partner for checkpoint inhibitors to further enhance the immune response in tumors. We continue to advance ATOR-4066 toward the clinic and the SITC presentation was an important opportunity to both showcase ATOR-4066's potential and demonstrate that Alligator's successful drug development capabilities extend to assets beyond mitazalimab. We have also strengthened our IP protection with the granting of our first US patent for ATOR-4066, providing a vital, initial safeguard in one of our key potential markets for the Neo-X-Prime® antibody.

We were delighted this quarter to have an opportunity to present all of Alligator's latest achievements and developments at our Capital Markets Day, held in Stockholm. Our executive management team provided an overview of the Company's strategy, our projects and technology platforms. The event also featured Key Opinion Leader Prof. Gregory Beatty, University of Pennsylvania, who discussed the current treatment landscape for pancreatic cancer and the potential of mitazalimab to change the treatment paradigm.

2023 was a crucial year for Alligator in which we made significant progress with our robust and diversified immuno-oncology pipeline, and expanded and strengthened our strategic partnerships. While we advance our key assets, we continue to align our investment with our long-term strategic objectives. In order to secure our continued ability to invest in the development of mitazalimab and our other key value drivers, and thereby position Alligator for long-term growth, we deemed it prudent to adjust our burn rate by reducing our workforce. Unfortunately, this initiative will affect our most important asset, our colleagues, who have strived professionally and diligently to allow Alligator to deliver on our mission. We are grateful for the efforts and commitment to advance mitazalimab and our other innovative options for those who suffer from hard-to-treat cancers, and we remain committed to supporting those colleagues impacted by this initiative.

While we continue to advance our key assets, we continue to align our investment with our long-term objectives. Therefore, we deemed it prudent to reduce our workforce to adjust our burn rate and secure our continued ability to invest in the development in mitazalimab and other key value drivers, thereby positioning Alligator for long-term growth. Unfortunately, this initiative will affect our most important asset, our colleagues who have strived professionally and diligently to allow Alligator to deliver on our mission. We are grateful for the efforts and commitment to advance mitazalimab and our other innovative options for those who suffer from hard-to-treat cancers, and we remain committed to supporting those colleagues impacted by this initiative.

The OPTIMIZE-1 top-line results have provided us with a very strong start to 2024 and we are looking forward to a busy year with several key clinical and regulatory milestones ahead. I would like to thank our shareholders for your continued support in our endeavors and trust in our ability to fulfil our promises, and the entire Alligator team for the dedication they have shown in our collective pursuit of new and improved immuno-oncology treatments for cancer patients around the world.

Søren Bregenholt

CEO Alligator Bioscience AB (publ)

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

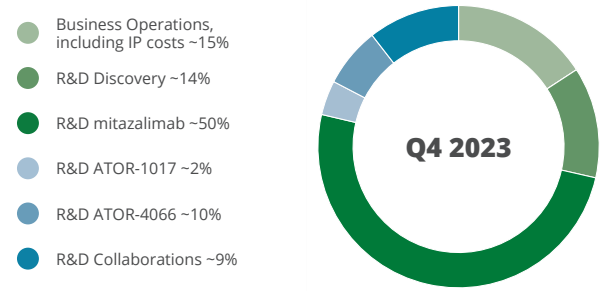
Performance measures Group

	Note	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Result (KSEK)					
Net sales	5	11,738	20,062	58,107	35,696
Operating profit/loss		-70,386	-52,646	-248,982	-192,789
Profit/loss for the period		-69,830	-53,251	-248,586	-193,403
R&D costs		-71,108	-65,634	-264,585	-186,945
R&D costs as a percentage of operating costs excl, Impairments, %		85%	89%	85%	81%
Capital (KSEK)					
Cash and cash equivalents at end of period		66,118	97,305	66,118	97,305
Cash flow from operating activities		-54,498	-46,965	-189,286	-172,607
Cash flow for the period		-7,085	-49,837	-30,184	-180,875
Equity at the end of the period		11,855	89,051	11,855	89,051
Equity ratio at the end of the period, %		10%	53%	10%	53%
Info per share (SEK)					
Average number of shares		657,954,290	220,584,878	448,489,815	220,584,878
Earnings per share after dilution*		-0.11	-0.24	-0.55	-0.88
Equity per share after dilution*		0.02	0.40	0.02	0.40
Personnel					
Number of employees at end of period		58	53	58	53
Average number of employees		59	54	56	50
Average number of employees employed within R&D		50	45	46	41

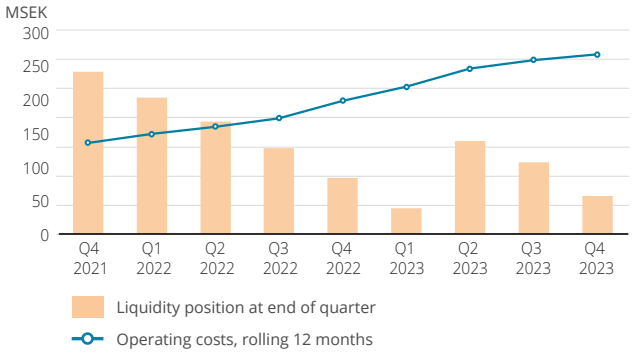
* Effect from dilution is not considered when result is negative and options where call rate is higher than closing rate is not considered.

