Q4

Alligator Bioscience AB (publ)
Year-end Report January - December 2021

ALLIGATOR bioscience

OPTIMIZE-1 Phase II – On Track and Moving Forward

"During the fourth quarter 2021, Alligator reached several key milestones in our pre-clinical, clinical, and partnered programs. Our priorities continue to be shaped by the rising need for cancer drug therapies that are safer and more effective."

Søren Bregenholt
CEO Alligator Bioscience AB (publ)

Significant Events: October – December 2021

- On October 7, the Board of Directors resolved, subject to approval by the Extraordinary General Meeting (EGM) to carry out a fully guaranteed rights issue of approximately SEK 257 million and called for the EGM to be held on November 8th, to seek approval of the resolution on rights issue of ordinary shares.
- On October 21, the Company announced first patient dosed in the Phase II clinical trial of AC101, out-licensed to Shanghai Henlius Biotech, Inc. and AbClon, Inc.
- On November 8, the Company announced the initiation of a proof-of-concept Phase I clinical trial to assess the safety and efficacy of mitazalimab in combination with MesoPher, an experimental dendritic cell vaccine, in patients with pancreatic cancer. The trial will be led by investigators at Erasmus MC University Medical Center Rotterdam, The Netherlands.
- On November 12, Alligator Bioscience and Aptevo Therapeutics co-authored a poster on ALG.APV-527, presented by Aptevo at SITC Annual Meeting 2021.
- On November 12, Alligator presented three posters at the SITC Virtual Annual Meeting 2021, on Neo-X-Prime™, ATOR-1017, and OPTIMIZE-1.
- On December 1, the Company announced that it successfully carried out an oversubscribed Rights Issue raising approximately SEK 257 million (before deduction of transaction costs).
- On December 16, the Company announced a trial update and early readout for ATOR-1017, confirming biomarker, safety and tolerability data.
- On December 30, the Company announced an increase in number of shares and votes as a result of the completion of the rights issue.

Events after the quarter:

- On January 18, the Company announced that all patients in the 450 µg/kg cohort of the OPTIMIZE-1 study had been dosed and that there were no adverse effects reported.
- On January 19, the Company announced the initation of a sponsored research collaboration with UPENN, to study biomarker data from Alligator's OPTMIZE-1 study.
- On February 1, the Company announced that the position of Chief Medical Officer had been filled by Sumeet Amberkhane, MD, who has more than 20 years of experience in drug development from academia, the biotechnology and pharmaceutical industries.

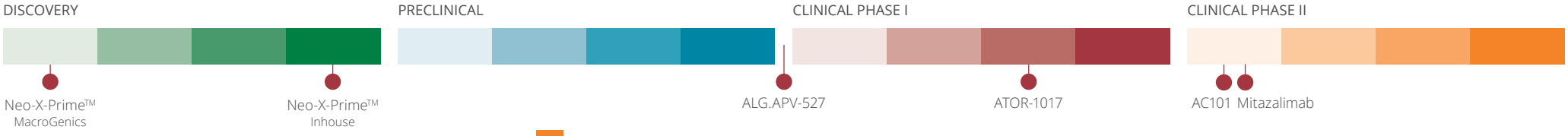
Financial summary

October-December 2021

- Net sales, SEK 5.2 million (-)
- Operating profit/loss, SEK -36.9 million (-34.1)
- Profit/loss for the period, SEK -36.8 million (-34.5)
- Earnings per share before and after dilution, SEK -0.17 (-0.48)
- Cash flow for the period, SEK 198.8 million (-33.2)
- Cash and cash equivalents, SEK 278.1 million (103.3)

January–December 2021

- Net sales, SEK 12.9 million (4.4)
- Operating profit/loss, SEK -141.6 million (-144.3)
- Profit/loss for the period, SEK -141.7 million (-143.3)
- Earnings per share before and after dilution, SEK -0.64 (-2.01)
- Cash flow for the period, SEK 174.7 million (9.4)
- Cash and cash equivalents, SEK 278.1 million (103.3)



The information was submitted for publication at 8:00 a.m. CET on February 11, 2022. For contact details, see page 11.

CEO Comments

During the fourth quarter 2021, Alligator reached several key milestones in our pre-clinical, clinical, and partner programs. Our priorities continue to be shaped by the rising need for cancer drug therapies that are safer and more effective. We continued to make strides with our robust and diversified best-in-class pipeline of second-generation agonistic antibodies for patients with hard-to-treat diseases and a best-in-class technology approach with several value drivers.

We closed the year with an oversubscribed rights issue, raising approximately SEK 257 million (before deduction of transaction costs). Not only were we oversubscribed, we also now have a new cornerstone investor that is based in the US. It is great to have aninvestor that knows Alligator and believes in the long growth prospects of our robust pipeline. Long-term investors like these provide stability as we continue to work hard developing game-changing combination therapies for the benefit of cancer patients and all stakeholders in the company. We are grateful for the continued support from existing shareholders and welcome our new shareholders. Use of proceeds from the Rights Issue will be allocated to expanding and accelerating our Phase II studies for mitazalimab, Phase II preparations for ATOR- 1017, as well as the development of other pipeline candidates, such as Neo-X-Prime™, to support long term growth.

We remained focused on our lead assets, mitazalimab and ATOR-1017, and remain well positioned for future value creation and growth. Our antibodies have key features that will help bridge the gap in current combination therapy treatments as they address immune activation pathways that are complimentary to existing drugs being used in the growing immuno-oncology markets.

I would like to highlight some of the several milestones we attained during the quarter. In October, we announced that the first patient was dosed in the Phase II clinical trial of AC101 (HLX22) by Shanghai Henlius Biotech, Inc.. . Alligator out-licensed AC101 to AbClon, Inc. in October 2016. AC101 was subsequently sub-licensed for clinical development by the Chinese company Shanghai Henlius Biotech, Inc.

