Q2

Alligator Bioscience AB (publ)
Interim report January - June 2022

Financial Results and Business Update

"We have completed another quarter of substantial clinical progress along with the continued development of our company. We have much to look forward to in the second half of this year and are well positioned to meet our clinical milestones and continue creating value for our shareholders and partners."

Søren Bregenholt
CEO Alligator Bioscience AB (publ)

Significant Events: April – June 2022

ATOR-1017 – Presentation of 600 mg safety and efficacy data and initiation of 900 mg dose cohort

In April 2022, Alligator announced the completion of the enrollment of the ATOR-1017 Phase 1 dose escalation study at 600 mg, and the initiation of the planned 900 mg dose cohort.

In June, the study findings were presented at the American Society of Clinical Oncology (ASCO) 2022 Annual Meeting, where the generated data demonstrated ATOR-1017's strong potential as a 4-1BB agonist, with an optimal safety- and efficacy profile.

The promising data at 600 mg were the basis to initiate the highest planned dose cohort of 900 mg.

Expansion of Board of Directors with Appointment of Staffan Encrantz and Denise Goode

At the Annual General Meeting on May 5, Anders Ekblom, Graham Dixon, Hans-Peter Ostler, Eva Sjökvist Saers and Veronica Wallin were re-elected as board members, and Staffan Encrantz and Denise Goode were elected as new board members. Anders Ekblom was re-elected as Chairman of the board, and Hans-Peter Ostler was re-elected as Vice Chairman of the Board.

The appointment of Staffan Encrantz and Denise Goode brings extensive experience in corporate governance and business leadership in the pharmaceutical and biotech industries and beyond.

Financial summary for Q2 2022 and H1 2022

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

April – June 2022

- Net sales, SEK 5.2 million (3.8)
- Operating profit/loss, SEK -45.9 million (-34.5)
- Profit/loss for the period, SEK -45.7 million (-35.0)
- Earnings per share before and after dilution, SEK -0.21 (-0.43) *
- Cash flow for the period, SEK -41.7 million (-34.0)
- Cash and cash equivalents, SEK 192.9 million (109.7)

January – June 2022

- Net sales, SEK 10.5 million (4.4)
- Operating profit/loss, SEK -88.9 million (-67.0)
- Profit/loss for the period, SEK -88.8 million (-67.7)
- Earnings per share before and after dilution, SEK -0.40 (-0.83) *
- Cash flow for the period, SEK -85.5 million (6.4)

The information was submitted for publication at 8:00 a.m. CET on July 12, 2022.
For contact details, see page 9.

* Previous periods have been adjusted, see Note 8, page 20.

CEO Comments

Q2 2022 was a quarter of continuous progress and delivery. We released great clinical data showing how differentiated our clinical stage assets are from competitive compounds targeting the same modalities, and we are progressively positioning our technology platforms as gold standard antibody platforms.

This quarter the Alligator team once again demonstrated our commitment to developing meaningful therapies for patients with hard-to-treat cancer while creating value for our stakeholders and shareholders, and I continue to take great pride in our work.

Our lead asset and most advanced drug candidate, mitazalimab, remains on track in OPTIMIZE-1, a Phase 2 study evaluating the efficacy and safety of the best-in-class second generation CD40 agonist antibody in combination with standard-of-care chemotherapy, mFOLFIRINOX, in patients with first-line metastatic pancreatic cancer. Following our announcement last quarter of the successful completion of the Phase 1b part of the study on schedule, we have since been progressing with the Phase 2 study at the recommended dosing level of 900 µg/kg and enrollment is ongoing at sites in Europe. I am pleased with the headway we are making and we are looking forward to reporting the planned interim data analysis later this year. The OPTIMIZE-2 trial was ready to start around the end of the year, but we have decided it would be advantageous to await the results of the OPTIMIZE-1 interim data before initiating the new trial. The potential learnings from these interim data will help derisk the overall OPTIMIZE-2 clinical trial and extend our financial runway. Consequently, the OPTIMIZE-2 clinical trial is now scheduled to begin in H1 2023.

The highlight of the quarter was our presentation at the American Society of Clinical Oncology Annual Meeting in Chicago. We were excited to present the results from our first-in-human clinical trial with ATOR-1017, our second most advanced clinical asset, which is being developed as a tumor-directed therapy for advanced and metastatic solid cancers. In addition to confirming ATOR-1017's mechanism-of-action, the data outlined the strong safety profile and indications of clinical benefit of ATOR-1017, where Stable Disease was achieved in 45% of patients with solid tumors. This really sets ATOR-1017 apart from other 4-1BB antibodies, which have not achieved sufficient efficacy or have shown unacceptable side effects.

These results indicate that ATOR-1017 has the potential to be best-in-class, as well as the potential to address a significant unmet medical need in patients with advanced malignancies. Dose escalation is continuing at the 900 mg dose and we expect data from this cohort to be reported later this year. We will then establish a recommended Phase 2 dose for future studies.

Our latest developments in mitazalimab and ATOR-1017 further validate the ability of our innovative technology platforms to produce drug candidates with great potential and underline the scientific progress Alligator is making in delivering these assets as treatment options for patients with hard-to-treat cancer.

Along with our advances in the clinic, we further strengthened the leadership of our company this quarter with the appointment of two new Board members. Staffan Encrantz and Denise Goode both bring extensive experience in corporate governance and business leadership in the pharmaceutical and biotech industries and beyond. Staffan's investment fund has been a shareholder in Alligator since 2015 and we are delighted to have him take up a formal leadership role at the company where we can further benefit from his deep knowledge gained from years of helping businesses grow and flourish. Denise had a 20-year career with AstraZeneca and now runs a consultancy company advising on and supporting the

strategic direction of biotech companies. Her wealth of experience gained from a number of senior executive and board-level positions will be a vital addition to the company's overall strategic leadership and and business development capacities.