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 dedicated to 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, remodeling the tumor microenvironment to provide the immune system better access to the tumor. Alligator's highest standards on the safety and efficacy of its drug candidates increase their potential to be combined with current standard therapies, which is key to improving clinical benefits in oncology today.

During 2023, the Company reported significant advancements with its fully-owned and partnered drug candidates. Our technology platforms and pharmaceutical research continue to build long-term value and attract interest from potential partners. To drive competitive and time-efficient development, some specific parts of Alligator's programs are conducted in collaboration with other biotechnology companies, contract laboratories, and leading international research institutions. In addition, our clinical trials are carried out in collaboration with leading specialist physicians and CROs with expertise in oncology clinical development. In summary, the Company has all the necessary expertise and partners to pursue successful projects from concept to clinical development. This has been demonstrated by the OPTIMIZE-1 Phase 2 study interim safety and efficacy results showing the great potential of our lead drug candidate mitazalimab in pancreatic cancer.

Alligator's Organization

Alligator's research and development organization is divided into five units: Discovery, Chemistry, Manufacturing & Control (CMC), 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 trials. 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 therapeutic 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 manufacturing 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 immunotherapy, 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 the combination of proprietary drug development and partnerships. To maximize the value of the portfolio, the Company intends to bring its lead molecules from drug discovery and preclinical studies to Proof-of-Concept in human clinical Phase 2 studies and beyond. To generate income, limit portfolio risk, and maximize long-term value, the Company also seeks strategic global and regional partnerships for certain programs and technologies.

Immuno Oncology Market Overview

Cancer's impact is widespread, affecting patients and their loved ones. As cancer diagnoses continue to rise globally, the demand for more effective treatments is increasing. Alligator is developing drug candidates that strike the right balance between effectiveness and tolerability. These drugs can be used alongside standard cancer treatments to address hard-to-treat cancers, potentially offering a cure.

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 account for approximately 40% of the total drug market by 2028.[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 immunotherapy drugs will increase along with the global demand for new and more effective oncology therapies, and is well positioned to deliver state-of-the-art antibodies for cancer treatment.

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 help educate the immune system to better identify tumor cells or enhance the capabilities of the patient's own immune system to attack the tumor with full force.

Alligator's innovative assets and technologies target key immuno-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.

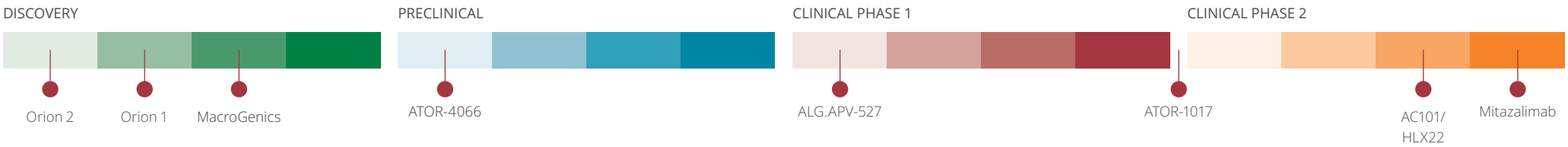
Approximately 300,000 people in the 16 major markets* are diagnosed with pancreatic cancer each year. Although surgery is the best treatment, only 15-20% of those diagnosed can be treated by surgery, while the remaining 85% are left with very few treatment options available to them, with chemotherapy regimens being the standard of care but providing limited clinical benefit.[2]

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 with partners. 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), Data version: 2020, April 2023.
[2] Database GlobalData (Pharma Intelligence Center – Drug Sales), February 2023.

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

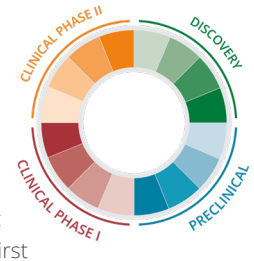
PIPELINE PROJECTS



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, is currently in a Phase 2 clinical trial in first-line pancreatic cancer called OPTIMIZE-1, with the first and last patients dosed in Q3 2021 and Q2 2023, respectively. This trial evaluates 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 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 a powerful attack on solid tumors and significant clinical benefit. The mechanism of action was further validated by two separate pharmacodynamic analyses, both of which demonstrated the desired activation of the immune system after mitazalimab exposure was achieved. This activation of the immune system supports the potential of mitzalimab to activate myeloid cells and overcome the immune suppressive mechanisms in the tumor microenvironment, which can induce anti-tumor responses and make the tumor more sensitive to other therapies, such as mFOLFIRINOX, in pancreatic cancer patients.