In November, we announced the first patient was dosed in REACtiVe-2, an investigator-initiated proof-of-concept Phase I clinical trial, in patients with pancreatic cancer, to assess the safety and efficacy of mitazalimab in combination with an experimental dendritic cell vaccine. The trial is led by investigators at Erasmus MC University Medical Center Rotterdam, in the Netherlands.

We attended The Society for Immunotherapy of Cancer's (SITC) 36th Annual Meeting in Washington DC and presented three posters onour pipeline projects mitazalimab and 1017 and on our technology platform Neo-X-Prime™. Together with our partner Aptevo Therapeutics, we presented a poster on drug candidate ALG.APV-527.

In December, Alligator and Aptevo announced the publication of an article in the peer-reviewed journal Nature Communications. The article titled ***CD137 (4-1BB) co-stimulation of CD8 T cells is more potent when provided in cis than in trans with respect to CD3-TCR stimulation*** details the mechanism of action of 4-1BB targeting bispecific antibodies. This was published in collaboration by internationally renowned 4-1BB expert, Professor Ignacio Melero, and his team at the University of Navarra, Pamplona, Spain.

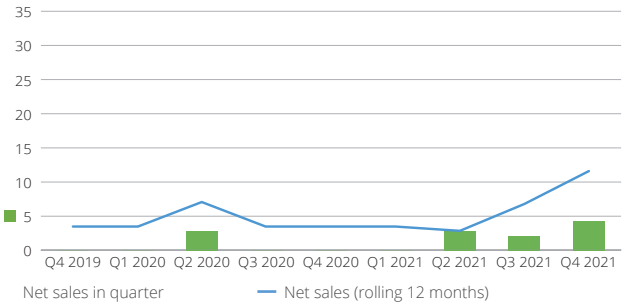
Also in December, we updated the market with early readout data from the on-going clinical Phase I trial with the 4-1BB (CD137) drug candidate ATOR-1017. The data corroborates and extends previous data on biomarkers, safety and tolerability, sustaining a safety profile up to and including a dose of 360 mg with no dose limiting toxicities reported. These encouraging results strengthen the case for safety and tolerability as well as confirm the proof of mechanism of ATOR-1017.

In summary, the fourth quarter was a great way to close out our year of refocusing. We enter 2022 with a solid foundation, solid business fundamentals, and upcoming projected milestones. Our ambition remains the same: to develop meaningful therapies for patients with hard-to-treat cancer and to create value for our stakeholders and shareholders. I look forward to keeping you updated on Alligator's developments on this exciting journey.

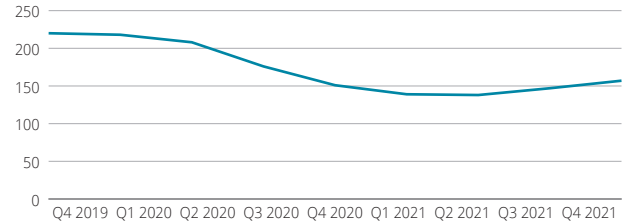
Søren Bregenholt
CEO Alligator Bioscience AB (publ)

Performance measures Group

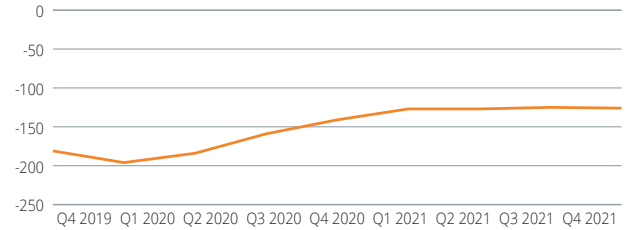
Net sales, SEK million



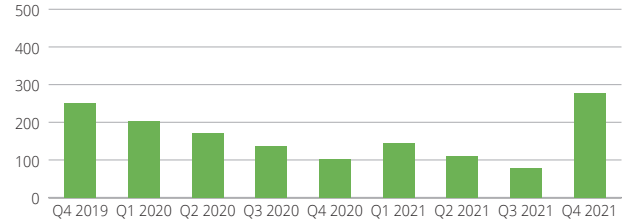
Operating costs, rolling 12 months, SEK million



Cash flow from operation activities, rolling 12 months, SEK million



Cash and cash equivalents, SEK million



	Note	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Result (KSEK)					
Net sales	5	5,249	-	12,943	4,352
Operating profit/loss		-36,874	-34,103	-141,566	-144,298
Profit/loss for the period		-36,791	-34,516	-141,737	-143,296
R&D costs		-38,067	-25,089	-110,123	-110,252
R&D costs as a percentage of operating costs excl. impairments		87%	72%	70%	73%
Capital (KSEK)					
Cash and cash equivalents at end of period		278,148	103,342	278,148	103,342
Cash flow from operating activities		-33,527	-31,676	-127,033	-141,352
Cash flow for the period		198,769	-33,208	174,717	9,386
Equity at the end of the period		282,273	115,244	282,273	115,244
Equity ratio at the end of the period, %		85%	76%	85%	76%
Info per share (SEK)					
Earnings per share before dilution		-0.17	-0.48	-0.64	-2.01
Earnings per share after dilution*		-0.17	-0.48	-0.64	-2.01
Equity per share before dilution		1.28	1.61	1.28	1.61
Equity per share after dilution*		1.28	1.61	1.28	1.61
Personnel					
Number of employees at end of period		46	43	46	43
Average number of employees		45	45	45	50
Average number of employees employed within R&D		38	39	38	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 is a clinical stage biotech company developing best-in-class antibodies for hard-to-treat cancers. Alligator's most advanced program, mitazalimab, now in clinical Phase II, is a potential game changer in the treatment of solid tumors. Our pipeline also includes one asset in clinical Phase I, ATOR-1017, a 4-1BB agonist, as well as a Phase I ready asset, ALG.APV-527, that we are co-developing with Aptevo Therapeutics Inc. Alligator's proprietary immunotherapy technology platform, Neo-X-Prime™ shows promise as a future value driver. We have two Discovery programs, of which one is in co-development with US based MacroGenics. Alligator is also engaged in an immuno-oncology research collaboration and license agreement with Orion Corporation.