During Q2 we welcomed David Harrison as VP of Business Development. David will continue and expand our efforts to establish long-term strategic and value creating collaborations with the pharma and biotech industry, as well as with academic institutions.

Our annual general meeting was held on 5 May this year and I was pleased to report that all the resolutions were adopted with the required majority of votes. I am hopeful that next year's AGM will take place in-person and I look forward to the opportunity to meet and talk with our shareholders face-to-face.

In summary, we have completed another quarter of substantial clinical progress along with the continued development of our company. We have much to look forward to in the second half of this year and we are well positioned to meet our clinical milestones and continue creating value for our shareholders and partners. I look forward to keeping you updated on Alligator's developments on this exciting journey.

Søren Bregenholt
CEO Alligator Bioscience AB (publ)

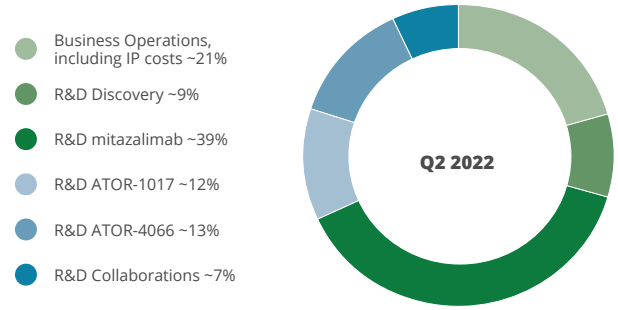
Performance measures Group

	Note	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Result (KSEK)						
Net sales	5	5,170	3,777	10,526	4,394	12,943
Operating profit/loss		-45,888	-34,492	-88,911	-67,013	-141,565
Profit/loss for the period		-45,710	-34,959	-88,786	-67,700	-141,737
R&D costs		-39,297	-16,959	-77,353	-50,285	-110,123
R&D costs as a percentage of operating costs excl. impairments, %		77%	44%	77%	70%	70%
Capital (KSEK)						
Cash and cash equivalents at end of period		192,913	109,705	192,913	109,705	278,148
Cash flow from operating activities		-41,592	-32,158	-86,220	-64,715	-127,033
Cash flow for the period		-41,713	-33,959	-85,483	6,395	174,717
Equity at the end of the period		193,224	122,275	193,224	122,275	282,273
Equity ratio at the end of the period, %		77%	79%	77%	79%	85%
Info per share (SEK)						
Average number of shares		220,584,878	81,835,729	220,584,878	81,835,729	89,670,050
Earnings per share before and after dilution*		-0.21	-0.43	-0.40	-0.83	-1.58
Equity per share before and after dilution*		0.88	1.43	0.88	1.43	1.28
Personnel						
Number of employees at end of period		49	45	49	45	46
Average number of employees		48	45	48	44	45
Average number of employees employed within R&D		39	40	39	39	38

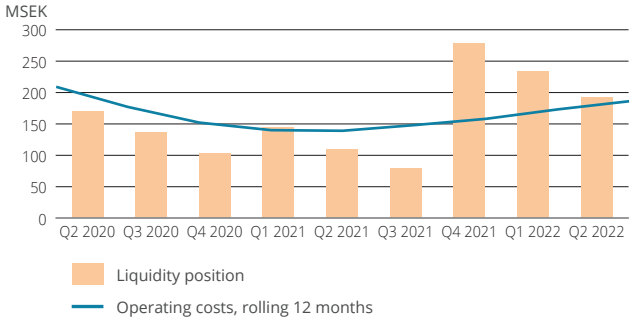
*Effect from dilution is not considered when result is negative and options where call rate is higher than closing rate is not considered.

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

Operating costs distributed by function, Parent Company



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



Operations

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

During the first half of 2022, the Company continued to focus on the two prioritized drug candidates mitazalimab and ATOR-1017. Our technology platforms and pharmaceutical research continue to build long-term value. To drive competitive and time-efficient development, parts of Alligator's work is conducted in collaboration with other biotechnology companies, contract laboratories and leading international research institutions. Our clinical studies are carried out in collaboration with leading specialist physicians and CROs with expertise in oncology clinical development. In summary, the Company has all necessary expertise to pursue successful projects from concept to clinical development.

Alligator's Organization

Alligator's research and development organization is divided into five units: Discovery, CMC (Chemistry, Manufacturing & Control), Non-Clinical Development, Medical Science and Clinical Operations. Members of all these functions collaborate cross-functionally in project teams. The Discovery unit is responsible for early-stage research projects up until a drug candidate has been identified. This normally includes the development and evaluation of treatment concepts, the evaluation of potential drug candidates and early-stage confirmation of efficacy. The CMC unit develops manufacturing processes and is responsible for clinical trial material manufacturing. The Non-Clinical Development unit is responsible for pre-clinical evaluation of safety and efficacy of our molecules, including preparation of the data packages required for clinical trial applications. The Medical Science unit, led by our Chief Medical Officer is responsible for designing all the clinical and regulatory development plans required to show that Alligator's products are safe and effective. The Clinical Operations unit is responsible for timely and excellent implementation of the clinical studies. Alligator will continue to build and shape the organization to match and support its strategy and objectives.

