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Alligator Bioscience AB (publ)
Interim report January–March 2021

ALLIGATOR bioscience

High activity during the first quarter

Significant events January–March

Pipeline

- New preclinical data were released in an abstract for a poster presentation at the AACR Annual Meeting 2021, demonstrating that mitazalimab synergizes with chemotherapy.

Company

- Søren Bregenholt was appointed as new CEO to strengthen Alligator's business development activities and clinical progress on an international level.
- Oversubscribed rights issue generated proceeds of SEK 86 million before transaction costs.

Significant events after the end of the period

- Alligator and the US biopharmaceutical company MacroGenics entered into a joint research collaboration to develop Neo-X-Prime™, next generation immune oncology therapy building on Alligator's CD40 expertise.
- The Annual General Meeting was postponed to June 1, 2021.
- The Nomination Committee proposed that the Annual General Meeting 2021 re-elects Anders Ekblom and Graham Dixon as board members, and that Hans-Peter Ostler, Eva Sjökvist Saers and Veronica Wallin are elected as new board members.

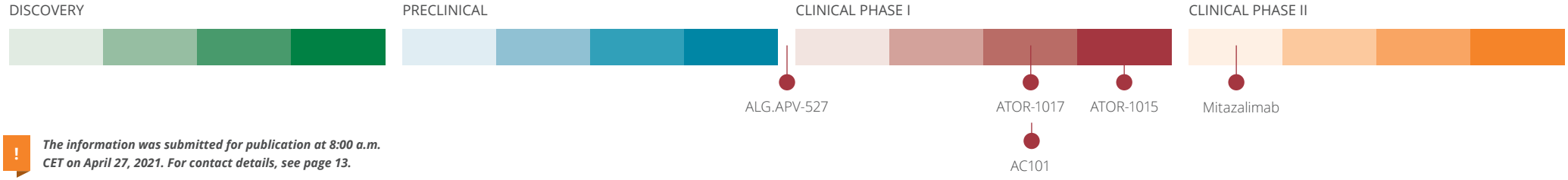
Financial summary

January–March 2021

- Net sales, SEK 0.6 million (0)
- Operating result, SEK -32.5 million (-44.9)
- Result for the period, SEK -32.7 million (-42.9)
- Earnings per share before and after dilution, SEK -0.38 (-0.6)
- Cash flow for the period, SEK 40.4 million (108.4)
- Cash and cash equivalents, incl. interest-bearing securities, SEK 143.7 million (103.3)

"So far, 2021 has been characterized by high activity, with a research collaboration that validates our Discovery concept Neo-X-Prime™, and good progress of our clinical programs, with ATOR-1017 and mitazalimab entering clinical efficacy studies this year."

Malin Carlsson
Interim CEO Alligator Bioscience AB (publ)



The information was submitted for publication at 8:00 a.m. CET on April 27, 2021. For contact details, see page 13.

Comments from the CEO

In the past quarter, Alligator has continued to focus on the company's wholly owned drug candidates ATOR-1017 and mitazalimab, both of which are approaching clinical efficacy studies. We will initiate the Phase II study OPTIMIZE-1 with mitazalimab before the end of the first half of the year and we aim to submit the application for the Phase II study with ATOR-1017 during the second half of this year. In January, we were able to successfully complete a new share issue that was oversubscribed and raised SEK 86 million before transaction costs. The new share issue and the restructuring that was carried out last year have been a prerequisite for us now being able to start the clinical efficacy studies.

By seeking commercially interesting licensing partners in our active business development and through the opportunities created by Alligator's new pharmaceutical concept Neo-X-Prime™, we hope to be able to conclude agreements during the year that can generate additional contributions to the company's financing.

2021 began with Alligator carrying out a rights issue to existing shareholders, which was oversubscribed and provided the company with approximately SEK 86 million before transaction costs. The purpose of the financing was to ensure that we can initiate and run Phase II for mitazalimab as well as complete Phase I and start preparing the Phase II for ATOR-1017. The strong support shows that the company's shareholders agree with the board and management in believing in Alligator's strategy and in our most advanced drug candidates.

Start of OPTIMIZE-1 in the first half of 2021

The CD40 antibody mitazalimab is Alligator's most advanced drug candidate, designed for the treatment of metastatic cancers, primarily pancreatic cancer. Mitazalimab has undergone extensive clinical studies in more than 100 cancer patients and has shown to be a safe and tolerable treatment. We have recently received new positive biomarker data that confirms the mechanism of action and indicates that mitazalimab can be a potent tumor-targeted cancer therapy. At the AACR annual meeting, new pre-clinical data was presented showing that mitazalimab significantly enhances the effect of chemotherapy. The upcoming Phase II study OPTIMIZE-1 is an open-label multicenter study evaluating the clinical efficacy of mitazalimab as a first-line treatment in combination with chemotherapy (mFOLFIRINOX) in patients with metastatic pancreatic cancer. The study will be carried out at several clinics in Europe and we expect the first patient to be dosed before the end of the first half of 2021.

Starting dose for ATOR-1017 in Phase II determined within short

Our monoclonal 4-1BB antibody ATOR-1017 is being developed for the treatment of metastatic cancer and has potential in several cancer indications with significant medical needs and large markets. The current Phase I study examines the safety and tolerability of ATOR-1017 in patients with metastatic cancer. The study should also determine the recommended starting dose for the following clinical efficacy study. Data so far shows a promising safety profile We expect that the results from phase I can be

presented during the first half of 2021 and that the following Phase II efficacy study in patients with gastric cancer can be initiated during the second half of 2021.

Strong interest in Neo-X-Prime™

We launched Neo-X-Prime™, a new proprietary drug concept for patient-specific immunotherapy, at the end of last year. Our research shows that Neo-X-Prime™ has the potential to create a powerful anti-tumor effect, superior to current therapeutic options. The concept has the potential to solve many of the major challenges that exist in immuno-oncology today, including replacing tumor biopsies with a simple blood test. We have seen a great deal of interest in Neo-X-Prime™, both from academic research and from the pharmaceutical industry, including US MacroGenics, with whom we have entered into a research collaboration after the end of the quarter. MacroGenics is widely viewed as a leader in the antibody field and we are truly excited to start a collaboration aiming to create a drug candidate that takes advantage of a unique mechanism of a patient's own immune system to fight cancer.

The pandemic remains present

The ongoing Covid-19 pandemic affected Alligator's operations in 2020 with temporary holds in patient enrollment for the company's Phase I clinical studies. The second wave has also limited our clinical activities for a period. Despite this, we see that we have good opportunities to keep our planned timelines both in terms of study read-outs and the start of clinical Phase II studies.