Two Phase 1 clinical trials with mitazalimab were successfully completed, one conducted by Alligator, and the other conducted by Janssen Biotech Inc., both of which showed strong evidence of efficacy and proof-of-mechanism, as well as a manageable safety profile.

During 2022, Alligator declared mitazalimab's safety in combination with mFOLFIRINOX. The Recommended Phase 2 Dose of 900 µg/kg was chosen, and Phase 2 enrollment began at European sites. Due to accelerated recruitment, OPTIMIZE-1's full enrollment was announced on April 12, confirming the expectation of full Phase 2 topline data in Q1 2024, 9 months ahead of schedule. The completed enrollment significantly reduced the operational risk of OPTIMIZE-1 as well as for the overall development of mitazalimab.

In January 2023, OPTIMIZE-1's interim efficacy readout revealed an unconfirmed Overall Response Rate exceeding 50% and a Disease Control Rate exceeding 90% in the first 23 evaluable patients. This data was presented at the ASCO Annual Meeting on June 5.

On April 3, Alligator announced FDA clearance for the OPTIMIZE-2 IND, a Phase 2 study evaluating mitazalimab (CD40 mAb) and a PD-1 inhibitor's safety and efficacy in urothelial carcinoma patients who progressed after PD-(L)1 therapy. OPTIMIZE-2 is set to begin in H1 2024 or earlier if operationally feasible.

May 15 saw Alligator receive an FDA Orphan Drug Designation for mitazalimab in pancreatic cancer, providing cost savings and marketing exclusivity benefits upon approval. On August 21, the European Medicines Agency granted an Orphan Designation, which infers similar benefits and ensures 10 years of marketing exclusivity in the EU. This dual designation strengthens mitazalimab's commercial protection in key markets, and further reduces the operational risk in the development of mitazalimab.

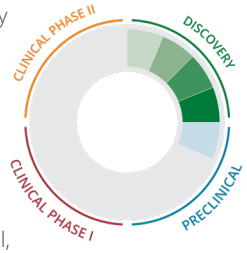
Following the release of two sets of highly encouraging interim efficacy data in January and June 2023, the full top-line readout from OPTIMIZE-1 was announced on January 29, 2024, with the study meeting its primary endpoint with a confirmed Objective Response Rate of 40.4%. The results indicate a highly differentiated effect of mitazalimab in combination with mFOLFIRINOX in pancreatic cancer compared to the standard of care1, and promising long-term effects with a Duration of Response of 12.5 months and median Overall Survival of 14.3 months.

Based on the OPTIMIZE-1 data, Alligator has held discussions with the FDA to establish a clear development and approval pathway for mitazalimab in pancreatic cancer. To circumvent the need for a randomized phase 2b dose finding study, Alligator agreed to enroll additional 15 patients on the 450 µg/kg dose to make OPTIMIZE-1 phase 3 enabling. This is not expected to impact the overall outcome of the trial, nor the timing of the phase 3 study, but removes significant risks, costs and time to market for mitazalimab. Furthermore, the FDA advised on the design of the proposed Phase 3 registration study, which Alligator expects to initiate during the first half of 2025, as well as expectations to primary outcomes for mitazalimab to receive regulatory approval. Alligator is also continuing its business development efforts to identify the right partner to bring mitazalimab to patients as fast as possible in pancreatic cancer and additional indications, thus leveraging its full commercial potential.

Alligator consistently engages in discussions with investigators expressing interest in our candidates, actively prioritizing those displaying the most promise. This strategic approach is in line with our commitment to fostering meaningful collaborations and transparent communication within the industry. The company eagerly anticipates sharing significant milestones from these engagements with the market.

[1] N Engl J Med 2011; 364:1817-1825; DOI: 10.1056/NEJMoa1011923

ATOR-4066



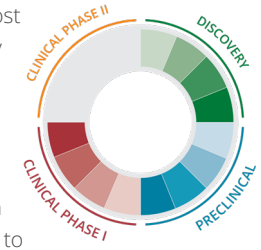
Developed using Alligator's technology platform Neo-X-Prime®, ATOR-4066 is a bispecific antibody created to elicit powerful, tumor-specific immune effects, binding CD40 and CEACAM5. CEACAM5 is a tumor-associated antigen that is preferentially expressed in certain cancer types such as colorectal, gastric and pancreatic cancer

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. Such linking of tumor material with the dendritic cells results in education and activation of tumor neoantigenspecific T cells and induces superior anti-tumor activity.

During 2022, the preclinical data supporting the mode of action of ATOR-4066 and its potent anti-tumor effect, and highlighting the potential of the Neo-X-Prime® platform was presented at several scientific meetings and in an article. In 2023, Alligator presented preclinical ATOR-4066 data at the 2023 AACR Annual Meeting, the Annual Tumor Myeloid-Directed Therapies Summit, and the 2023 SITC Annual Meeting. Taken together, the presented data show the ability of ATOR-4066 to remodel the immune microenvironment and activate tumor-infiltrating immune cells, demonstrating the promise of this new drug candidate and strongly supporting further development towards the clinic.