We are developing drug candidates that selectively stimulate the immune system in the tumor, rather than the whole body. These candidates are designed to enhance the quantity and quality of tumor infiltrating T cells, in a safe and effective manner. Alligator's high demands on safety and efficacy of its drug candidates increase their potential to meet today's needs in immuno-oncology – to be able to be combined with current standard therapies of cancer, for better treatment results.

In Q4 2021, the Company focused its operations on the continued development of our robust pipeline as well as seeking and engaging in strategic collaborations with partners that intend to share the cost and the risk associated with drug development. Our clinical studies are carried out in collaboration with leading specialist physicians and CROs with expertise in oncology clinical development.

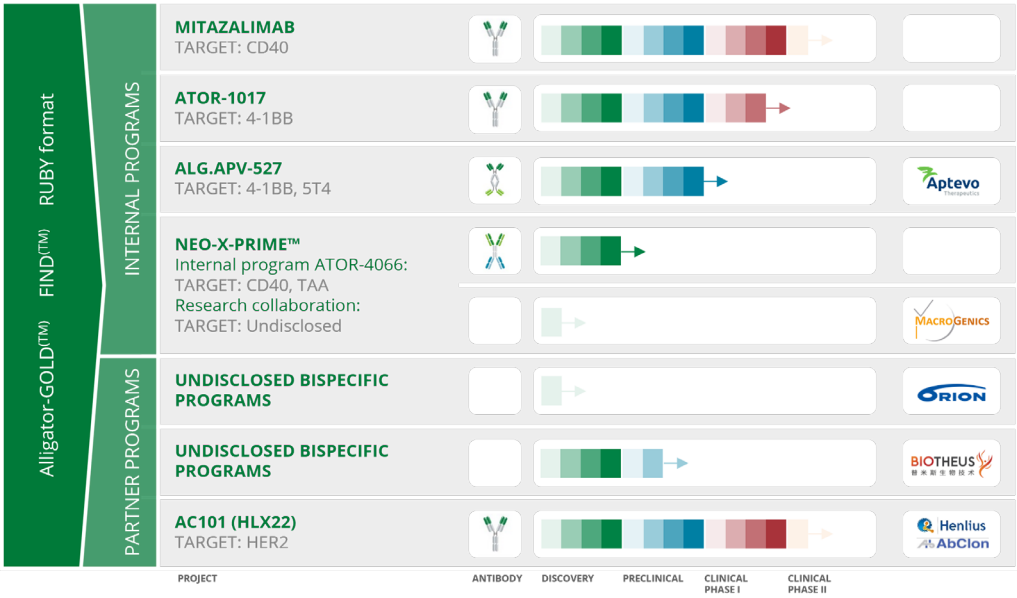
Several Patented Technologies and Concepts

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 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™ technology platform 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 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, alone and in collaboration with partners.

Competitive Project Portfolio with Clinical Focus

Alligator's pipeline consist of two proprietary clinical programs, as well several co-developed and partnered programs.



Internal Programs

Alligator has two internal clinical programs, including our lead asset mitazalimab. Mitazalimab has entered Phase II and the first patient was dosed in Q3. The study, OPTIMIZE-I, is designed to assess mitazalimab's efficacy and safety in combination with standard-of-care chemotherapy, mFOLFIRINOX, for the treatment of metastatic pancreatic cancer. Alligator's second most advanced program, ATOR-1017, is in the final stages of Phase I and has presented novel proof-of-mechanism data at the 2021 ASCO Annual Meeting. A later update in December 2021 confirmed the proof-of-mechanism, safety and tolerability. The bispecific antibody ALG.APV-527, which is being developed in partnership with Aptevo Therapeutics Inc., has completed all preclinical studies. The Company is expecting to submit an Investigational New Drug (IND) application to the US FDA for the initiation of a Phase I clinical study in 2022.

In addition to these projects, Alligator develops the Neo-X-Prime™ technology platform for more personalized immunotherapy. The concept was launched by Alligator in 2020. Alligator is developing a proprietary molecule in late-stage discovery and a second Neo-X-Prime™ candidate is being developed in partnership with MacroGenics, Inc. In November 2021, Alligator presented promising Neo-X-Prime™ efficacy and safety-data at the Society for Immunotherapy of Cancer's (SITC) 36th Annual Meeting.

Partner Programs

AC101, which is being developed by Shanghai Henlius Biotech Inc. in China and in which Alligator will share future revenues, entered phase II clinical trial in Q3 2021. Alligator's second on-going partner program is a preclinical project on undisclosed bispecific candidates with China based Biotheus. The third partner program, which was announced in Q3 2021, is an immune-oncology research and licensing agreement with the Finland based Orion Corporation.

Alligator's Organization

Alligator's research and development 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 clinical trial material manufacturing. The Non-Clinical Development unit responsible for pre-clinical evaluation of safety and efficacy of our molecules, including 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. Alligator will continue to build and shape the organization to match and support its strategy and objectives.

Business Model that Creates Value Across the Development Chain

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

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 drug 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

Clinical Phase II in Pancreatic Cancer with First Cohort Dosed

The human CD40 agonistic antibody, mitazalimab, is Alligator's most advanced drug candidate for immunotherapy and is designed for the treatment of metastatic cancers, initially pancreatic cancer. Mitazalimab stimulates the CD40 receptor on the surface of dendritic cells, enabling the immune system to attack tumors more efficiently.