Søren Bregenholt onboard in June

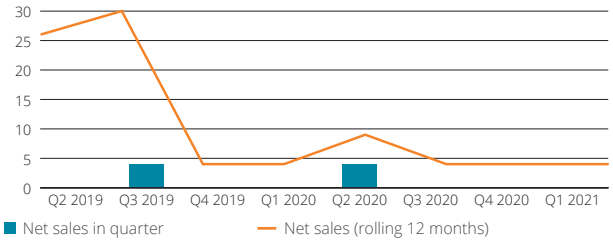
Søren Bregenholt was appointed new CEO of Alligator to strengthen the company's business development activities and clinical development at an international level. Søren Bregenholt is currently CEO and board member of British Macrophage Pharma Ltd and will take over as CEO of Alligator on June 1. His extensive commercial experience from Symphogen and Novo Nordisk, among others, will be very valuable, not least as Alligator is now intensifying business development to exploit the possibilities of partnerships and licensing agreements on favorable terms.

I will return to my role as COO when Søren Bregenholt takes office and I look forward to contributing to the close realization of our plans to run mitazalimab and ATOR-1017 in clinical efficacy studies. I also look forward to the next step for ALG.APV-527 which is being developed in co-operation with our partner Aptevo. There, we intend to submit a CTA application so this project is also approaching clinical studies. In summary, Alligator has a strong clinical program with good potential for development to ultimately become approved effective drugs and reach the patients who so urgently need them.

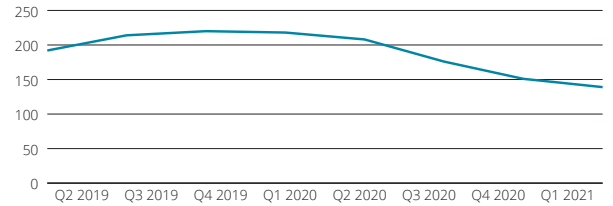
Malin Carlsson
Interim CEO Alligator Bioscience AB (publ)

Performance measures Group

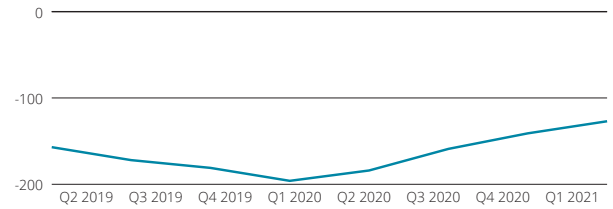
Net sales, SEK million



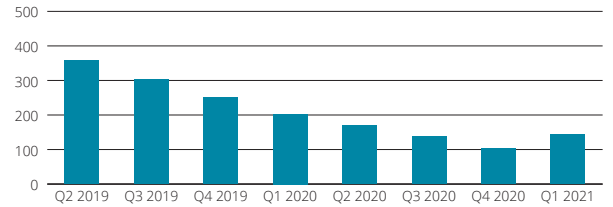
Operating costs, SEK million



Cash flow from operation activities, SEK million



Cash and cash equivalents including securities, SEK million



	Note	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Result (TSEK)				
Net sales	5	617	0	4,352
Operating profit/loss		-32,521	-44,853	-144,298
Profit/loss for the period		-32,741	-42,880	-143,296
R&D costs		-22,475	-32,528	-110,252
R&D costs as a percentage of operating costs excl. impairments		67%	72%	73%
Capital (TSEK)				
Cash and cash equivalents at end of period		143,660	203,218	103,342
Cash, cash equivalents and bonds at end of period		143,660	203,218	103,342
Cash flow from operating activities		-32,493	-46,982	-141,352
Cash flow for the period		40,355	108,430	9,386
Equity at the end of the period		157,246	215,671	115,244
Equity ratio at the end of the period, %		82%	83%	76%
Info per share (SEK)				
Earnings per share before dilution		-0.38	-0.60	-2.01
Earnings per share after dilution*		-0.38	-0.60	-2.01
Equity per share before dilution		1.84	3.02	1.61
Equity per share after dilution*		1.84	3.02	1.61
Personnel				
Number of employees at end of period		44	57	43
Average number of employees		44	57	50
Average number of employees employed within R&D		39	49	43

*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.

Operations

Alligator Bioscience AB is a public Swedish biotech Company that develops novel immuno-oncology drugs for tumor-directed immunotherapy, with the aim of providing more effective treatment with fewer side effects. The strategy is to develop drug candidates that selectively stimulate the immune system in the tumor region, rather than the whole body. There is a major unmet medical need for novel and improved therapies in this area.

In 2020, the Company focused it operations on the clinical development portfolio with the aim of securing the value of clinical drug candidates. The Company's innovation platform and drug research are being retained to ensure the Company's long-term development. The preclinical drug development at Alligator is being conducted by the Company's own personnel, but on a smaller scale. The Company has all the expertise required for running successful projects. To make the development as competitive and timeefficient as possible, some of this work is carried out in collaboration with other biotech companies, contract laboratories and leading international immuno-oncology research institutions. The clinical studies are carried out in collaboration with leading specialist physicians and CROs with expertise in clinical development. In summary, the Company has all the necessary expertise to pursue successful projects from concept to clinical phase.

Several patented technologies and concepts

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 easily 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 move drug candidates from preclinical research to clinical phase faster. One such example is the new Neo-X-Prime™ drug concept that was launched in September 2020. The concept can be described as a personalized vaccination aimed at curing cancer. Research is highly promising and shows that Neo-X-Prime™ has

Alligator's business model

	DISCOVERY	PRECLINICAL	CLINICAL PHASE I	CLINICAL PHASE II	CLINICAL PHASE III	MARKET
Costs	Research until selection of drug candidate. Patent application.	Preclinical studies. Presentations at scientific conferences.	Phase I clinical studies and out-licensing activities.	Phase II clinical studies and out-licensing activities.		
Revenue	**Partnering/out-licensing** Technology agreement.	**Partnering/out-licensing** Technology agreement.	**Partnering/out-licensing** Upfront payment. Milestone payments.	**Partnering/out-licensing** Upfront payment. Milestone payments.	**Partnering/out-licensing** Upfront payment. Milestone payments.	**Partnering/out-licensing** Royalties.

the potential to create a very potent anti-tumor effect, superior to current therapeutic options. These technologies combined give Alligator a strong base for the development of bispecific, tumor-directed drug candidates.

Competitive project portfolio with clinical focus
Alligator has four drug candidates in clinical study phases, including the two key assets ATOR-1017 and mitazalimab. Mitazalimab has completed Phase I and will enter Phase II in the first half of 2021. ATOR-1017 is in Phase I with expected results during the first half of 2021, and with the aim of entering Phase II in autumn 2021. ATOR-1015 has undergone Phase I dose escalation studies, and the plan is to continue testing together with a partner. AC101, which is being developed by Shanghai Henlius Biotech Inc. in China and in which Alligator will share future revenues, is in Phase I. In addition to these projects, the bispecific antibody ALG.APV-527, which is being developed in partnership with Aptevo Therapeutics Inc., has completed all preclinical studies. The Company is planning to submit a Clinical Trial Application (CTA) for a Phase I clinical study in 2021.