Efforts to further strengthen the preclinical data package supporting ATOR-4066 and preparations for clinical development are ongoing. In early 2024, Alligator was granted its first US patent for ATOR-4066, which provides protection regarding methods of treating cancer and/or a tumor using a bispecific antibody comprising the binding regions of the 4066 molecule.

ATOR-1017

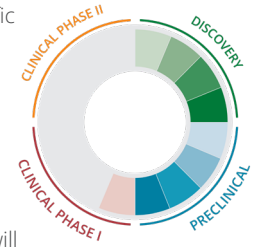


ATOR-1017 is Alligator's second most advanced program and successfully completed Phase 1 dose-escalation study in September 2022. The study was designed to assess the safety and tolerability of ATOR-1017 in patients with advanced solid cancers, and to establish a recommended Phase 2 dose for future studies.

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 2022, highlighting new results from the Phase 1 first-in-human study 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. Data published in the journal *Cancer Immunology, Immunotherapy* in October 2023 demonstrated how the design, detailed binding epitope (binding site) on 4-1BB and molecular properties of ATOR-1017 translate into very potent activity both in vitro and in vivo, as monotherapy and in combination with anti-PD-1 treatment, while being very well tolerated in preclinical models. The preclinical data presented in the article support the results of the recent successful Phase 1 dose-escalation study of ATOR-1017 in patients with histologically confirmed, advance, and/or refractory solid cancer and warrant further development of the molecule. We are continuing our efforts to find a partner with whom we can capitalize on these strong clinical foundations and take ATOR-1017 on to its next development milestone.

ALG-APV-527



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 which both companies will equally own and finance the development of the asset.

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. In September 2022, the companies Investigational New Drug (IND) application received a "may proceed" notification from the US Food and Drug Administration (FDA), and in February 2023 the first patient was dosed in the Phase 1 clinical study to evaluate ALG.APV-527 in the treatment of solid tumors expressing the tumor-associated antigen 5T4. The study is being conducted in the US.

Collaborations and Out-Licensing Agreements

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 313 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.

On May 11, 2023, Alligator announced that Orion had selected bispecific lead antibodies and subsequently exercised its first development option to these molecules under the agreement. On July 31, 2023, Alligator announced that Technical Feasibility had been achieved in the second collaboration project triggering a new milestone payment to Alligator.

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.

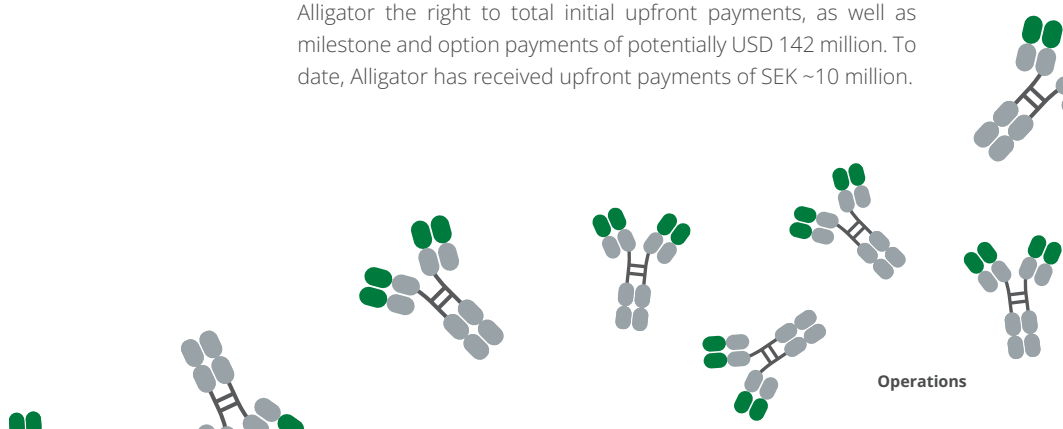
AC101/HLX22

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, will full completion expected Q3 2024. 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.

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.



The Alligator Share

Number of shares, stock option program and share saving program

The Extraordinary General Meeting on 24 April 2023 resolved to carry out the rights issue and to reduce the share capital within the aggregate SEK 74,435,668.608 from SEK 88,613,891.20 to SEK 14,178,222.592. This reduction means that the quota value per share is reduced from SEK 0.40 to SEK 0.064. The Rights Issue comprised a maximum of 441,169,756 units. Each unit consists of one ordinary share and one warrant. Eight warrants entitle the holder to subscribe for one new ordinary share in the company at a subscription price of SEK 0.40 per share. A total of 275,027,774 warrants were exercised, corresponding to approximately 68 percent of all warrants of series TO 6, for the subscription of a total of 34,378,471 ordinary shares.

As a result of the rights issue and through the warrant exercise, the share capital increased by SEK 27,991,642.368 to SEK 42,169,864, resulting in that the total number of shares outstanding in the company increase from 221,534,728 to 658,904,140 whereof 657,954,290 are ordinary shares and 949,850 are series C shares. The total number of votes in the company after the exercise of the warrants amounts to 658,049,275.