The Phase II clinical study OPTIMIZE-1 is assessing efficacy and safety of mitazalimab in combination with standard of care chemotherapy, mFOLFIRINOX, for first line treatment of metastatic pancreatic cancer. The chemotherapy cocktail mFOLFIRINOX kills tumor cells, leading to release of tumor antigens. Activation of CD40 by mitazalimab leads to improved presentation of tumor antigens, and the consequent activation of T cell-dependent anti-tumor responses. Mitazalimab has previously reported positive clinical data from two Phase I studies, one performed by Alligator, one performed by Janssen Biotech Inc., demonstrating signs of efficacy, proof-of-mechanisms as well as a manageable safety profile.

Project Status: In Clinical Phase II

The OPTIMIZE-1 study is a single arm, open-label, multicenter study performed at clinical sites in Belgium and France and will include up to 67 patients. It is the first Phase II study with mitazalimab assessing the efficacy and safety of the drug in combination with chemotherapy in newly diagnosed metastatic pancreatic cancer patients. The first cohort was dosed in Q4 2021, and the first safety readout is expected in Q1 2022. Initial interim efficacy readout is expected by Q4 2022. To date, the clinical program has comprised two completed 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 comprised 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, while ten patients maintained stable disease for at least six months.

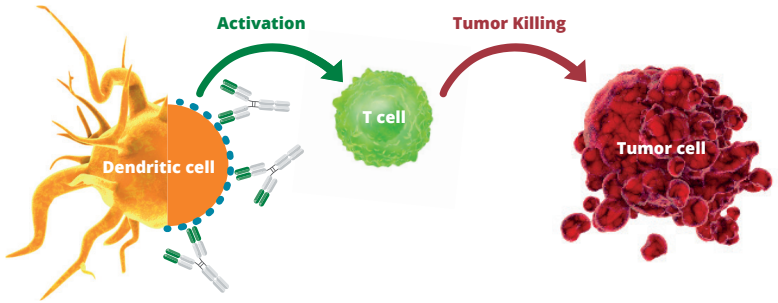
2021 objectives

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

Mechanism of action

mitazalimab ● CD40

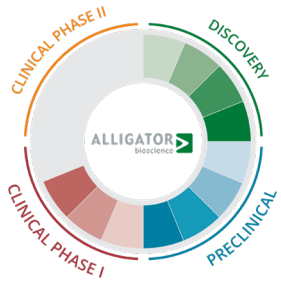
1. The dendritic cell presents the target molecule CD40 on its surface.
2. Mitazalimab binds to CD40 and triggers activation of the immune system's beneficial T cells.
3. The T cells are activated to kill tumor cells.



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

Positive Clinical Phase I Results



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 as an improved combination therapy for metastatic cancer. Novel biomarker data confirming proof-of-mechanism from the ongoing Phase I clinical trial was presented at the 2021 ASCO Annual Meeting and at the 2021 SITC Annual Meeting.

ATOR-1017 has a unique profile, including boosting the immunostimulatory effect in tumors. This creates an opportunity for potent, tumor-directed immune stimulation that can increase the effect and reduce side effects for the patient.

Project status: Results from ongoing clinical Phase I study

ATOR-1017 is being evaluated in a dose escalation study in patients with advanced solid cancers. The study is taking place at three medical centers in Sweden, and the primary objective is to assess the safety and tolerability of ATOR-1017 and determine a recommended dose for subsequent Phase II studies. The first patient was dosed in December 2019. As of data cut-off December 3, 2021, a total of 21 patients with varying advanced solid malignancies had been included. 3 patients (14 percent) remained on treatment, percent) one patient of whom had confirmed stable disease for a period of 23 weeks. The results from the evaluation of doses up to and including 360 mg, confirms and extends previous biomarker data presented at the 2021 ASCO Annual Meeting, demonstrating proof of mechanism of ATOR-1017, including increased proliferation of circulating T-cells and dose-dependent increases in soluble 4-1BB, both biomarkers of T-cell activation. ATOR-1017 has an encouraging safety profile as the drug related adverse events in the study have generally been mild and transient.

The results further demonstrate that ATOR-1017 exhibits a favorable pharmacokinetic profile with linear elimination and no accumulation. Activation of T cells in the circulation was observed across therapeutic dose levels of ATOR-1017 demonstrating biological activity and Proof of Mechanism. 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.

No dose-limiting toxicity or severe immune-related adverse events have been reported in the trial, and Alligator will continue dose escalation in order to identify the recommended Phase II dose. We aim to initiate Phase II clinical trial in the second half of 2022.

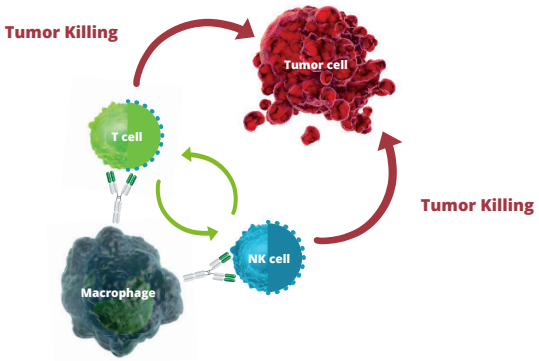
2021 objectives

☑ Results from Clinical Phase I study

Mechanism of action

ATOR-1017 ● 4-1BB

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.

Collaborations and Out-Licensing Agreements

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.

Project Status: Planning for Clinical Phase I

In November 2021, 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 previously 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 a favorable safety profile.

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 equally own and finance the development. The original molecules involved in the tumor-binding function and the immunomodulatory function of ALG.APV-527 were developed using Alligator's patented ALLIGATOR-GOLD® antibody library. The bispecific molecule was further developed and improved with Aptevo's technology platform ADAPTIR™. 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.

2021 objective

☐ Submit an IND with the US FDA for initiation of Phase I clinical trials. Alligator made the decision to reallocate limited company resources to advance mitazalimab, the company's lead candidate. The 2021 objectives for ALG.APV-527 have been extended to 2022 and preparations are underway.