Alligator's organization
Alligator's research organization is divided into four units: Discovery, CMC (Chemistry, Manufacturing & Control), Non-Clinical Development and Clinical Development. 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 efficacy screening. The CMC unit develops manufacturing processes and is responsible for CTM manufacturing. The Non-Clinical Development unit supports the clinical projects and is responsible for preparation of the data packages required for clinical trial applications. The Clinical Development unit is responsible for designing and implementing all of the clinical studies required to show that Alligator's products are safe and effective, up until a successful out-licensing.

Business model that creates value across the development chain
The Company's business model is based on proprietary drug development – from drug discovery and preclinical studies to the phase of clinical development when the treatment concept is tested in patients. The plan is to then to outlicense the drug candidate for further development and market launch. This business model enables the Company to generate revenue before the drug reaches the market, such as upfront payments when agreements are signed and milestone payments during the development process.

Phases of drug development at Alligator

DISCOVERY

In the Discovery phase, Alligator generates new mono and bispecific antibodies with its ALLIGATOR-GOLD®, ALLIGATOR-FAB™, FIND® and RUBY™ technology platforms.

The phase also includes development and evaluation of treatment concepts, evaluation of potential drug candidates and early-stage efficacy studies.

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

PRECLINICAL

In the preclinical phase, the safety and efficacy of the drug candidate are assessed as well as its clinical potential. These studies are conducted both internally at Alligator and together with external partners.

Alongside of preclinical activities, research continues to acquire a better understanding of the candidate's biological function. This phase also includes the manufacturing of material for upcoming clinical studies.

CLINICAL PHASE I

The first human studies are performed with a small number of subjects, normally 20–80 patients with metastatic cancer. The primary endpoint of these studies is to show that the compound is safe.

How the drug is absorbed, distributed and metabolized is also studied.

CLINICAL PHASE II

The endpoint of Phase II studies is to confirm the desired efficacy of the compound, and to determine the optimal dose. Normally, 100–300 patients are tested.

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

CLINICAL PHASE III

In Phase III, the compound is tested on a larger group of subjects, normally 1,000–3,000 patients.

The primary endpoint of Phase III studies is to confirm that the new compound is at least as good or better than standard therapies.

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

Mitazalimab

Toward clinical Phase II in pancreatic cancer

Mitazalimab is Alligator's most advanced drug candidate for immunotherapy and is designed for the treatment of metastatic cancers, primarily pancreatic cancer. Mitazalimab stimulates the CD40 receptor on the surface of dendritic cells, enabling the immune system to attack tumors selectively.

The continued clinical development plan presented in autumn 2020 contained a more detailed description of the upcoming Phase II OPTIMIZE-1 clinical study. The study is an open-label, multicenter study to assess the clinical efficacy of mitazalimab combined with chemotherapy (mFOLFIRINOX) in patients with metastatic pancreatic cancer. The OPTIMIZE-1 study will be conducted at several European medical centers and inclusion of the first patient is planned for the first half of 2021.

Events during the first quarter

Preparations have continued to be able to include the first patient for the upcoming Phase II OPTIMIZE-1 clinical study during the first half of 2021. The CTA application for the study has been approved both in Belgium and France.

In March Alligator released an abstract for a poster presentation at the AACR (American Association for Cancer Research) Annual Meeting 2021, presenting new preclinical data for mitazalimab. The abstract, titled "Mitazalimab, a potent CD40 agonist with potential for combination with chemotherapy", demonstrates that mitazalimab synergizes with chemotherapy, notably mFOLFIRINOX, leading to improved long-term survival in a preclinical tumor model. Together with the clinical data of mitazalimab from a previous Phase I study, where mitazalimab was well tolerated up to 1,200 µg/kg, these data support the upcoming clinical Phase II study of mitazalimab in combination with chemotherapy in pancreatic cancer patients.

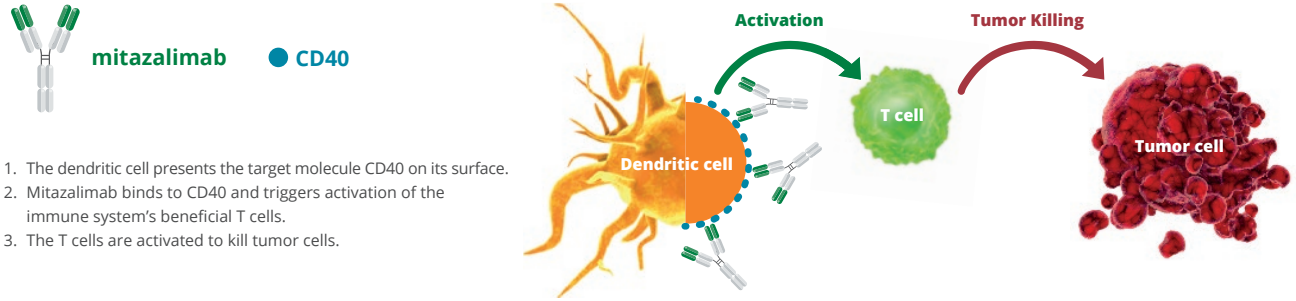
Project status: Initiation of Clinical Phase II

To date, the clinical program has comprised two Phase I studies. The first study was conducted by Alligator with a focus on intratumoral administration. The results showed that clinically relevant doses of mitazalimab are well tolerated. Further promising safety and tolerability data from a second Phase I trial with mitazalimab in cancer patients was presented by Janssen Biotech, Inc. at the American Society of Clinical Oncology's (ASCO) Annual Meeting in 2019. The results showed that the adverse events were mild and mostly transient. The study com-prised a total of 95 patients. Doses of up to 1,200 µg/kg i.v. with no premedication, and up to 2,000 µg/kg with premedication, were shown to be safe and tolerable. The results also gave indications of clinical activity. One renal cancer patient showed partial response (PR), while ten patients maintained stable disease (SD) for at least six months.

2021 objectives

☐ First cohort dosed in pancreatic cancer efficacy study OPTIMIZE-1.

Mechanism of action



1. The dendritic cell presents the target molecule CD40 on its surface.
2. Mitazalimab binds to CD40 and triggers activation of the immune system's beneficial T cells.
3. The T cells are activated to kill tumor cells.