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 the recalculation due to rights issue the maximum number of ordinary shares that can be issued in relation to LTI 2021 amount to 1,419,206 whereby 1,079,901 for the deliverance of matching shares and performance shares to participants and 339,305 to hedge payments of future social security contributions, which corresponds to a dilution of approximately 0.22 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 and for certain board members ("LTI 2022-I", respectively "LTI 2022-II"). 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. Due to the rights issue the subscription price per share for above warrant programs, was recalculated to SEK 2.57. In case all warrants issued within the Warrant program LTI 2022I/II program are utilized for subscription of new ordinary shares, a total of 3,786,132 new ordinary shares will be issued, which corresponds to a dilution of approximately 0.57 per cent of the company's ordinary shares after full dilution. Each option entitles to 1.32 shares. All warrants have been transferred to the participants at fair market value.

Warrant programs 2023/2023-II

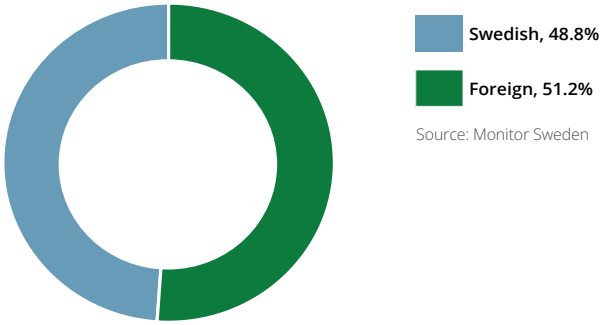
At the annual general meeting 2023 it was resolved to implement another long-term incentive program by way of a warrant program for employees in the company and for certain board members ("Warrant program 2023", respectively "Warrant program 2023-II"). In case all warrants issued within the Warrant program 2023/2023-II program are utilized for subscription of new ordinary shares, a total of 10,395,000 new ordinary shares will be issued, which corresponds to a dilution of approximately 1.56 per cent of the company's ordinary shares after full dilution.

In case both the existing share saving program as well as the warrant programs are exercised in full, a total of 14,941,206 ordinary shares will be issued, which corresponds to a total dilution of approximately 2.22 per cent of the company's ordinary shares.

The Alligator share in brief December 31, 2023

Listed on:	Nasdaq Stockholm Small Cap
Number of shares:	658,904,140 (657,954,290 ordinary shares och 949,850 C shares)
Average turnover per day:	Approximately 1,950,000 (preceding quarter: approx. 1,700,000
Number of shareholders:	10,418 (preceding quarter: approx. 10,415)
Market capitalization:	SEK 454 million (preceding quarter: approx .SEK 265 million)
Ticker:	ATORX
ISIN:	SE0000767188

Swedish and foreign ownership



Source: Monitor Sweden

Largest Shareholders, December 31, 2023	No of Shares	%
Koncentra Holding AB (Part of Allegro Investment Fund)	205,840,049	31.2
Roxette Photo NV	53,446,475	8.1
Avanza Pension	22,953,230	3.5
Magnus Petersson	19,124,338	2.9
Nordnet Pensionförsäkring	17,283,888	2.6
Johan Zetterstedt	11,187,161	1.7
Lars Spånberg	9,641,572	1.5
Jonas Sjögren	8,511,419	1.3
Öhman Fonder	6,530,782	1.0
Pearla Gem Ltd	4,136,681	0.6
Other shareholders	299,298,695	45.5
Total number of shares	**657,954,290**	**100.0**

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 58 (53). Of these, 17 (16) were men and 41 (37) were women. Of the total number of employees at the end of the quarter 48 (44) were employed within research and development.

Future report dates

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

- Annual Report 2023: March, 2024
- January - March 2024 interim report: 25 April, 2024
- April - June 2024 interim report: 11 July, 2024
- July - September 2024 interim report: 24 October 2024
- Year-end report 2024: February 2025

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 has transaction exposure from contracted payment flows in foreign currency. Most of the Group's transaction exposure is in USD, GBP and EUR. A 5 % stronger/weaker SEK against the USD would have a positive/negative effect on post-tax profits and equity of approx. +/- SEK 3,334 thousand during the 2023. A 5 % stronger/weaker SEK against the EUR would have a positive/negative effect on post-tax profits and equity of approx. +/- SEK 2,616 thousand. A 5 % stronger/weaker SEK against the GBP would have a positive/negative effect on post-tax profits and equity of approx. +/- SEK 1,508 thousand during the year.

The Group's business risks, risk management and financial risks are described in detail in the Annual Report for 2022.

The impact of the war in Ukraine 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 eventually will suffer from increased raw material and energy prices, which will 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 includes 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.

Proposed appropriation of profits

The Board of DIrectors proposes that Alligator Bioscience does not pay dividends for the financial year 2023.