Neo-X-Prime™ research collaboration with MacroGenics

Neo-X-Prime™ is a technology platform for personalized immunotherapy, launched by Alligator in 2020. The concept builds on bispecific antibodies that physically link circulating tumor material to the immune system, to allow neoantigen-specific T cell priming with potential for superior anti-tumor efficacy.

In April 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 patient specific immunotherapy Neo-X-Prime™ 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.

Collaborations and Out-Licensing Agreements

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 cost for this project and 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 anti-body AC101/HLX22. AC101/HLX22 entered Phase II clinical development in Q3 2021.

Technology Agree-ment 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.

Collaboration and License Agreement with Orion Corporation

In August 2021, Alligator entered a research collaboration and license agreement with Orion Corporation, a global pharmaceutical company based in Finland, to discover new bispecific antibody cancer therapeutics against immuno-oncology targets selected by Orion. The agreement covers an option to develop three bispecific antibodies. Under the agreement, Alligator will employ its proprietary phage display libraries and RUBY™ bispecific platform. During the initial research period of the collaboration, Alligator will receive an upfront payment and reimbursement of research cost and other fees.

Additionally, as part of the agreement, Alligator is eligible for development, approval, and sales milestone payments of up to 469 million euros, in addition to royalties if Orion exercises its options to continue development and commercialization of the resulting product candidates.

The Alligator Share

Number of shares, stock option program and share saving program
The total number of outstanding shares in the Company at the end of the quarter was 220,584,878 (71,388,615).

Employee option program 2018
At the 2018 AGM, it was decided to set up an employee option program whereby 2,275,000 employee options were allotted free of charge to participants. The employee options have vested in installments up to May 1, 2021. Vesting was subject to the participant remaining in the Company's employment and not having resigned on a given qualifying date. Of the allotted employee options, 1,767,500 have been vested and 507,500 have lapsed since the individuals to whom they were allotted left the Company prior to the qualifying date. 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. After recalculation following completed right issues, each warrant in the program entitles the holder to acquire 1.19 new shares at an exercise price of SEK 63.38. The warrants are 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 2,764,190 shares will be issued, thereby increasing the number of shares to a maximum of 222,349,068, corresponding a to dilution by 1.2 percent.

Share saving program LTI 2021
At the 2021 AGM, it was decided to implement a long-term incentive program in the form of a performance-based share saving program (the "LTI 2021") for employees in the Company. Following a predefined time period, the participants will, free of charge, have the right to receive additional shares in the Company, matching shares.

In addition, conditional upon fulfilment of a goal related to the development of the share price, the participants will further, free of charge, have the right to receive additional shares in the Company, performance shares. The total number of shares possible to issue in LTI 2021 amounted to 1,153,211, of which 877,500 for the delivery of matching and performance shares to the participants and 275,711 for securing the payment of future social security contributions.

Actual investments in saving shares made through acquisition of ordinary shares on the stock market before 30 November 2021, amounted to 141 866 shares. After recalculation following the rights issue, each saving share in this program entitles the holder to 1,09 matching shares. The threshold share price for issuance of 1, 2 or 4 performance shares per savings share amounts currently to SEK 15.74 to receive one performance share, SEK 31.65 to receive two performance shares and finally SEK 52.89 to receive four performance shares.

Thus, the total number of matching shares will not exceed 155,295 and the total number of performance shares will not exceed 425,598. The maximum number of shares that can be issued in relation to LTI 2021 is 763,409 where of 580,893 for the delivery of matching and performance shares to the participants and 182,517 related to hedging of cash flow for social security contributions, which corresponds to a dilution of approximately 0.4 percent of the Company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full issuance of shares in connection with LTI 2021.

In case both the existing employee option program and the proposed LTI 2021 are exercised in full, a total of 3,527,600 new shares will be issued, which corresponds to a total dilution of approximately 1.6 percent of the Company's share capital and votes.

The Alligator share in brief December 31, 2021

Listed on:	Nasdaq Stockholm Small Cap
Number of shares:	220,584,878
Average turnover per day:	Approximately 513,000 (preceding quarter: approx. 218,000)
Number of shareholders:	8,700 (preceding quarter: approx. 8,300)
Market capitalization:	SEK 567 million (preceding quarter: approx SEK 302 million)
Ticker:	ATORX
ISIN:	SE0000767188

Largest Shareholders	**Dec 31, 2021**	**%**
UBP Clients Assets - Sweden	74,707,734	33.9
Lars Spånberg	9,641,572	4.4
Försäkringsbolaget Avanza pension	9,637,410	4.4
Fjärde AP-fonden	6,819,547	3.1
Magnus Petersson	5,828,220	2.6
Sunstone LSV FUND II K/S	5,758,485	2.6
Nordnet Pensionförsökring AB	4,825,905	2.2
Clearstream Banking S.A., W8IMY	4,527,892	2.0
Mikael Lönn	4,421,785	2.0
Öhman fonder	4,081,957	1.9
Other shareholders	90,334,371	41.0
Total number of shares	**220,584,878**	**100.0**

Union Bancaire Privee, (UBP) is a group of investors with their shares managed by UBP.

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 December 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 46 (43). Of these, 12 (8) were men and 34 (35) were women. Of the total number of employees at the end of the quarter 38 (38) were employed within research and development.

Dividend and dividend policy
Alligator will continue to focus on further developing and expanding the Company's project portfolio. Available financial resources and the reported result must therefore be reinvested in the business to finance the Company's long-term strategy. The Board's intention is therefore not to propose any dividend to the shareholders until the Company generates long-term sustainable profitability. Any future dividends and the size thereof will be determined based on the Company's long-term growth, earnings development and capital requirements, taking into account current goals and strategies. The dividend shall, to the extent that a dividend is proposed, be well-balanced with regard to the business's objectives, scope and risk.
The Board of Directors and the CEO propose that no dividend be paid for the financial year 2021.

Annual General Meeting 2022
The Board intends to convene an Annual General Meeting on May 5, 2022.