Mitazalimab is a stimulatory antibody that targets CD40, a receptor on the immune system's dendritic cells, which are cells that recognize cancer cells in the body. Mitazalimab's stimulation of CD40 enables the dendritic cells to activate the immune system's weapons more effectively – in this case T cells – and to direct the immune system's attack specifically to the cancer cells. Mitazalimab has been optimized using Alligator's unique FIND® technology to achieve an effect even at very low doses. In preclinical models, mitazalimab has been shown to induce a potent tumor-targeted immune response and provide long-lasting tumor immunity. Preclinical results have also shown that mitazalimab can be used to treat many different types of cancer.

ATOR-1017

Results from clinical Phase I study in the first half of 2021

ATOR-1017 is a monoclonal antibody that stimulates the 4-1BB receptor on T cells and NK cells in the tumor region and has been developed for the treatment of metastatic cancer. 4-1BB has an ability to stimulate the immune cells that are key for tumor control. ATOR-1017 is being developed to improve combination therapy for metastatic cancer.

In autumn 2020, interim data from the ongoing Phase I study in patients with metastatic cancer was presented for the first time. The results to date show a promising safety profile for ATOR-1017 with only a few drug-related side effects, all of which were mild or moderate (grade 1 or 2).

Events during the first quarter

Phase I dose-escalation study with ATOR-1017 is ongoing and continues to demonstrate a good safety and tolerability profile. Preparations are ongoing for initiation of Phase II efficacy study during H2 2021, including involvement of CRO and establishing contact with leading key opinion leaders in the gastric cancer field at European Organisation for Research and Treatment of Cancer (EORTC).

Project status: Ongoing clinical Phase I study

A Phase I dose-escalation study in patients with metastatic cancer is ongoing. The study is taking place at three medical centers in Sweden, and the primary endpoint is to assess the safety and tolerability of ATOR-1017 and determine a recommended dose for subsequent Phase II studies. Results from the Phase I study are expected to be presented during the first half of 2021. ATOR-1017 activates 4-1BB receptors, which increases the immune system's ability to discover and kill tumor cells. This makes 4-1BB a highly interesting target for cancer immunotherapy. ATOR-1017 has a unique profile, including boosting the immunostimulatory effect in environments with high levels of immune cells, which occurs specifically in tumors. This creates an opportunity for potent, tumor-directed immunostimulation that can increase the effect and reduce side effects for the patient. Large volumes of preclinical data have been presented showing that ATOR-1017 stimulates both natural killer (NK) and T cells, both of which contribute to an effective immune-mediated killing of tumor cells. NK cells are immune cells that respond specifically to tumor cells that are trying to evade the immune system's response. NK cells also strengthen cell-death signaling from the immune system's tumor-specific T cells. Stimulatory antibodies targeting 4-1BB therefore strengthen the ability of both NK and T cells to attack tumor cells.

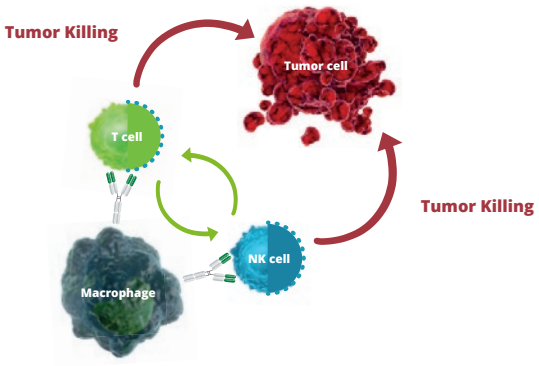
2021 objectives

- ☐ Results from clinical Phase I study.
- ☐ Initiation (CTA submission) of Phase II efficacy study.

Mechanism of action

ATOR-1017 ● **4-1BB** ● **Fc-gamma receptor**

1. ATOR-1017 binds to the target molecule 4-1BB on the surface of T cells and NK cells.
2. The immunostimulatory function is dependent on binding to Fc-gamma receptor on macrophages.
3. The beneficial T cells are activated to kill tumor cells.



ATOR-1017 differs from other 4-1BB antibodies, partly because of its unique binding profile, but also because its immuno-stimulatory function is dependent on crosslinking to Fc-gamma receptors on immune cells. This localizes the immunostimulation to the tumor region where both 4-1BB and Fc-gamma receptors are expressed at high levels, which is entirely in line with the treatment strategy for Alligator's drug candidates. The aim is to achieve an effective tumor-directed immune response with minimum side effects.

ALG.APV-527

ALG.APV-527 is a bispecific antibody that targets the 4-1BB and 5T4 molecules, designed for the treatment of metastatic cancer.

The drug candidate has been co-developed with Aptevo Therapeutics Inc. since 2017, and preparations and under way to submit a CTA to initiate clinical testing.

Project status: Planning for Clinical Phase I
In November 2020, preclinical data for ALG.APV-527 were presented at the Society for Immunotherapy of Cancer's (SITC) Annual Meeting. Data shows that ALG.APV-527 has a positive safety profile, with no signs of systemic immunostimulation or liver toxicity.

ALG.APV-527 also increases the anti-tumor response and induces a tumor-specific immunologic memory in experimental disease models. It has already been shown that ALG.APV-527 has the potential to selectively stimulate and strengthen the T-cell response in the tumor without stimulating the immune system in the rest of the body. Overall, the results support the potential of ALG.APV-527 to induce effective tumor-targeted immunostimulation with fewer adverse events.

Co-development with Aptevo
In July 2017, Aptevo Therapeutics and Alligator Bioscience AB signed an agreement regarding the co-development of ALG.APV-527. Under the agreement, both companies will 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™. A tumor-binding function was combined with an immunomodulatory function in the same molecule to create a drug candidate that can selectively target the tumor and stimulate the antitumor-specific immune cells that are found there.

ATOR-1015

ATOR-1015 is a bispecific antibody that is being developed as a tumor-directed therapy for metastatic cancer. One part of the antibody blocks CTLA-4, a target molecule with validated clinical efficacy. The other part binds to OX40, which localizes the antibody to the tumor region and enables both increased effect and improved safety.

ATOR-1015 binds to two different immunomodulatory receptors: the CTLA-4 checkpoint receptor, and the OX40 stimulatory receptor. Combining both of these immunotherapies in the same molecule creates a new biology. In preclinical studies, this has been shown to cause a significant increase in the immunostimulatory effect and is mainly expected to be achieved in environments where both of the target molecules are expressed at high levels, such as a tumor.

Data from the Phase I study has shown that ATOR-1015 causes infusion-related events, which is considered related to the development of anti-drug-antibodies. Alligator intends to seek a partner for the continued clinical development process.

Project status: Clinical Phase I under completion
The Phase I study comprises patients with metastatic cancer. The principal investigator is Dr Jeffrey Yachnin from the Department of Oncology at the Karolinska University Hospital in Stockholm. The primary endpoint of the study is to study the safety and tolerability of ATOR-1015.