Several Proprietary Technologies

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

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

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

Business Model that Creates Value Across the Development Chain

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

Immuno Oncology Market Overview

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

Oncology Market Trends

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

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

Immuno-oncology

Most tumors contain immune cells with the potential to attack and destroy cancer cells, and possibly eradicate the entire tumor itself. Cancer cells often activate immunosuppressive strategies to inhibit these types of attacks. Immunotherapies provide several different opportunities to help the immune system defend the body against the cancer. Such strategies could be to educate the immune system to better identify tumor cells, while others aim to enhance the capabilities of the immune system to attack the tumor with full force.

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

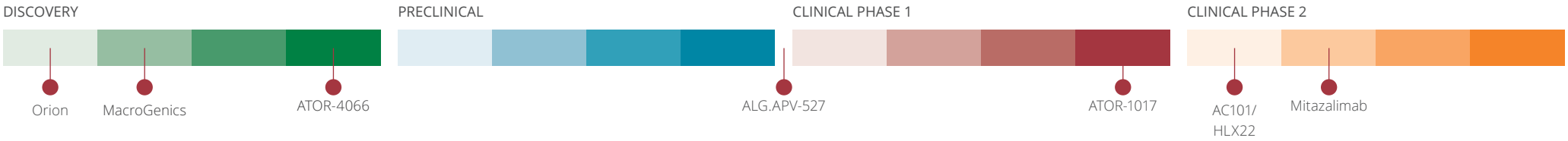
Our lead asset mitazalimab is in a clinical Phase 2 study for the treatment of metastatic pancreatic tumors, a tumor type that is one of the hardest cancers to treat and has one of the lowest five-year survival rates.

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

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

[1] International Agency for Research on Cancer (IARC), Cancer Tomorrow. 30 March 2022.
[2] Database GlobalData (Pharma Intelligence Center – Drug Sales), September 2021.
[3] Database GlobalData (Pancreatic Cancer – Opportunity Analysis and Forecasts to 2029), December 2020.

PIPELINE PROJECTS



Pipeline Projects – Internal Programs

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

Mitazalimab

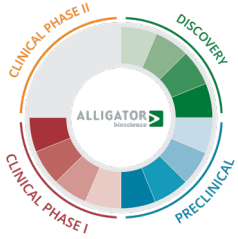
Alligator's most advanced drug candidate mitazalimab, a potential game changer in the treatment of solid tumors, entered a Phase 2 clinical trial in pancreatic cancer, with the first patient dosed in the OPTIMIZE-1 study in Q3 2021. This clinical trial is designed to evaluate the safety and efficacy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

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

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

Subsequent to the 450 µg/kg dose cohort of mitazalimab in combination with mFOLFIRINOX showing good safety, Alligator announced in Q1 2022 that also 900 µg/kg was safe in combination with mFOLFIRINOX. The study is progressing according to plan and dosing of patients at the 900 µg/kg dose level is ongoing with an interim efficacy readout for OPTIMIZE-1 expected in Q4 2022.

ATOR-1017

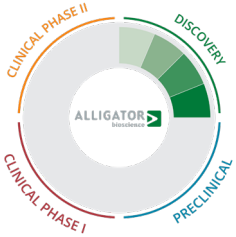


ATOR-1017 is Alligator's second most advanced program and is in the final stages of a Phase 1 dose-escalation study. The study is designed to assess the safety and tolerability of ATOR-1017 in patients with advanced, solid cancers, and to establish a recommended Phase 2 dose for future studies.

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

Clinical data generated to date have shown a favorable pharmacokinetic profile and proof-of-mechanism biomarker responses. No dose-limiting toxicity or serious immune-related adverse reactions have been reported for doses up to 600 mg. Following promising safety data at 600 mg, Alligator initiated enrollment of the 900 mg dose cohort of the dose ranging study. Alligator expects to report in Q3 2022 the top line data of this ongoing dose ranging study and to prepare for the Phase 2 clinical trial.

ATOR-4066



ATOR-4066 is a bispecific antibody created to elicit powerful, patient-specific anti-tumor effects, developed using Alligator's technology platform, Neo-X-PrimeTM.

ATOR-4066 targets two molecules: the same CD40 receptor on dendritic cells that mitazalimab targets, as well as carcinoembryonic antigen (CEA), a protein located on tumor cells. Thanks to its bispecificity, ATOR-4066 has an exceptional ability to induce cross-priming of tumor specific T cells, resulting in very efficient tumor killing.

Early data for ATOR-4066 have shown significantly higher preclinical anti-tumor efficacy compared to a corresponding monospecific CD40 antibody. Preclinical studies have also shown that ATOR-4066 results in prolonged T cell-mediated anti-tumor response.

In 2022, Alligator aims to initiate IND-enabling preclinical development of ATOR-4066.

Collaborations and Out-Licensing Agreements

Aptevo Therapeutics, Inc.

ALG.APV-527 is a bispecific antibody that targets the 4-1BB and 5T4 molecules, designed for the treatment of metastatic cancer. In 2017, Aptevo Therapeutics and Alligator Bioscience AB signed a co-development agreement. Under the agreement, both companies will equally own and finance the development. The original molecules involved in the tumor-binding function and the immunomodulatory function of ALG.APV-527 were developed using Alligator's patented ALLIGATOR-GOLD® antibody library. The bispecific molecule was further developed and improved with Aptevo's technology platform ADAPTIR™. By combining a tumor-binding function with an immunomodulatory function in the same molecule, the drug candidate selectively targets the tumor and stimulates the antitumor-specific immune cells that are present in the tumor. Alligator expects to file an IND application and initiate Phase I clinical trials with ALG.APV-527 in 2022.