Distribution of Financial Reports
Annual reports and interim reports are available on the Company's website: www.alligatorbioscience.com.

Distribution of the annual report is by request only, and can be ordered from Alligator Bioscience AB, Medicon Village, 223 81 Lund, by phone 046-540 82 00 or by email: info@alligatorbioscience.com.

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

- Annual Report 2021: Week 12, March, 2022
- Q1 Interim Report: April 27, 2022
- Q2 Interim Report: July 12, 2022
- Q3 Interim Report: October 20, 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 ongoing Covid-19 pandemic affected Alligator's operations during the year, with temporary holds in patient enrollment for the company's clinical studies. Despite this, we see that we have good opportunities to keep our planned timelines in terms of study read-outs.

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 completed rights issue in December 2021, 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, 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 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 (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 and to the Joint Research Agreement with BioArctic AB. Company had no sales in the same period prior year. Sales for the year also include license revenues related to the license agreement with Biotheus Inc and the agreement on joint development with Aptevo Therapeutics Inc. In the same periods prior year, sales pertained primarily to the license agreement with Biotheus Inc.

Other Operating Income
Other operating income for the quarter and year comprises primarily of exchange gains in the company's operations, grant for doctoral student and insurance compensation. The insurance compensation is obtained due to damage in transport. In the same period prior year, revenue comprised exchange gains in the company's operations and government grants regarding short term allowance.

Operating Costs
The company's costs are higher compared to the same period previous year, and pertain mainly to costs related to the clinical projects mitazalimab and ATOR-1017. The personnel costs in the fourth quarter is higher than last year due to changes in the organisation and 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	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Operating income					
Net sales	5	5,249	-	12,943	4,352
Other operating income	5	1,816	515	2,183	2,315
Total operating income		**7,065**	**515**	**15,126**	**6,666**
Operating costs					
Other external costs		-24,811	-19,686	-86,982	-82,320
Personnel costs		-16,109	-12,009	-57,814	-55,710
Depreciation of tangible assets and intangible assets		-2,595	-2,869	-11,144	-11,522
Other operatings expenses		-423	-54	-751	-1,413
Total operating costs		**-43,938**	**-34,619**	**-156,691**	**-150,964**
Operating profit/loss		**-36,873**	**-34,103**	**-141,565**	**-144,298**
Financial items					
Result from other securities and receivables		-	-	-	192
Other interest income and similar income statement items		7	-8	-2	2,001
Interest expense and similar income statement items		75	-405	-169	-1,191
Net financial items		**82**	**-413**	**-171**	**1,002**
Profit/loss before tax		**-36,791**	**-34,516**	**-141,736**	**-143,296**
Tax on profit for the period		-	-	-	-
Profit for the period attributable to Parent Company shareholders		**-36,791**	**-34,516**	**-141,736**	**-143,296**
Earnings per share					
Earnings per share before dilution, SEK		**-0.17**	**-0.48**	**-0.64**	**-2.01**
Earnings per share after dilution, SEK		**-0.17**	**-0.48**	**-0.64**	**-2.01**

Consolidated
Statement of Comprehensive Income

All amounts KSEK	Note	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Profit/loss for the period		-36,791	-34,516	-141,736	-143,296
Other comprehensive income		-	-	-	-
Comprehensive income for the period		**-36,791**	**-34,516**	**-141,736**	**-143,296**

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 10,456 thousand (13,423). Right of use assets pertain to leases for offices and laboratories, machines and vehicles.

Cash and cash equivalents
Consolidated cash and cash equivalents, which consist of bank balances, totaled SEK 278,148 thousand (103,342).

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	2021-12-31	2020-12-31
ASSETS			
Fixed assets			
Intangible assets			
Participations in development projects	3	17,949	17,949
Patents		17	72
Softwares		201	332
Tangible assets			
Improvements in leased premises		608	1,217
Right of use assets		10,456	13,423
Equipment, machinery and computers		4,355	8,600
Total fixed assets		**33,587**	**41,593**
Current assets			
Current receivables			
Accounts receivable	6	7,446	-
Other receivables	6	7,044	4,924
Prepayments and accrued income		6,975	2,079
Cash and cash equivalents	6	278,148	103,342
Total current assets		**299,613**	**110,345**
TOTAL ASSETS		**333,200**	**151,938**

Consolidated

Statement of Financial Position

EQUITY AND LIABILITIES

Equity

Equity at the end of the period amounted to SEK 282,273 thousand (115,244), corresponding to an equity ratio of 85% (76). In January 2021, the Company carried out a rights issue SEK 85,666 thousand. 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. In December 2021 the Company carried out a rights issue SEK 256,999 thousand and number of shares increased to 214,165,845. In connection to the completed rights issue Alligator carried out a directed issue of shares for those guarantors in the rights Issue who have chosen to receive guarantee commission in the form of newly issued ordinary shares in the Company. Through this remuneration issue the number of shares in Alligator increased by 6,419,033 shares to a total of 220,584,878 shares.

Equity per share before and after dilution

At the end of the period, equity per outstanding share amounted to SEK 1.28 (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").

Lease liabilities and loans

At the end of the period lease liabilities amounted to SEK 9,736 thousand (12,073). Lease liabilities pertain to leases for offices and laboratories, machines and vehicles. No loans had been raised as of December 31, 2021 and no loans have been raised since that date. The Group has no loans or loan commitments.

Accrued expenses and deferred income

At the end of the period, accrued expenses and deferred income amounted to SEK 29,210 thousand (16,070). Expenses pertains to accrued expenses for clinical activities, personnel and other expenses.