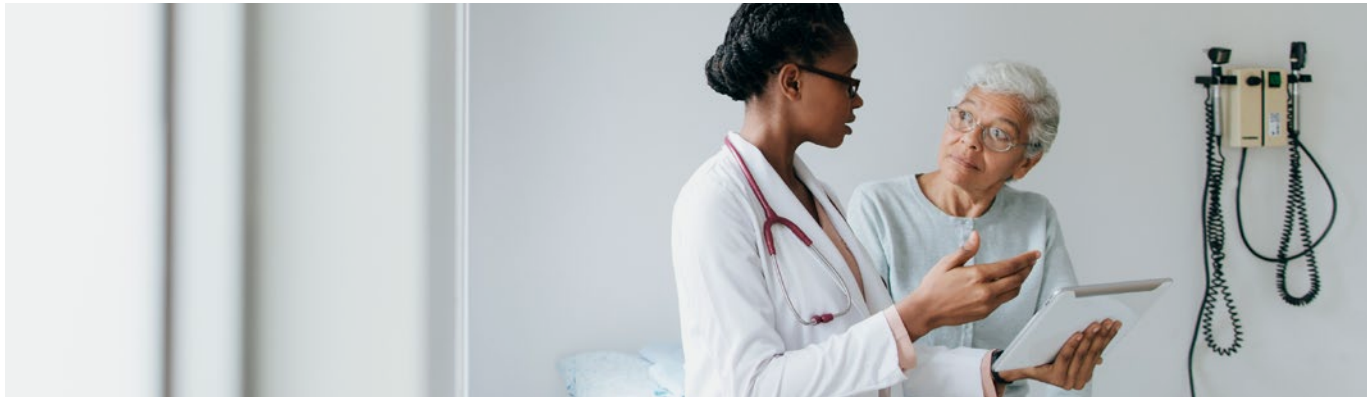
Out-licensed projects

AC101 agreement with 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. Alligator incurs no overheads for this project, but is entitled to 35 percent 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 of one of these products, the HER2 antibody AC101. AC101 is since 2019 undergoing testing in Phase I.

Technology agreement with Biotheus

In August 2019, an agreement was concluded with Chinese company Biotheus. 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, and milestone and option payments of potentially USD 142 million. To date, Alligator has received upfront payments of about SEK 10 million, for events such as positive results after an initial evaluation period.



An investment in Alligator

Risks and opportunities

All drug development is associated with high risk
The cost of developing new drugs is great and there is a significant risk that a drug candidate will fail to reach the market. A drug candidate could, for example, demonstrate unacceptable side effects or is shown to lack the intended therapeutic effect. In bio-tech companies, the financing risk is always present due to the long development timelines.

Alligator mitigates risks
Alligator's drug candidates are tumor-directed, which reduces the risk of serious side effects. Risks for the project portfolio as a whole are also limited as Alligator develops drug candidates for different target molecules. The clinical success of the portfolio as a whole is thereby not dependent on the ability of a specific combination of antibodies/target molecules to show clinical efficacy.

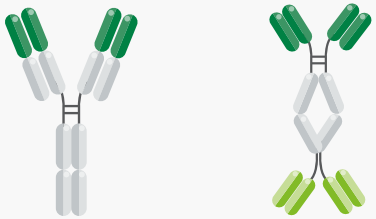
Major potential
Confidence in immuno-oncology as an effective form of therapy is now established as an area with substantial potential. This was apparent, not least, in the 2018 Nobel Prize in Medicine, which was awarded to James P. Allison and Tasuku Honjo, two pioneers in the field.

Out-licensed projects
Alligator is pursuing a long-term and highly intensive business development program and since 2015 has generated income of approximately USD 50 million in the form of upfront payments and milestone payments. The objective is to have several outlicensed projects, which may generate significant income in the form of upfront payments and milestone payments.

For a more detailed review of how Alligator mitigates risks, see page 45 of the 2020 Annual Report.

Great medical need worldwide
One in five men and one in six women worldwide will at some stage of their lives develop cancer. Every year, about 18 million people are diagnosed with cancer and approximately 10 million people die of cancer (Globocan 2018). This means there is a major unmet need for advanced cancer care. Alligator's ambition is to develop immuno-oncology drugs that can save lives all over the world.

Global market worth usd 140 billion
The global cancer therapy market is valued at USD 140 billion (2019). Immuno-oncology is one of the fastest growing areas and the global market for cancer immunotherapies is expected to dominate the market in the future and grow from USD 29 billion in 2019 to close to USD 120 billion in 2026. As an example, sales of Merck's drug Keytruda® alone amounted to USD 11.1 billion in 2019 (USD 7.1 billion in 2018). Source: GlobalData, 2020.



Projects ready for out-licensing
Alligator has a number of projects in various development phases that are ready for out-licensing. Everything from the most advanced project, mitazalimab, to ALG.APV-527, which is being prepared for clinical phase. Alligator also sees opportunities for interesting deals using its broad knowledge and unique technology platform, on which the Company's development of unique antibodies is based.

High innovation capacity
Alligator possesses a very high innovation capacity. The Company's Discovery unit develops tumor-targeted immunotherapies focusing on active therapies that provide long-lasting tumor-specific immunity. The unit's most important assets are its world-class researchers and a unique technology platform, which can be seen as the Company's innovation engine, where future immuno-oncology drugs are already being developed.

The Alligator share

Number of shares and stock option program
In January 2021, the Company carried out a rights issue of approximately SEK 86 million. Through the rights issue, the number of shares in the Company increases by 14,277,723 shares, from 71,388,615 shares to 85,666,338 shares. The rights issue entails a dilution of approximately 16.67 percent for shareholders who are not participating in the rights issue

At the 2018 AGM, it was decided to set up another employee option program whereby 2,275,000 employee options were allotted free of charge to participants. The employee options will be vested in installments until May 1, 2021. Vesting is subject to the participant remaining in the Company's employment and not having resigned on a given qualifying date. Of the allotted employee options, 1,072,500 have been vested, 695,000 may still be vested and 507,500 have lapsed since the individuals to whom they were allotted have since left the Company. To secure delivery under the employee stock option program, and to cover ancillary costs, primarily social security contributions, a total of 2,989,805 warrants were issued to a subsidiary of which 2,275,000 were allotted to employees free of charge and 714,805 were issued to cover ancillary costs. As a result of lapsed warrants, a total of maximum 2,322,849 warrants can be exercised in the program.

Each warrant in the program entitles the holder to acquire 1.03 new shares at an exercise price of SEK 73.01. The warrants are expected to be available to exercise one month after the publication of the first quarter reports for 2021 and 2022.