Orion Corporation

In 2021, Alligator entered a research collaboration and license agreement with Orion Corporation, a global pharmaceutical company based in Finland. The aim of the collaboration is to discover new bispecific antibody cancer therapeutics against immuno-oncology targets. The agreement covers an option to develop three bispecific antibodies.

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

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

MacroGenics, Inc.

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

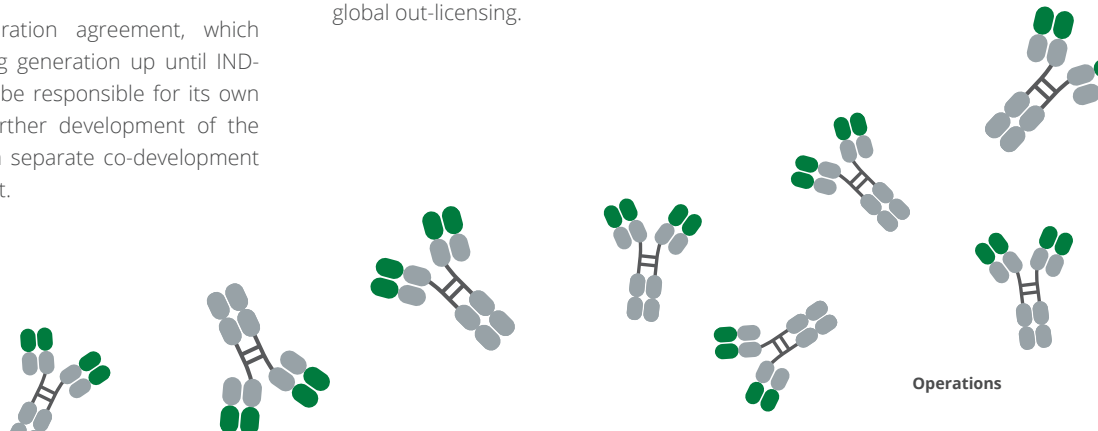
Under the joint research collaboration agreement, which covers activities from candidate drug generation up until IND-enabling studies, each company will be responsible for its own costs. The parties may continue further development of the resulting bispecific molecule under a separate co-development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

Biotheus

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

AbClon

Through its subsidiary Atlas Therapeutics AB, Alligator holds a participating interest in the clinical Biosynergy (AC101/HLX22) project, run by the listed Korean company AbClon. The drug candidate is now being further developed by Chinese company Shanghai Henlius, which increased its rights to encompass a global license for development and commercialization in 2018. The phase 2 study had the first patient dosed in Q4 2021. Alligator incurs no cost for this project and is entitled to 35% of AbClon's revenue from out-licensing to Shanghai Henlius. In previous financial years, Alligator received two milestone payments totaling USD 3 million in conjunction with regional and global out-licensing.



The Alligator Share

Number of shares, stock option program and share saving program

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

Employee option program 2018

The annual general meeting 2018 resolved to implement an employee option program of total of 2,275,000 employee options.

The options could be exercised one month after the interim report for the first quarter 2022 had been announced. No one exercised their right, so all options in this program have lapsed.

Share saving program LTI 2021

At the annual general meeting 2021 it was resolved to implement a long-term incentive program by way of a performance-based share saving program for employees in the company ("LTI 2021"). For each ordinary share acquired by the participant on Nasdaq Stockholm, so called saving shares, the participant has a right to receive so called matching shares. In addition, given that a requirement related to the development of the company's share price from the day of the annual general meeting 2021 up until 30 September 2024 has been achieved, the participant has a right to receive further shares in the company free of charge, so called performance shares. After recalculation due to a completed rights issue in 2021, each saving share entitles to 1.0947 matching shares. The thresholds for the receipt of one, two or four performance shares per saving share amounts to SEK 15.74 for receipt of one performance share, SEK 31.65 for receipt of two performance shares and SEK 52.89 for receipt of four performance shares.

The maximum number of ordinary shares that can be issued in relation to LTI 2021 amount to 949,850, whereby 722,759 for the deliverance of matching shares and performance shares to participants and 227,091 to hedge payments of future social security contributions, which corresponds to a dilution of approximately 0.4 per cent of the company's share capital and votes.

Warrant programs, LTI 2022 I/II

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

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

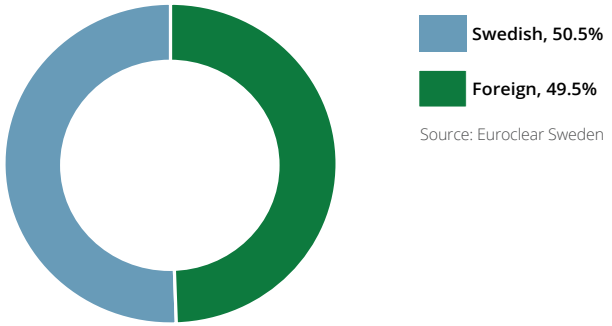
Each warrant in LTI 2022-I/II entitle to subscription of one ordinary share in the company. Subscription of shares by virtue of the warrants may be effected as from 1 June 2025 up to and including 30 June 2025. The subscription price per share for above warrant programs, was calculated to SEK 3,38 which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

In case the existing share saving program as well as both warrant programs are exercised in full, a total of 5,149,850 new shares will be issued, which corresponds to a total dilution of approximately 2,32 percent.