All amounts in KSEK	Note	2021-12-31	2020-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital		88,234	28,555
Other capital contributions		911,831	662,614
Retained earnings and profit/loss for the period		-717,792	-575,926
Equity attributable to Parent Company shareholders		**282,273**	**115,244**
Non-current provisions and liabilities			
Lease liabilities	6	3,511	5,841
Other long-term liabilities	6	-	135
Total non-current provisions and liabilities		**3,511**	**5,975**
Current liabilities			
Accounts payable	6	9,367	6,538
Other liabilities		2,237	1,879
Lease liabilities	6	6,225	6,232
Accrued expenses and deferred income	6	29,586	16,070
Total current liabilities		**47,416**	**30,719**
TOTAL EQUITY AND LIABILITIES		**333,200**	**151,938**

Consolidated

Statement of Changes in Equity, in summary

All amounts in KSEK		2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Opening balance		85,029	149,745	115,244	258,498
New capital issue		273,903	-	359,570	-
Underwriting expenses*		-39,870*	-	-50,801*	-
Effect of share-based payments personnel		1	15	-3	42
Profit/loss for the period		-36,791	-34,516	-141,736	-143,296
Other comprehensive income in the period		-	-	-	-
Closing balance		**282,273**	**115,244**	**282,273**	**115,244**

* Underwriting expenses specified above consist of the guarantee compensation (SEK 24,136 thousand) and other costs (SEK 15,734 thousand). Underwriting expenses that affect cash flow amounted to SEK 22,966 thousand in Q4 2021. The difference is explained by the fact that a certain part of the guarantee compensation has been paid with shares.

Consolidated
Statement of Cash Flows

Investments

No investments were made during the fourth quarter, SEK 0 thousand (0). Investments during the 2021 were made in labarotory equpiment SEK 45 thousand (102).

Cash flow for the period

Cash flow for the quarter totaled SEK 198,724 thousand (-33,208). In December 2021 the Company carried out a rights issue SEK 256,999 thousands which had a positive effect on the cash flow. Underwriting expenses amounted to SEK 22,966 thousand.

Cash flow for the year amounted to SEK 174,717 thousand (9,386). In January 2021, the Company carried out a rights issue SEK 85,666 thousand. Underwriting expenses amounted to SEK 10,931 thousand. During the first quarter 2020, the Group divested the remaining corporate bonds of SEK 53,828 thousand and short-term interest funds of SEK 103,160 thousand which had a positive effect on cash flow.

All amounts in KSEK	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Operating activities				
Operating profit/loss	-36,873	-34,103	-141,565	-144,298
Adjustments for items not generating cash flow				
Depreciation and impairments	2,595	2,869	11,144	11,522
Effect from warrant program	-4	15	4	42
Other items, no impact on cash flow	91	-	65	-
Interest received	-	-	-	218
Interest paid	-43	-78	-235	-347
Tax paid	-	-	-	-
Cash flow from operating activities before changes in working capital	**-34,234**	**-31,297**	**-130,587**	**-132,863**
Changes in working capital				
Change in operating receivables	-5,528	55	-13,589	2,119
Change in operating liabilities	6,235	-435	17,144	-10,608
Cash flow from operating activities	**-33,527**	**-31,676**	**-127,033**	**-141,352**
Investing activities				
Acquisition of tangible assets	-	-	-45	-102
Divestment of securities	-	-	-	53,828
Divestment of other short term investments	-	-	-	103,160
Cash flow from investing activities	**-**	**-**	**-45**	**156,886**
Financing activities				
Amortization of leasing liabilities	-1,662	-1,459	-6,672	-5,794
Amortization of installment purchase	-75	-73	-301	-354
New share issue	256,999	-	342,665	-
Underwriting expenses	-22,966	-	-33,897	-
Cash flow from financing activities	**232,296**	**-1,532**	**301,795**	**-6,148**
Cash flow for the period	**198,769**	**-33,208**	**174,717**	**9,386**
Cash and cash equivalents at beginning of period	**79,314**	**136,964**	**103,342**	**93,890**
Exchange rate differences in cash and cash equivalents	82	-335	60	145
Cash and cash equivalents at end of period	**278,148**	**103,342**	**278,148**	**103,342**

Parent Company
Income Statement

All amounts in KSEK	Note	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Operating income					
Net sales	5	5,249	-	12,943	4,352
Other operating income	5	1,816	515	2,183	2,315
Total operating income		**7,065**	**515**	**15,126**	**6,666**
Operating costs					
Other external costs		-26,243	-21,211	-93,279	-88,416
Personnel costs		-16,109	-12,009	-57,814	-55,710
Depreciation and impairment of tangible assets and intangible assets		-1,218	-1,403	-5,084	-5,658
Other operatings expenses		-423	-54	-751	-1,413
Total operating costs		**-43,993**	**-34,677**	**-156,928**	**-151,196**
Operating profit/loss		**-36,928**	**-34,162**	**-141,802**	**-144,530**
Results from financial items					
Result from participation in Group companies		-	-	-	12,500
Result from other securities and receivables		-	-	-	192
Other interest income and similar income statement items		7	-8	-2	3,012
Interest expense and similar income statement items		110	-336	39	-881
Net financial items		**117**	**-344**	**37**	**14,822**
Profit/loss after financial items		**-36,811**	**-34,506**	**-141,765**	**-129,708**
Appropriations					
Group contribution received		-	438	-	438
Total appropriations		**-**	**438**	**-**	**438**
Result before tax		**-36,811**	**-34,068**	**-141,765**	**-129,270**
Tax on profit for the year		-	-	-	-
Profit/loss for the period		**-36,811**	**-34,068**	**-141,765**	**-129,708**

Parent Company
Statement of Comprehensive Income

All amounts in KSEK	Note	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Profit/loss for the period		-36,811	-34,068	-141,765	-129,270
Other comprehensive income		-	-	-	-
Profit/loss for the year		**-36,811**	**-34,068**	**-141,765**	**-129,270**