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, 2022. 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®, ALLIGATOR-GOLD®, RUBY® and Neo-X-Prime® 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, 2022. 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. In December 2022, Alligator Bioscience and Orion Corporation announced the initiation of the second program of their Immuno-oncology Research Collaboration and License Agreement. In the same period prior year sales referred primarily to the first program within the collaboration and licence agreement with Orion Corporation.

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 34,261 thousand (29,045) during the fourth quarter of the year. These costs are driven by Phase 3 enabling toxicity studies, drug production and a high number of patients that stay on longer in Optimize-1 compared to the previous year. The first patient in ALG.APV 527 was dosed in February 2023 and the study is currently ongoing.

The personnel costs in the fourth quarter are 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	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Operating income					
Net sales	5	11,738	20,062	58,107	35,696
Other operating income	5	1,168	843	3,795	1,439
Total operating income		**12,906**	**20,905**	**61,902**	**37,135**
Operating costs					
Other external costs		-58,398	-50,483	-218,792	-147,725
Personnel costs		-22,157	-19,175	-79,377	-68,836
Depreciation of tangible assets and intangible assets		-2,672	-3,473	-10,489	-11,767
Other operatings expenses		-65	-419	-2,227	-1,597
Total operating costs		**-83,292**	**-73,550**	**-310,884**	**-229,925**
Operating profit/loss		**-70,386**	**-52,646**	**-248,983**	**-192,789**
Financial items					
Other interest income and similar income statement items		1,341	-119	1,788	32
Interest expense and similar income statement items		-785	-486	-1,391	-646
Net financial items		**556**	**-605**	**397**	**-614**
Profit/loss before tax		**-69,830**	**-53,251**	**-248,586**	**-193,403**
Tax on profit for the period		-	-	-	-
Profit for the period attributable to Parent Company share-holders		**-69,830**	**-53,251**	**-248,586**	**-193,403**
Earnings per share					
Earnings per share before and after dilution, SEK		**-0.11**	**-0.24**	**-0.55**	**-0.88**

Consolidated
Statement of Comprehensive Income

All amounts KSEK	Note	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Profit/loss for the period		**-69,830**	**-53,251**	**-248,586**	**-193,403**
Other comprehensive income		-	-	-	-
Comprehensive income for the period		**-69,830**	**-53,251**	**-248,586**	**-193,403**

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 17,613 thousand (25,550). Right of use assets pertain to leases for offices and laboratories, machines and vehicles.

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 66,118 thousand (97,305).

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	2023-12-31	2022-12-31
ASSETS			
Fixed assets			
Intangible assets			
Participations in development projects	3	17,949	17,949
Softwares		15	70
Tangible assets			
Improvements in leased premises		-	152
Right of use assets		17,613	25,550
Equipment, machinery and computers		2,699	1,386
Financial assets			
Other long term financial fixed assets	6	1,986	1815
Total fixed assets		**40,262**	**46,770**
Current assets			
Current receivables			
Accounts receivable	6	2	13,930
Other receivables	6	4,521	3,636
Prepayments and accrued income		7,547	7,942
Cash and cash equivalents	6	66,118	97,305
Total current assets		**78,188**	**122,814**
TOTAL ASSETS		**118,450**	**169,584**

Consolidated
Statement of Financial Position

EQUITY AND LIABILITIES

Equity

Equity at the end of the period amounted to SEK 11,855 thousand (89,051), corresponding to an equity ratio of 10 (53) %.

The total number of shares outstanding in the company amounts to 658,904,140 of which 657,954,290 are ordinary shares and 949,850 are series C shares. The total number of votes in the company amounts to 658,049,275.

Equity per share before and after dilution

At the end of the period, equity per outstanding share amounted to SEK 0.02 (0.40), 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 16,097 thousand (24,502). 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 lease liabilities 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 66,964 thousand (39,655). Expenses pertains 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 Phase 1 studie for ALG.APV 527.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	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital		42,170	88,614
Other capital contributions		1,055,224	911,901
Retained earnings and profit/loss for the period		-1,085,539	-911,463
Equity attributable to Parent Company shareholders		**11,855**	**89,050**
Non-current provisions and liabilities			
Lease liabilities	6	7,516	16,003
Total non-current provisions and liabilities		**7,516**	**16,003**
Current liabilities			
Accounts payable	6	21,273	13,343
Other liabilities		3,261	3,032
Lease liabilities	6	8,581	8,499
Accrued expenses and deferred income	6	65,964	39,655
Total current liabilities		**99,079**	**64,529**
TOTAL EQUITY AND LIABILITIES		**118,450**	**169,583**

Consolidated

Statement of Changes in Equity, in summary

All amounts in KSEK		2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Opening balance		**81,897**	**142,256**	**89,051**	**282,273**
New capital issue		-	-	195,097	380
Transaction costs		-163	-	-24,142	-343
Treasury shares		-	-	-	-380
Warrants		-	-	440	426
Effect of share-based payments personnel		22	46	74	99
Repurchase of warrants		-73	-	-82	-
Profit/loss for the period		-69,829	-53,251	-248,585	-193,403
Closing balance		**11,855**	**89,051**	**11,855**	**89,051**

Consolidated
Statement of Cash Flows

Investments

No investments were made under the fourth quarter of 2023 (147 thousand). Investments during the year amounts to SEK 2,459 thousand (440).