The Alligator share in brief June 30, 2022

Listed on:	Nasdaq Stockholm Small Cap
Number of shares:	221,534,728 (220,584,878 ordinary shares and 949,850 C shares)
Average turnover per day:	Approximately 155,000 (preceding quarter: approx. 263,000)
Number of shareholders:	8,600 (preceding quarter: approx. 8,400)
Market capitalization:	MSEK 322 (preceding quarter: approx MSEK 439)
Ticker:	ATORX
ISIN:	SE0000767188

Swedish and foreign ownership



Source: Euroclear Sweden

Largest Shareholders	June 30, 2022	%
UBP/Allegro Investment Fund	55,643,092	25.2
UBP Clients Assets - Sweden	26,372,822	12.0
Lars Spånberg	9,641,572	4.4
Fjärde AP-fonden	6,819,547	3.1
Magnus Petersson	6,210,000	2.8
Sunstone LSV FUND II K/S	5,758,485	2.6
Mikael Lönn	4,326,547	2.0
Clearstream Banking S.A., W8IMY	4,323,279	2.0
Öhman fonder	3,786,791	1.7
Johnson & Johnson Innovation	2,740,919	1.2
Other shareholders	94,961,824	43.1
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 June 30, 2022, 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 49 (45). Of these, 14 (10) were men and 35 (35) were women. Of the total number of employees at the end of the quarter 40 (40) were employed within research and development.

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

- Q3 Interim Report: October 20, 2022
- Year-end Report: February, 2023

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

The impact of Covid-19 on the Group's risks
The Covid-19 pandemic has affected the way we work, but currently we do not forsee any negative long-term effects on our operations due to the pandemic.

The impact of the Ukraine's crisis on the Group's risks
The situation in Ukraine is foremost a humanitarian tragedy that is causing great human suffering. The Russian invasion of Ukraine has worsened the political security situation in the rest of the world and created great uncertainty in the financial markets, which may affect the company's ability to finance clinical trials in the future. The company has no direct business in, nor does it conduct any clinical studies in Ukraine or Russia, but see a risk that the company eventually will suffer from increased raw material and energy prices, which are likely to translate into increased prices for goods and services.

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, 2021. Unless otherwise stated, all amounts stated are rounded correctly, which may mean that some totals do not tally exactly. "Dollar" means US dollars unless otherwise stated.

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

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Financial statements

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

Consolidated
Income Statement

Net Sales
Sales for the period pertain primarily to the collaboration and licence agreement with Orion Corporation. In the same period prior year sales reffered primarily to the licence agreement with Biotheus Inc and and to the joint research agreement with BioArctic AB.

Other operating income
Other operating income for the quarter for both year 2022 and 2021 comprises primarily of exchange gains in the company's operations.

Operating costs
The company's costs are higher compared to the same period previous year, and pertain mainly to costs related to the clinical projects mitazalimab and its study OPTIMIZE-1 and ATOR-1017. External costs for mitazalimab amounted to SEK 11,521 (4,545) during the first quarter of the year and the increased costs are mainly related to the increased number of patients in the study. The personnel costs in the second quarter is higher than last year due to an increased number of employees.

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

All amounts KSEK unless specified	Note	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Operating income						
Net sales	5	5,170	3,777	10,526	4,394	12,943
Other operating income	5	267	129	467	317	2,183
Total operating income		**5,437**	**3,907**	**10,993**	**4,711**	**15,126**
Operating costs						
Other external costs		-30,756	-19,992	-60,902	-37,632	-86,982
Personnel costs		-18,849	-15,044	-34,245	-28,291	-57,814
Depreciation of tangible assets and intangible assets		-1,343	-3,277	-4,090	-5,607	-11,144
Other operatings expenses		-378	-85	-667	-194	-751
Total operating costs		**-51,325**	**-38,399**	**-99,903**	**-71,724**	**-156,691**
Operating profit/loss		**-45,888**	**-34,492**	**-88,911**	**-67,013**	**-141,565**
Financial items						
Other interest income and similar income statement items		70	-	125	-9	-2
Interest expense and similar income statement items		108	-467	-	-678	-169
Net financial items		**178**	**-467**	**124**	**-687**	**-171**
Profit/loss before tax		**-45,711**	**-34,959**	**-88,786**	**-67,700**	**-141,736**
Tax on profit for the period		-	-	-	-	-
Profit for the period attributable to Parent Company share-holders		**-45,711**	**-34,959**	**-88,786**	**-67,700**	**-141,736**
Earnings per share						
Earnings per share before and after dilution, SEK		**-0.21**	**-0.43**	**-0.40**	**-0.83**	**-1.58**

Consolidated
Statement of Comprehensive Income

All amounts KSEK	Note	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2020 Jan-Dec
Profit/loss for the period		-45,711	-34,959	-88,786	-67,700	-141,736
Other comprehensive income		-	-	-	-	-
Comprehensive income for the period		**-45,711**	**-34,959**	**-88,786**	**-67,700**	**-141,736**

Consolidated
Statement of Financial Position

ASSETS

Participations in development projects

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

Right of use assets

At the end of the period, right of use assets amounted to SEK 21,476 thousand (10,456). Right of use assets pertain to leases for offices and laboratories, machines and vehicles. Rights of use assets are higher compared to the previous period due to an extension in one of our leasing contracts relating to office rent. The contract should expire on December 31, 2022 but has been extended for another 3 years.

Cash and cash equivalents

Consolidated cash and cash equivalents, which consist of bank balances, totaled SEK 192,913 thousand (278,148).