Upon full exercise of all warrants issued in respect of the share subscription incentive programs, a total of 2,392,534 shares will be issued, thereby increasing the number of shares to a maximum of 88,058,872, corresponding a to dilution by 2.72 percent.

The Alligator share in brief March 31, 2021

Listed on:	Nasdaq Stockholm Small Cap
Number of shares:	85,666,338
Average turnover per day:	Approximately 123,000 (preceding quarter: approx. 128,000)
Number of shareholders:	8,100 (preceding quarter: approx. 7,800)
Market capitalization:	SEK 533 million (preceding quarter: approx SEK 545 million)
Ticker:	ATORX
ISIN:	SE0000767188

Largest shareholders March 31, 2021

	Number of shares	%
Union Bancaire Privee, UBP SA	10,556,437	12.3
Sunstone Life Science Ventures Fund II K/S	5,758,485	6.7
Banque Internationale à Luxembourg SA	4,971,427	5.8
Lars Spånberg	3,856,629	4.5
Försäkringsbolaget Avanza pension	3,438,459	4.0
Johnson & Johnson Innovation	2,740,919	3.2
Fjärde AP-fonden	2,727,819	3.2
Nordnet pensionsförsäkring	2,040,611	2.4
Öhman fonder	1,870,357	2.2
Mikael Lönn	1,730,619	2.0
Other shareholders	45,974,576	53.7
Total number of shares	85,666,338	100.0

Union Bancaire Privee, (UBP) and Banque Internationale à Luxembourg SA (BIL) is a group of mainly Swedish investors with their shares managed by UBP or BIL.

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

Source: Shareholder data is based on a report from Euroclear and Monitor (Modular Finance) as of March 31, 2021, where certain foreign accounts have been identified by the Company.

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 44 (43). Of these, 9 (8) were men and 35 (35) were women. Of the total number of employees at the end of the quarter 39 (38) were employed within Research and Development.

Future report dates
Alligator intends to publish its financial reports according to the following:

- Q2 interim report: July 13, 2021
- Q3 interim report: October 21, 2021
- Year-end report 2021: February 2022

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 2020.

The impact of Covid-19 on the Group's risks
The effect of Covid-19 on the Group's risks is limited. Initially, there was an increased risk of delays in clinical projects as recruitment of new patients occurred at a slower pace (ATOR-1015 and ATOR-1017) but the recruitment fully resumed during May 2020 for the ongoing clinical studies. Towards the end of the 2020, the recruitment of patients slowed down one more time due to the second wave of the Covid-19 pandemic. At the beginning of the second quarter 2020, the opportunities to sign new license agreements were limited. However, this was a transitional phase, and the Company assess that the market is back to normal business conditions.

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. Following the Company´s savings program during the first half of the year, together with the now completed rights issue, the Company's assessment is that the financial resources are sufficient for the ongoing and planned operations the coming 12 months.

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, other 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, 2020. Unless otherwise stated, all amounts stated are rounded correctly, which may mean that some totals do not tally exactly.

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, this Year-end Report refers 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, 2020. Unless stated otherwise, all amounts are in SEK thousand (TSEK). 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 from collaboration with Aptevo Therapeutics through project ALG.APV-527. Company had no sales in the same period prior year.

Other operating income
Other operating income for the quarter comprises primarily of exchange gains in the company's operations. In the same period prior year, revenue comprised exchange gains in the company's operations.

Operating expenses
The company's costs have decreased compared to the previous year, which is due to strategic decision to reduce investments in non-clinical-related activities. The personnel costs in the first quarter is lower than last year due to reduced number of employees by 20 percent. Accrued severence pay is included in personnel costs, TSEK 1,262.

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

TSEK	Note	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Net sales	5	617	0	4,352
Other operating income	5	188	29	2,315
Total operating income		**805**	**29**	**6,666**
Operating costs				
Other external costs		-17,640	-25,094	-82,320
Personnel costs		-13,247	-16,158	-55,710
Depreciation of tangible assets and intangible assets		-2,330	-2,865	-11,522
Other operatings expenses		-109	-765	-1,413
Total operating costs		**-33,326**	**-44,882**	**-150,964**
Operating profit/loss		**-32,521**	**-44,853**	**-144,298**
Financial items				
Result from other securities and receivables		0	192	192
Other interest income and similar income statement items		-9	1,992	2,001
Interest expense and similar income statement items		-211	-211	-1,191
Net financial items		**-220**	**1,972**	**1,002**
Profit/loss before tax		**-32,741**	**-42,880**	**-143,296**
Tax on profit for the period		0	0	0
Profit for the period attributable to Parent Company shareholders		**-32,741**	**-42,880**	**-143,296**
Earnings per share				
Earnings per share before dilution, SEK		-0.38	-0.60	-2.01
Earnings per share after dilution, SEK		-0.38	-0.60	-2.01

Consolidated
Statement of Comprehensive Income

TSEK	Note	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Profit/loss for the period		-32,741	-42,880	-143,296
Other comprehensive income		0	0	0
Comprehensive income for the period		**-32,741**	**-42,880**	**-143,296**

Consolidated
Statement of Financial Position

ASSETS

Cash and cash equivalents
Consolidated cash and cash equivalents, which consist of bank balances, totaled SEK 143,660 thousand (103,342).

Cash, cash equivalents and other short-term investments, including financial assets
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.

TSEK	Note	2021-03-31	2020-03-31	2020-12-31
ASSETS				
Fixed assets				
Intangible assets				
Participations in development projects	3	17,949	17,949	17,949
Patents		54	173	72
Softwares		300	431	332
Tangible assets				
Improvements in leased premises		1,065	1,673	1,217
Right of use assets		11,829	16,928	13,423
Equipment, machinery and computers		7,450	11,322	8,600
Construction in progress and advance payments for tangible assets		0	778	0
Financial assets				
Other investments held as fixed assets	6	0	0	0
Total fixed assets		**38,646**	**49,255**	**41,593**
Current assets				
Accounts receivable	6	0	0	0
Other receivables	6	4,241	4,062	4,924
Prepayments and accrued income		5,155	3,085	2,079
Other short-term financial assets	6	0	0	0
Cash and cash equivalents	6	143,660	203,218	103,342
Total current assets		**153,057**	**210,365**	**110,345**
TOTAL ASSETS		**191,703**	**259,620**	**151,938**

Consolidated
Statement of Financial Position

EQUITY AND LIABILITIES

Equity
Equity at the end of the period amounted to SEK 157,246 thousand (115,244), corresponding to an equity ratio of 82 percent (83). In January 2021, the Company carried out a rights issue SEK 85,666. Through the rights issue, the number of shares in the Company increases by 14,277,723 shares, from 71,388,615 shares to 85,666,338 shares. The rights issue entails a dilution of approximately 16.67 percent for shareholders who are not participating in the rights issue.