Cash flow for the period

Cash flow for the quarter totaled SEK -7,085 thousand (-49,837). Cash flow for the year amounts to -30,184 thousand (-180,875). In June 2023, the company carried out a rights issue SEK 181,346 thousand and in August 2023 the company received SEK 13,751 thousand through the exercise of warrants of series TO 6 which had positive effect on the cash flow. Total transaction costs amounted to SEK 24,142 thousand.

All amounts in KSEK	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Operating activities				
Operating profit/loss	-70,386	-52,646	-248,982	-192,789
Adjustments for items not generating cash flow				
Depreciation and impairments	2,672	3,473	10,489	11,767
Effect from warrant program	22	46	74	99
Other items, no impact on cash flow	-	-14	-2	-19
Interest received	1,374	-	1,883	-
Interest paid	-101	-486	-483	-646
Tax paid	-	-	-	-
Cash flow from operating activities before changes in working capital	**-66,420**	**-49,627**	**-237,021**	**-181,588**
Changes in working capital				
Change in operating receivables	5,177	-9,516	13,267	-5,859
Change in operating liabilities	6,745	12,178	34,468	14,840
Cash flow from operating activities	**-54,498**	**-46,965**	**-189,286**	**-172,607**
Investing activities				
Acquisition of tangible assets	-	-147	-2,459	-440
Cash flow from investing activities	**-**	**-147**	**-2,459**	**-440**
Financing activities				
Amortization of leasing liabilities	-2,352	-2,725	-9,754	-7,806
Amortization of installment purchase	-	-	-	-104
New share issue	-	-	195,097	380
Transaction costs	-163	-	-24,142	-343
Warrants	-	-	440	-
Repurchase of warants	-73	-	-82	-
Purchase of treasury shares	-	-	-	-380
Option premiums received	-	-	-	426
Acquisition of other short term investments	-	-	-50,000	-
Divestment of other short term investments	50,000	-	50,000	-
Cash flow from financing activities	**47,413**	**-2,725**	**161,561**	**-7,827**
Cash flow for the period	**-7,085**	**-49,837**	**-30,184**	**-180,875**
Cash and cash equivalents at beginning of period	**73,919**	**147,411**	**97,305**	**278,148**
Exchange rate differences in cash and cash equivalents	-716	-269	-1,004	32
Cash and cash equivalents at end of period	**66,118**	**97,305**	**66,118**	**97,305**

Parent Company
Income Statement

All amounts in KSEK	Note	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Operating income					
Net sales	5	11,738	20,062	58,107	35,696
Other operating income	5	1,168	843	3,795	1,439
Total operating income		**12,906**	**20,905**	**61,902**	**37,135**
Operating costs					
Other external costs		-60,792	-53,335	-228,487	-155,785
Personnel costs		-22,157	-19,175	-79,377	-68,836
Depreciation and impairment of tangible assets and intangible assets		-297	-776	-1,200	-4,165
Other operatings expenses		-65	-419	-2,227	-1,597
Total operating costs		**-83,312**	**-73,705**	**-311,291**	**-230,383**
Operating profit/loss		**-70,406**	**-52,801**	**-249,389**	**-193,248**
Results from financial items					
Other interest income and similar income statement items		1341	-116	1,788	35
Interest expense and similar income statement items		-684	-150	-910	-4
Net financial items		**657**	**-266**	**878**	**31**
Profit/loss after financial items		**-69,749**	**-53,067**	**-248,511**	**-193,217**
Appropriations					
Group contribution received		354	407	354	407
Total appropriations		**354**	**407**	**354**	**407**
Result before tax		**-69,395**	**-52,660**	**-248,158**	**-192,810**
Tax on profit for the year		-	-	-	-
Profit/loss for the period		**-69,395**	**-52,660**	**-248,158**	**-192,810**

Parent Company
Statement of Comprehensive Income

All amounts in KSEK	Note	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Profit/loss for the period		-69,395	-52,660	-248,158	-192,810
Other comprehensive income		-	-	-	-
Profit/loss for the year		**-69,395**	**-52,660**	**-248,158**	**-192,810**

Parent Company
Balance Sheet

EQUITY AND LIABILITIES

Equity

The board has noted that more than half of the booked registered equity is below half of the registered share capital. The company has considered the provisions in Chap. 25 in the Swedish Companies Act and concluded that the company has large un-booked values (in amongst others, the mitazalimab project) that with good margin restores the share capital.