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

All amounts in KSEK	Note	2022-06-30	2021-06-30	2021-12-31
ASSETS				
Fixed assets				
Intangible assets				
Participations in development projects	3	17,949	17,949	17,949
Patents		4	29	17
Softwares		136	267	201
Tangible assets				
Improvements in leased premises		304	913	608
Right of use assets		21,476	8,183	10,456
Equipment, machinery and computers		2,725	6,337	4,355
Total fixed assets		**42,593**	**33,677**	**33,587**
Current assets				
Current receivables				
Accounts receivable	6	4,736	-	7,446
Other receivables	6	5,604	5,867	7,044
Prepayments and accrued income		5,606	6,210	6,975
Cash and cash equivalents	6	192,913	109,705	278,148
Total current assets		**208,859**	**121,782**	**299,613**
TOTAL ASSETS		**251,451**	**155,459**	**333,200**

Consolidated

Statement of Financial Position

EQUITY AND LIABILITIES

Equity

Equity at the end of the period amounted to SEK 193,224 thousand (282,273), corresponding to an equity ratio of 77% (85). During the first quarter the number of shares and votes in the Company have increased due to directed issue and repurchase of 949,850 series C shares, which were resolved upon by the board of directors on 22 March 2022 pursuant to the authorization granted by the annual general meeting on 1 June 2021.

As of 30 June 2022, the number of shares in Alligator Bioscience AB amounts to 221,534,728 shares, of which 220,584,878 are ordinary shares with one vote per share and 949,850 are series C shares with one-tenth of a vote per share. The number of votes in the company amounts to 220,679,863 votes.

Equity per share before and after dilution

At the end of the period, equity per outstanding share amounted to SEK 0.88 (1.28), before and after dilution. Since the subscription price for issued options has not been reached, these are not taken into account (not "in-the-money"). C shares are not taken into account either.

Lease liabilities and loans

At the end of the period lease liabilities amounted to SEK 20,687 thousand (9,367). Lease liabilities pertain to leases for offices and laboratories, machines and vehicles. Lease liabilities are higher compared to the previous period due to an extension in one of our leasing contracts relating to office rent. The contract should expire on December 31, 2022 but has been extended for another 3 years.

Accrued expenses and deferred income

At the end of the period, accrued expenses and deferred income amounted to SEK 31,696 thousand (29,586). Expenses pertains to accrued expenses for clinical activities, personnel and other expenses.

All amounts in KSEK	Note	2022-06-30	2021-06-30	2021-12-31
EQUITY AND LIABILITIES				
Equity				
Share capital		88,614	34,267	88,234
Other capital contributions		911,544	731,765	911,831
Retained earnings and profit/loss for the period		-806,933	-643,757	-717,792
Equity attributable to Parent Company shareholders		**193,224**	**122,275**	**282,273**
Non-current provisions and liabilities				
Lease liabilities	6	13,427	2,573	3,511
Other long-term liabilities	6	-	145	-
Total non-current provisions and liabilities		**13,427**	**2,718**	**3,511**
Current liabilities				
Accounts payable	6	4,866	3,263	9,367
Other liabilities		978	1,295	2,237
Lease liabilities	6	7,261	5,853	6,225
Accrued expenses and deferred income	6	31,696	20,055	29,586
Total current liabilities		**44,800**	**30,466**	**47,416**
TOTAL EQUITY AND LIABILITIES		**251,451**	**155,459**	**333,200**

Consolidated

Statement of Changes in Equity, in summary

All amounts in KSEK		2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Opening balance		**238,508**	**157,246**	**282,273**	**115,244**	**115,244**
New capital issue		-	-	380	85,666	359,570
Transaction costs		-	-1	-713	-10,931	-50,801
Treasury shares*		-	-	-380	-	-
Warrants**		426	-	426	-	-
Effect of share-based payments personnel		-0	-11	25	-4	-3
Profit/loss for the period		-45,710	-34,959	-88,786	-67,700	-141,736
Other comprehensive income in the period		-	-	-	-	-
Closing balance		**193,224**	**122,275**	**193,224**	**122,275**	**282,273**

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

**The item refers to cash compensation for issuing warrants. For more information on the Warrant Program, see page 8.

Consolidated
Statement of Cash Flows

Investments

Investments during the quarter consisted of laboratory equipment SEK 225 (-) thousand.

Cash flow for the period

Cash flow for the quarter totaled SEK -41,713 thousand (33,960) and relates mainly to costs from operating activities.

All amounts in KSEK	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Operating activities					
Operating profit/loss	-45,888	-34,492	-88,911	-67,013	-141,565
Adjustments for items not generating cash flow					
Depreciation and impairments	1,343	3,277	4,090	5,607	11,144
Effect from warrant program	27	-11	53	-4	4
Other items, no impact on cash flow	36	33	177	-18	65
Interest received	-	-	-	-	-
Interest paid	-3	-411	-126	-660	-235
Tax paid	-	-	-	-	-
Cash flow from operating activities before changes in working capital	**-44,486**	**-31,603**	**-84,716**	**-62,087**	**-130,587**
Changes in working capital					
Change in operating receivables	-561	-2,681	2,429	-2,911	-13,589
Change in operating liabilities	3,693	2,126	-3,694	284	17,144
Cash flow from operating activities	**-41,354**	**-32,158**	**-85,982**	**-64,715**	**-127,033**
Investing activities					
Acquisition of tangible assets	-225	-	-293	-	-45
Cash flow from investing activities	**-225**	**-**	**-293**	**-**	**-45**
Financing activities					
Amortization of leasing liabilities	-535	-1,726	1,183	-3,122	-6,672
Amortization of installment purchase	-26	-75	-104	-504	-301
New share issue	-	-	-	85,666	342,665
Underwriting expenses	-	-1	-333	-10,931	-33,897
Option premiums received	426	-	426	-	-
Purchase of treasury shares	-	-	-380	-	-
Cash flow from financing activities	**-134**	**-1,803**	**1,172**	**71,109**	**301,795**
Cash flow for the period	**-41,713**	**-33,960**	**-85,103**	**6,395**	**174,718**
Cash and cash equivalents at beginning of period	**234,448**	**143,660**	**278,148**	**103,342**	**103,342**
Exchange rate differences in cash and cash equivalents	178	6	247	-31	60
Cash and cash equivalents at end of period*	**192,913**	**109,705**	**192,913**	**109,705**	**278,148**