Parent Company
Balance Sheet

ASSETS

All amounts in TSEK	Note	2021-12-31	2020-12-31
ASSETS			
Fixed assets			
Intangible assets			
Patents		17	72
Software		201	332
Total intangible assets		**219**	**405**
Tangible assets			
Improvements in leased premises		608	1,217
Equipment, machinery and computers		4,355	8,600
Total tangible assets		**4,963**	**9,817**
Financial assets			
Participations in Group companies	3	20,294	20,294
Total financial assets		**20,294**	**20,294**
Total fixed assets		**25,475**	**30,515**
Current assets			
Current receivables			
Accounts receivables		7,446	-
Receivables from Group companies		438	438
Other receivables		7,044	4,923
Prepayments and accrued income		8,796	3,688
Total current receivables		**23,724**	**9,050**
Cash and bank deposits		277,288	102,473
Total current assets		301,012	111,523
TOTAL ASSETS		**326,488**	**142,038**

Parent Company
Balance Sheet

EQUITY AND LIABILITIES

All amounts in TSEK	Note	2021-12-31	2020-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		88,234	28,555
Total restricted equity		**88,234**	**28,555**
Non-restricted equity			
Share premium reserve		911,831	662,741
Retained earnings		-573,877	-444,611
Profit/loss for the period		-141,765	-129,270
Total non-restricted equity		**196,190**	**88,861**
Total equity		**284,424**	**117,416**
Non-current provisions and liabilities			
Other long-term liabilities		143	432
Total non-current provisions and liabilities		**143**	**432**
Current liabilities			
Accounts payable		9,367	6,538
Other liabilities		2,095	1,582
Accrued expenses and deferred income		30,459	16,070
Total current liabilities		**41,921**	**24,190**
TOTAL EQUITY AND LIABILITIES		**326,488**	**142,038**

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 head 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 2020.

Note 3 Effects of changed estimates and judgments

Significant estimates and judgments are described in Note 3 and Note 19 of the Annual report for 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 as follows:

All amounts in KSEK	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Licensing income	-	-	4,643	4,352
Reimbursement for development work	5,249	-	8,300	-
Total	**5,249**	**-**	**12,943**	**4,352**

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

All amounts in KSEK	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Swedish government grants received	378	165	384	1,163
Insurance compensation	1,251	-	1,251	-
Operational exchange rate gains	187	351	547	1,151
Other	-	-	-	1
Total	**1,816**	**515**	**2,183**	**2,315**

Note 6 Financial instruments

Cash and cash equivalents for the Group at December 31, 2021 consisted of bank balances amounting to SEK 278 148 thousand (103,342). For financial assets and liabilities, the reported value as below is considered a reasonable approximation of fair value.

All amounts in KSEK	2021-12-31	2020-12-31
Financial assets valued at amortized cost		
Accounts receivable	7,446	-
Other receivables	1,823	832
Liquid assets - Bank accounts	278,148	103,342
Total financial assets	**287,417**	**104,175**
Financial liabilities valued at amortized cost		
Long term lease liabilities	3,511	5,841
Other longterm liabilities	-	135
Accounts payable	9,367	6,538
Short term lease liabilities	6,225	6,232
Other shortterm liabilities	143	297
Accrued expenses	24,038	10,081
Total financial liabilities	**43,285**	**29,124**

Note 7 Related party transactions

Until August 31, Alligator had a consulting agreement with former board member Carl Borrebaeck through the company Ocean Capital AB pertaining to expert assistance with the evaluation of early-phase research projects and new antibodies. These related party transactions corresponded to an expense of SEK 480 thousand (720) during 2021.

Since 2020 and up until 29 October 2021, Gayle Mills was the Company's Chief Business Officer on a consultant basis in accordance with a consultancy agreement between Alligator and Gayle Mills, and received remuneration based on hours worked. These related party transactions corresponded to an expense of SEK 60 thousand (198) for the fourth quarter and SEK 1 054 thousand (198) for the 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.

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

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.

All amounts KSEK unless specified	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Profit/loss for the period	-36,791	-34,516	-141,736	-143,296
Average number of shares before dilution	220,584,878	71,388,615	220,584,878	71,388,615
Earnings per share before dilution, SEK	**-0.17**	**-0.48**	**-0.64**	**-2.01**
Average number of shares after dilution	220,740,173	71,388,615	220,740,173	71,388,615
Earnings per share after dilution, SEK	**-0.17**	**-0.48**	**-0.64**	**-2.01**
Operating costs	-43,938	-34,619	-156,691	-150,964
Operating costs excluding impairments	**-43,938**	**-34,619**	**-156,691**	**-150,964**
Administrative expenses	-3,275	-6,661	-35,423	-29,191
Depreciation	-2,595	-2,869	-11,144	-11,522
Research and development costs	**-38,067**	**-25,089**	**-110,123**	**-110,252**
R&D costs / Operating costs excluding impairments %	**87%**	**72%**	**70%**	**73%**
Equity	282,273	115,244	282,273	115,244
Average number of shares before dilution	220,584,878	71,388,615	220,584,878	71,388,615
Equity per share before dilution, SEK	**1.28**	**1.61**	**1.28**	**1.61**
Average number of shares after dilution	220,740,173	71,388,615	220,740,173	71,388,615
Equity per share after dilution, SEK	**1.28**	**1.61**	**1.28**	**1.61**
Equity	282,273	115,244	282,273	115,244
Total assets	333,200	151,938	333,200	151,938
Equity ratio, %	**85%**	**76%**	**85%**	**76%**
Cash and cash equivalents at end of period	**278,148**	**103,342**	**278,148**	**103,342**

For definitions, see the section "Financial definitions" on page 23.

The declaration of the Board of Directors and the CEO

Anders Ekblom

Hans-Peter Ostler

Eva Sjökvist Saers

Veronica Wallin

Laura von Schantz

Graham Dixon

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 11, 2022

Anders Ekblom
Chairman

Hans-Peter Ostler
Vice Chairman

Eva Sjökvist Saers
Member of the Board

Graham Dixon
Member of the Board

Veronica Wallin
Member of the Board

Laura von Schantz
Member of the Board

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.

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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