All amounts in KSEK	Note	2023-12-31	2022-12-31
ASSETS			
Fixed assets			
Intangible assets			
Software		15	70
Total intangible assets		**15**	**70**
Tangible assets			
Equipment, machinery and computers		2,699	1,386
Total tangible assets		**2,699**	**1,386**
Financial assets			
Participations in Group companies	3	20,294	20,294
Other long term financial fixed assets		1,986	1,815
Total financial assets		**22,280**	**22,109**
Total fixed assets		**24,995**	**23,565**
Current assets			
Current receivables			
Accounts receivables		2	13,930
Receivables from Group companies		1,199	845
Other receivables		4,520	3,636
Prepayments and accrued income		9,961	10,037
Total current receivables		**15,681**	**28,447**
Cash and bank deposits		64,510	96,046
Total current assets		**80,191**	**124,494**
TOTAL ASSETS		**105,186**	**148,059**

Parent Company
Balance Sheet

All amounts in KSEK	Note	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		42,170	88,614
Total restricted equity		**42,170**	**88,614**
Non-restricted equity			
Share premium reserve		1,054,452	911,488
Retained earnings		-834,223	-715,923
Profit/loss for the period		-248,158	-192,810
Total non-restricted equity		**-27,928**	**2,755**
Total equity		**14,241**	**91,369**
Current liabilities			
Accounts payable		21,273	13,343
Other liabilities		3,262	3,032
Accrued expenses and deferred income		66,410	40,314
Total current liabilities		**90,944**	**56,690**
TOTAL EQUITY AND LIABILITIES		**105,186**	**148,059**

Notes

Note 1 General information

This Year End report 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 2022.

Note 3 Effects of changed estimates and judgments

Significant estimates and judgments are described in Note 3 and Note 18 of the Annual report for 2022. There have been no changes to the company's estimates and judgments since the Annual report for 2022 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	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Licensing income	-	13,910	11,500	13,910
Reimbursement for development work	11,738	6,151	46,607	21,786
Total	**11,738**	**20,061**	**58,107**	**35,696**

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

All amounts in KSEK	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Swedish government grants received	156	126	1,144	305
Insurance compensation	-	-	-	6
Operational exchange rate gains	1,012	701	2,632	1,103
Other	-	16	18	25
Total	**1,168**	**843**	**3,795**	**1,439**

Note 6 Financial instruments

Cash and cash equivalents for the Group at December 31, 2023 consisted of bank balances amounting to SEK 68,111 thousand (97,305). For financial assets and liabilities, the reported value as below is considered a reasonable approximation of fair value.

All amounts in KSEK	2023-12-31	2022-12-31
Financial assets valued at amortized cost		
Other long term financial fixed assets	1,986	1,815
Accounts receivable	2	13,930
Other receivables	24	-
Liquid assets - bank accounts	66,118	97,305
Total financial assets	**68,130**	**113,050**
Financial liabilities valued at amortized cost		
Long-term lease liabilities	7,516	16,003
Accounts payable	21,273	13,343
Short-term lease liabilities	8,581	8,499
Accrued expenses	61,474	36,072
Total financial liabilities	**98,844**	**73,917**

Note 7 Related party transactions

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

In addition to the above, the Company has not carried out any other related party transactions during the fourth quarter 2023 or during the previous year.

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	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Profit/loss for the period	-69,829	-53,251	-248,585	-193,403
Average number of shares before dilution	657,954,290	220,584,878	448,489,815	220,584,878
Earnings per share before dilution, SEK	**-0.11**	**-0.24**	**-0.55**	**-0.88**
Average number of shares after dilution	657,954,290	220,584,878	448,489,815	220,584,878
Earnings per share after dilution, SEK	**-0.11**	**-0.24**	**-0.55**	**-0.88**
Operating costs	-83,292	-73,550	-310,884	-229,925
Operating costs excluding impairments	**-83,292**	**-73,550**	**-310,884**	**-229,925**
Reduce of administrative expenses	9,512	4,443	35,809	31,213
Reduce of depreciation	2,672	3,473	10,489	11,767
Research and development costs	**-71,108**	**-65,634**	**-264,585**	**-186,945**
R&D costs / Operating costs excluding impairments %	**85%**	**89%**	**85%**	**81%**
Equity	11,855	89,051	11,855	89,051
Number of shares before dilution	657,954,290	220,584,878	657,954,290	220,584,878
Equity per share before dilution, SEK	**0.02**	**0.40**	**0.02**	**0.40**
Number of shares after dilution	657,954,290	220,584,878	657,954,290	220,584,878
Equity per share after dilution, SEK	**0.02**	**0.40**	**0.02**	**0.40**
Equity	11,855	89,051	11,855	89,051
Total assets	118,450	169,584	118,450	169,584
Equity ratio, %	**10%**	**53%**	**10%**	**53%**
Cash and cash equivalents at end of period	**66,118**	**97,305**	**66,118**	**97,305**

The declaration of the Board of Directors and the CEO

Anders Ekblom

Hans-Peter Ostler

Eva Sjökvist Saers

Graham Dixon

Veronica Wallin

Staffan Encrantz

Denise Goode

Anette Sundstedt

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 8, 2024

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

Staffan Encrantz
Board member

Denise Goode
Board member

Anette Sundstedt
Board member
Employee representative

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.

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