Parent Company
Income Statement

All amounts in KSEK	Note	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Operating income						
Net sales	5	5,170	3777	10,526	4,394	12,943
Other operating income	5	267	129	467	317	2,183
Total operating income		**5,437**	**3,907**	**10,993**	**4,711**	**15,126**
Operating costs						
Other external costs		-30,968	-22,021	-62,790	-40,677	-93,279
Personnel costs		-18,849	-15,044	-34,245	-28,291	-57,814
Depreciation and impairment of tangible assets and intangible assets		-1,141	-1,323	-2,306	-2,675	-5,084
Other operatings expenses		-378	-85	-667	-194	-751
Total operating costs		**-51,335**	**-38,472**	**-100,007**	**-71,837**	**-156,928**
Operating profit/loss		**-45,898**	**-34,566**	**-89,015**	**-67,126**	**-141,802**
Results from financial items						
Other interest income and similar income statement items		70	-	125	-9	-2
Interest expense and similar income statement items		109	-75	120	-37	39
Net financial items		**178**	**-75**	**244**	**-46**	**37**
Profit/loss after financial items		**-45,720**	**-34,641**	**-88,771**	**-67,172**	**-141,765**
Result before tax		**-45,720**	**-34,641**	**-88,771**	**-67,172**	**-141,765**
Tax on profit for the year		-	-	-	-	-
Profit/loss for the period		**-45,720**	**-34,641**	**-88,771**	**-67,172**	**-141,765**

Parent Company
Statement of Comprehensive Income

All amounts in KSEK	Note	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Profit/loss for the period		-45,720	-34,641	-88,771	-67,172	-141,765
Other comprehensive income		-	-	-	-	-
Profit/loss for the year		**-45,720**	**-34,641**	**-88,771**	**-67,172**	**-141,765**

Parent Company
Balance Sheet

ASSETS

All amounts in KSEK	Note	2022-06-31	2021-06-31	2021-12-31
ASSETS				
Fixed assets				
Intangible assets				
Patents		4	29	17
Software		136	267	201
Total intangible assets		**140**	**296**	**219**
Tangible assets				
Improvements in leased premises		304	913	608
Equipment, machinery and computers		2,725	6,337	4,355
Total tangible assets		**3,029**	**7,250**	**4,963**
Financial assets				
Participations in Group companies	3	20,294	20,294	20,294
Total financial assets		**20,294**	**20,294**	**20,294**
Total fixed assets		**23,463**	**27,840**	**25,475**
Current assets				
Current receivables				
Accounts receivables		4,739	-	7,446
Receivables from Group companies		438	438	438
Other receivables		5,604	5,867	7,044
Prepayments and accrued income		7,427	6,745	8,796
Total current receivables		**18,207**	**13,050**	**23,724**
Cash and bank deposits		191,629	108,840	277,288
Total current assets		**209,837**	**121,889**	**301,012**
TOTAL ASSETS		**233,299**	**149,729**	**326,488**

Parent Company
Balance Sheet

EQUITY AND LIABILITIES

All amounts in KSEK	Note	2022-06-31	2021-06-31	2021-12-31
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		88,614	34,267	88,234
Total restricted equity		**88,614**	**34,267**	**88,234**
Non-restricted equity				
Share premium reserve		911,118	731,765	911,831
Retained earnings		-715,968	-573,888	-573,877
Profit/loss for the period		-88,771	-67,172	-141,765
Total non-restricted equity		**106,379**	**90,705**	**196,190**
Total equity		**194,993**	**124,971**	**284,424**
Non-current provisions and liabilities				
Other long-term liabilities		-	284	143
Total non-current provisions and liabilities		**-**	**284**	**143**
Current liabilities				
Accounts payable		4,866	3,263	9,367
Other liabilities		978	1155	2,095
Accrued expenses and deferred income		32,462	20,055	30,459
Total current liabilities		**38,306**	**24,474**	**41,921**
TOTAL EQUITY AND LIABILITIES		**233,299**	**149,729**	**326,488**

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. Group's business operations are mainly carried out in the Parent Company.

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

Note 2 Accounting policies

This 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 interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

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

Note 3 Effects of changed estimates and judgments

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

Note 4 Segment reporting

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

Note 5 Consolidated Income

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

All amounts in KSEK	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Licensing income	-	-	-	-	4,643
Reimbursement for development work	5,170	-	10,526	-	8,300
Total	**5,170**	**-**	**10,526**	**-**	**12,943**

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

All amounts in KSEK	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Swedish government grants received	179	-	179	-	384
EU grants received	-	-	6	-	1,251
Operational exchange rate gains	88	317	281	317	547
Other	-	700	-	700	-
Total	**267**	**1,017**	**466**	**1,017**	**2,183**

Note 6 Financial instruments

Cash and cash equivalents for the Group at June 30, 2022 consisted of bank balances amounting to SEK 192,913 thousand (278,148). For financial assets and liabilities, the reported value as below is considered a reasonable approximation of fair value.