Equity per share before and after dilution
At the end of the period, equity per outstanding share amounted to SEK 1.84 (1.61), 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").

Right of use assets, lease liabilities and loans
At the end of the period, right of use assets amounted to SEK 11,829 thousand (13,423) and lease liabilities amounted to SEK 11,745 thousand (12,073). Both right of use assets and lease liabilities pertain primarly to leases for offices and laboratories. No loans had been raised as of March 31, 2021 and no loans have been raised since that date. The Group has no loans or loan commitments.

Accounts payable
The change in current liabilities is due to reduced expenses in the company compared with the previous year, which is due to lower project expenses.

Accrued expenses and deferred income
At the end of the period, accrued expenses and deferred income amounted to SEK 15,333 thousand (16,070). Expenses pertains to accrued expenses for clinical activities, personnel and other expenses.

TSEK	Note	2021-03-31	2020-03-31	2020-12-31
EQUITY AND LIABILITIES				
Equity				
Share capital		34,267	28,555	28,555
Other capital contributions		731,767	662,614	662,614
Retained earnings and profit/loss for the period		-608,787	-475,498	-575,926
Equity attributable to Parent Company shareholders		**157,246**	**215,671**	**115,244**
Non-current provisions and liabilities				
Lease Liabilities	6	4,033	9,793	5,841
Other longterm liabilities	6	224	350	135
Total non-current provisions and liabilities		**4,257**	**10,143**	**5,975**
Current liabilities				
Accounts payable	6	7,014	8,818	6,538
Other liabilities		141	1,335	1,879
Lease Liabilities	6	7,712	5,823	6,232
Accrued expenses and deferred income	6	15,333	17,830	16,070
Total current liabilities		**30,200**	**33,806**	**30,719**
TOTAL EQUITY AND LIABILITIES		**191,703**	**259,620**	**151,938**

Consolidated

Statement of Changes in Equity, in summary

TSEK	Note	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Opening balance		**115,244**	**258,498**	**258,498**
New capital issue		85,666	0	0
Underwriting expenses		-10,930	0	0
Effect of share-based payments		7	53	42
Profit/loss for the period		-32,741	-42,880	-143,296
Other comprehensive income in the period		0	0	0
Closing balance		**157,246**	**215,671**	**115,244**

Consolidated
Statement of Cash Flows

Investments

No investments were made during the first quarter 0 (0).

Cash flow for the period

Cash flow for the quarter totaled SEK 40,355 thousand (108,430). In January 2021, the Company carried out a rights issue SEK 85,666 which had a positive effect on cash flow from financing activities, SEK 72,848.

TSEK	Note	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Operating activities				
Operating profit/loss		-32,521	-44,853	-144,298
Adjustments for items not generating cash flow				
Depreciation and impairments		2,330	2,865	11,522
Effect from warrant program		7	53	42
Other items, no impact on cash flow		13	0	0
Interest received		0	218	218
Interest paid		-249	-96	-347
Tax paid		0	0	0
Cash flow from operating activities before changes in working capital		**-30,420**	**-41,813**	**-132,863**
Changes in working capital				
Change in operating receivables		-231	1,975	2,119
Change in operating liabilities		-1,842	-7,144	-10,608
Cash flow from operating activities		**-32,493**	**-46,982**	**-141,352**
Investing activities				
Acquisition of tangible assets		0	0	-102
Divestment of securities		0	53,828	53,828
Divestment of other short term investments		0	103,160	103,160
Cash flow from investing activities		**0**	**156,988**	**156,886**
Financing activities				
Amortization of leasing liabilities		-1,460	-1,437	-5,794
Amortization of installment purchase		-429	-138	-354
New share issue		85,666	0	0
Underwriting expenses		-10,930	0	0
Cash flow from financing activities		**72,848**	**-1,576**	**-6,148**
Cash flow for the period		**40,355**	**108,430**	**9,386**
Cash and cash equivalents at beginning of period		103,342	93,890	93,890
Exchange rate differences in cash and cash equivalents		-37	898	145
Cash and cash equivalents at end of period		**143,660**	**203,218**	**103,342**

Parent Company
Income Statement

TSEK	Note	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Net sales		617	0	4,352
Other operating income		188	29	2,315
Total operating income		**805**	**29**	**6,666**
Operating costs				
Other external costs		-18,656	-26,616	-88,416
Personnel costs		-13,247	-16,158	-55,710
Depreciation and impairment of tangible assets and intangible assets		-1,352	-1,399	-5,658
Other operatings expenses		-109	-765	-1,413
Total operating costs		**-33,365**	**-44,938**	**-151,196**
Operating profit/loss		**-32,560**	**-44,909**	**-144,530**
Results from financial items				
Result from participation in Group companies		0	0	12,500
Result from other securities and receivables		0	192	192
Other interest income and similar income statement items		-9	3,003	3,012
Interest expense and similar income statement items		38	-124	-881
Net financial items		**29**	**3,071**	**14,822**
Profit/loss after financial items		**-32,531**	**-41,838**	**-129,708**
Appropriations				
Group contribution received		0	0	438
Total appropriations		**0**	**0**	**438**
Result before tax		**-32,531**	**-41,838**	**-129,270**
Tax on profit for the year		0	0	0
Profit/loss for the period		**-32,531**	**-41,838**	**-129,270**

Parent Company
Statement of Comprehensive Income

TSEK	Note	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Profit/loss for the period		-32,531	-41,838	-129,270
Other comprehensive income		0	0	0
Profit/loss for the year		**-32,531**	**-41,838**	**-129,270**

Parent Company
Balance Sheet

ASSETS

TSEK	Note	2021-03-31	2020-03-31	2020-12-31
ASSETS				
Fixed assets				
Intangible assets				
Patents		54	173	72
Software		300	431	332
Total intangible assets		**354**	**604**	**405**
Tangible assets				
Improvements in leased premises		1,065	1,673	1,217
Equipment, machinery and computers		7,450	11,322	8,600
Construction in progress and advance payments for tangible assets		0	778	0
Total tangible assets		**8,514**	**13,774**	**9,817**
Financial assets				
Participations in Group companies	3	20,294	20,294	20,294
Other investments held as fixed assets		0	0	0
Total financial assets		**20,294**	**20,294**	**20,294**
Total fixed assets		**29,162**	**34,672**	**30,515**
Current assets				
Current receivables				
Accounts receivables		0	0	0
Receivables from Group companies		438	487	438
Other receivables		4,241	4,062	4,923
Prepayments and accrued income		5,691	4,610	3,688
Total current receivables		**10,371**	**9,158**	**9,050**
Other short-term investments		0	0	0
Cash and bank deposits		142,793	189,361	102,473
Total current assets		**153,164**	**198,519**	**111,523**
TOTAL ASSETS		**182,326**	**233,191**	**142,038**

Parent Company
Balance Sheet

EQUITY AND LIABILITIES

TSEK	Note	2021-03-31	2020-03-31	2020-12-31
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		34,267	28,555	28,555
Total restricted equity		**34,267**	**28,555**	**28,555**
Non-restricted equity				
Share premium reserve		731,767	662,741	662,741
Retained earnings		-573,888	-444,600	-444,611
Profit/loss for the period		-32,531	-41,838	-129,270
Total non-restricted equity		**125,348**	**176,303**	**88,861**
Total equity		**159,614**	**204,858**	**117,416**
Non-current provisions and liabilities				
Other longterm liabilities		364	679	432
Total non-current provisions and liabilities		**364**	**679**	**432**
Current liabilities				
Accounts payable		7,014	8,818	6,538
Other liabilities		0	1,006	1,582
Accrued expenses and deferred income		15,333	17,830	16,070
Total current liabilities		**22,348**	**27,654**	**24,190**
TOTAL EQUITY AND LIABILITIES		**182,326**	**233,191**	**142,038**

Notes

Note 1 General information

This Interim 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. All the Group's business operations are 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 head office is located at Medicon Village, SE-223 81 Lund.

Note 2 Accounting policies

This Interim 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 Year-end 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 2020.

Note 3 Effects of changed estimates and judgments

Significant estimates and judgments are described in Note 3 of the Annual report for 2020. There have been no changes to the company's estimates and judgments since the Annual report for 2020 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 is as follows:

All amounts in TSEK	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Licensing income	0	0	4,352
Reimbursement for development work	0	0	0
Milestone revenue	0	0	0
Royalty	0	0	0
Total	**0**	**0**	**4,352**

A breakdown of the Group's revenue per project is as follows:

All amounts in TSEK	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
ADC-1013/mitazalimab	0	0	0
Biosynergy	0	0	0
Biotheus	0	0	4,352
Other	0	0	0
Total	**0**	**0**	**4,352**

Alligator receives revenues in USD from out-licensed projects.

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

All amounts in TSEK	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Swedish government grants received	0	0	1,163
Operational exchange rate gains	188	29	1,151
Other	617	0	1
Total	**805**	**29**	**2,315**

Note 6 Financial instruments

Cash and cash equivalents at March 31, 2021 consisted of bank balances amounting to SEK 143,660 thousand (103,342). For financial assets and liabilities, the reported value as below is considered a reasonable approximation of fair value.

All amounts in TSEK	2021-03-31	2020-03-31	2020-12-31
Financial assets valued at amortized cost			
Other receivables	1,258	1,014	832
Liquid assets - Bank accounts	143,660	203,218	103,342
Total financial assets	**144,918**	**204,231**	**104,175**
Financial liabilities valued at amortized cost			
Long term lease liabilities	4,033	9,793	5,841
Other longterm liabilities	224	350	135
Accounts payable	7,014	8,818	6,538
Short term lease liabilities	7,712	5,823	6,232
Other shortterm liabilities	141	329	297
Accrued expenses	11,292	13,296	10,081
Total financial liabilities	**30,416**	**38,408**	**29,124**

Note 7 Related party transactions

Alligator has a consulting agreement with Carl Borrebaeck through the company Ocean Capital AB pertaining to expert assistance with the evaluation of early-phase research projects and new antibodies. Carl Borrebaeck also plays an important role in building and developing contacts with leading researchers and prominent organizations within cancer immunotherapy. Pricing has been determined on market conditions. These related party transactions corresponded to an expense of SEK 180 thousand (180) for the first quarter 2021.

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.

Below 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 %" is an essential indicator as a measure of efficiency, and how much of the Company's costs relate to R&D.

After the initial public offering, the Company had a surplus of liquidity. To get a rate of return, a certain proportion of the Company's liquidity was invested in listed corporate bonds. The Company uses cash and cash equivalents including securities as a financial performance measure to monitor the Company's liquid position.

As mentioned earlier, 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.

Calculation of performance measures

All amounts TSEK unless specified	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Profit/loss for the period	-32,741	-42,880	-143,296
Average number of shares before dilution	85,666,338	71,388,615	71,388,615
Earnings per share before dilution, SEK	**-0.38**	**-0.60**	**-2.01**
Average number of shares after dilution	85,666,338	71,388,615	71,388,615
Earnings per share after dilution, SEK	**-0.38**	**-0.60**	**-2.01**
Operating costs	-33,326	-44,882	-150,964
Impairment of tangible assets and intangible assets	0	0	0
Operating costs excluding impairments	**-33,326**	**-44,882**	**-150,964**
Administrative expenses	-8,521	-9,489	-29,191
Depreciation	-2,330	-2,865	-11,522
Research and development costs	**-22,475**	**-32,528**	**-110,252**
R&D costs / Operating costs excluding impairments %	**67%**	**72%**	**73%**
Equity	157,246	215,671	115,244
Average number of shares before dilution	85,666,338	71,388,615	71,388,615
Equity per share before dilution, SEK	**1.84**	**3.02**	**1.61**
Average number of shares after dilution	**85,666,338**	71,388,615	71,388,615
Equity per share after dilution, SEK	**1.84**	**3.02**	**1.61**
Equity	157,246	215,671	115,244
Total assets	191,703	259,620	151,938
Equity ratio, %	**82%**	**83%**	**76%**
Cash and cash equivalents	143,660	203,218	103,342
Cash and cash equivalents at end of period	**143,660**	**203,218**	**103,342**

For definitions, see the section "Financial definitions" on page 25.

The declaration of the Board of Directors and the CEO

Peter Benson

Carl Borrebaeck

Ulrika Danielsson

Graham Dixon

Kirsten Drejer

Anders Ekblom

Kenth Petersson

Jonas Sjögren

Laura von Schantz

Malin Carlsson

The Board and the CEO declare that this Year-end 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, April 27, 2021

Peter Benson
Chairman

Carl Borrebaeck
Member of the Board

Ulrika Danielsson
Member of the Board

Graham Dixon
Member of the Board

Kirsten Drejer
Member of the Board

Anders Ekblom
Member of the Board

Kenth Petersson
Member of the Board

Jonas Sjögren
Member of the Board

Laura von Schantz
Member of the Board
(Employee representative)

Malin Carlsson
Interim 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.

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.

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 I, II and III. The various stages of studies on the efficacy of a pharmaceutical in humans. See also "clinical study." Phase I examines the safety on healthy human subjects, Phase II examines efficacy in patients with the relevant disease and Phase III 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 II is often divided into Phase IIa and Phase IIb. In Phase IIa, 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 IIb 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.

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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