All amounts in KSEK	2022-06-30	2021-06-30	2021-12-31
Financial assets valued at amortized cost			
Accounts receivable	4,736	-	7,446
Other receivables	962	1,505	-
Liquid assets - Bank accounts	192,913	109,705	278,148
Total financial assets	**198,611**	**111,210**	**285,594**
Financial liabilities valued at amortized cost			
Long-term lease liabilities	13,427	2,573	3,511
Other long-term liabilities	-	145	-
Accounts payable	4,866	3,263	9,367
Short-term lease liabilities	7,261	5,853	6,225
Other short-term liabilities	-	139	143
Accrued expenses	27,101	12,019	-
Total financial liabilities	**52,655**	**23,993**	**19,247**

Note 7 Related party transactions

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

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

Note 8 Correction of error

For the financial year 2021 (comparison year), an error has been noted in the average number of shares before and after dilution. We have stated the number of shares as of the balance sheet date instead of the average number of shares before and after dilution and the comparison year has been adjusted in this interim report. The effect of the adjustment means that earnings per share before and after dilution change from SEK -0.41 to SEK -0.43 for Q2 2021 and from SEK -0.64 to SEK -1.58 for 2021 year to date.

All amounts KSEK unless specified	2021 Apr-Jun	2021 Apr-Jun Restated	2021 Jan-Jun	2021 Jan-Jun Restated	2021 Jan-Dec	2021 Jan-Dec Restated
Profit/loss for the period	-34,959	-34,959	-67,700	-67,700	-141,736	-141,736
Average number of shares before dilution	85,666,338	81,835,729	85,666,338	81,835,729	220,584,878	89,670,050
Earnings per share before dilution, SEK	**-0.41**	**-0.43**	**-0.79**	**-0.83**	**-0.64**	**-1.58**
Average number of shares after dilution	85,666,338	81,835,729	85,666,338	81,835,729	220,584,878	89,670,050
Earnings per share after dilution, SEK	**-0.41**	**-0.43**	**-0.79**	**-0.83**	**-0.64**	**-1.58**

Financial definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

Equity ratio
Equity as a percentage of total assets.

Total assets
Total of the Company's assets.

Calculation of Performance Measures

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

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	**2022 Apr-Jun**	**2021 Apr-Jun**	**2022 Jan-Jun**	**2021 Jan-Jun**	**2021 Jan-Dec**
Profit/loss for the period	-45,711	-34,959	-88,786	-67,700	-141,736
Average number of shares before dilution	220,584,878	81,835,729	220,584,878	81,835,729	89,670,050
Earnings per share before dilution, SEK	**-0.21**	**-0.43**	**-0.40**	**-0.83**	**-1.58**
Average number of shares after dilution	220,584,878	81,835,729	220,584,878	81,835,729	89,670,050
Earnings per share after dilution, SEK	**-0.21**	**-0.43**	**-0.40**	**-0.83**	**-1.58**
Operating costs	-51,325	-38,399	-99,903	-71,724	-156,691
Operating costs excluding impairments	**-51,325**	**-38,399**	**-99,903**	**-71,724**	**-156,691**
Administrative expenses	-10,685	-15,832	-18,461	-15,832	-35,423
Depreciation	-1,343	-5,607	-4,090	-5,607	-11,144
Research and development costs	**-39,297**	**-16,959**	**-77,353**	**-50,285**	**-110,123**
R&D costs / Operating costs excluding impairments %	**77%**	**44%**	**77%**	**70%**	**70%**
Equity	193,224	122,275	193,224	122,275	282,273
Average number of shares before dilution	220,584,878	85,666,338	220,584,878	85,666,338	220,584,878
Equity per share before dilution, SEK	**0.88**	**1.43**	**0.88**	**1.43**	**1.28**
Average number of shares after dilution	220,584,878	85,666,338	220,584,878	85,666,338	220,740,173
Equity per share after dilution, SEK	**0.88**	**1.43**	**0.88**	**1.43**	**1.28**
Equity	193,224	122,275	193,224	122,275	282,273
Total assets	251,451	155,459	251,451	155,459	333,200
Equity ratio, %	**77%**	**79%**	**77%**	**79%**	**85%**
Cash and cash equivalents at end of period	**192,913**	**109,705**	**192,913**	**109,705**	**278,148**

For definitions, see the section "Financial definitions" on page 21.

The declaration of the Board of Directors and the CEO

Anders Ekblom

Hans-Peter Ostler

Eva Sjökvist Saers

Denise Goode

Veronica Wallin

Laura von Schantz

Graham Dixon

Staffan Encrantz

Søren Bregenholt

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

Lund, July 12, 2022

Anders Ekblom
Chairman of the Board

Hans-Peter Ostler
Vice chairman of the Board

Eva Sjökvist Saers
Board member

Graham Dixon
Board member

Veronica Wallin
Board member

Laura von Schantz
Board member

Denise Goode
Board member

Staffan Encrantz
Board member

Søren Bregenholt
CEO

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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 1,2 and 3. The various stages of studies on the efficacy of a pharmaceutical in humans. See also "clinical study." Phase 1 examines the safety on healthy human subjects, Phase 2 examines efficacy in patients with the relevant disease and Phase 3 is a large-scale study that verifies previously achieved results. In the development of new pharmaceuticals, different doses are trialed and safety is evaluated in patients with relevant disease. Phase 2 is often divided into Phase 2a and Phase 2b. In Phase 2a, which is open, different doses of the pharmaceutical are tested without comparison against placebo and focusing on safety and the pharmaceutical's metabolism in the body. Phase 2b is 'blind', and tests the efficacy of selected dose(es) against placebo.

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

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

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

Proof of concept studies. Studies carried out to provide support for dosages and administration paths in subsequent clinical studies.

R&D. Research & Development

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

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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