Q2

Alligator Bioscience AB (publ)
Interim report January - June 2023
Financial Results and Business Update

"This year is proving to be a period of dynamic development for Alligator. The highlights this quarter include additional interim data from OPTIMIZE-1 that showed a significant clinical benefit for pancreatic cancer patients treated with mitazalimab compared to standard of care, along with the granting of orphan drug designation to mitazalimab by the FDA. We are also extremely pleased to have secured our ability to deliver the next inflection milestones with mitazalimab thanks to the strong support from our existing shareholders via our successful preferential rights issue."

Søren Bregenholt
CEO Alligator Bioscience AB (publ)

Significant events: April - June 2023

Promising progress for mitazalimab during the quarter

- Highly positive second interim efficacy data readout from OPTIMIZE-1 showed an increase in Objective Response Rate from 52% to 57% in the follow-up of the January interim analysis cohort (23 patients). The interim Objective Reponse Rate of 44% for the full cohort (57 patients) confirmed the benefit of mitazalimab added to mFOLFIRINOX, and the 8.7 months median Duration of Response compared favorably with 5.9 months reported with FOLFIRINOX in a similar patient population. Alligator expect these data to improve by the topline readout in Q1 2024, as patients will have stayed longer on treatment.
- Dr. Zev Wainberg, academic medical oncologist at David Geffen UCLA School of Medicine discussed current pancreatic cancer treatment landscape and the potential of the latest OPTIMIZE-1 interim data at Key Opinion Leader webcast.
- Mitazalimab granted US Orphan Drug Designation by FDA in 1st line pancreatic cancer, conferring significant financial and regulatory benefits, including seven years of marketing exclusivity, once mitazalimab is approved.
- OPTIMIZE-1 Phase 2 study with mitazalimab in pancreatic cancer completed patient recruitment earlier than planned, timeline for top-line data in Q1 2024 confirmed.
- Additional and comprehensive data from first interim futility analysis of OPTIMIZE-1 presented at the ASCO 2023 Annual Meeting
- IND cleared by FDA for mitazalimab OPTIMIZE-2 Phase 2 study in urothelial carcinoma.
- Last patient dosed in the investigator-initiated trial REACTIVE-2, which evaluates mitazalimab in combination with MesoPher in patients with metastatic pancreatic cancer.

ATOR-4066 in vitro and in vivo data presentation at AACR 2023 Annual Meeting

- Presentation highlighted the potential of ATOR-4066, Alligator's bi-specific antibody targeting both CD40 and CEACAM5, to induce strong anti-tumor responses in patients with CEACAM5-expressing tumors.

Successful rights issue, milestone payment and Annual General Meeting 2023

- Alligator received SEK 181 million in gross proceeds following the preferential rights issue. Approximately 76 percent was subscribed by existing shareholders with an additional 15.5 percent subscribed by guarantors, resulting in a total number of outstanding shares amounting to 624,525,669. The rights issue was approved at the Extraordinary General Meeting on April 24, 2023 in accordance with the proposal by the Board of Directors.
- Alligator received a milestone payment from Orion Corporation after they exercised an option to develop bispecific antibodies under the initial research collaboration and license agreement signed in 2021.
- On May 26, Alligator held its Annual General Meeting of 2023, where all resolutions were adopted with the required majority of votes.

Financial summary

April– June 2023

- Net sales, SEK 17.4 million (5.2)
- Operating profit/loss, SEK -63.7 million (-45.9)
- Profit/loss for the period, SEK -63.7 million (-45.7)
- Earnings per share before and after dilution, SEK -0.19 (-0.21)
- Cash flow for the period, SEK 115.6 million (-41.7)
- Cash and cash equivalents, SEK 160.6 million (97.3)

January– June 2023

- Net sales, SEK 27.0 million (10.5)
- Operating profit/loss, SEK -125.9 million (-88.9)
- Profit/loss for the period, SEK -126.3 million (-88.8)
- Earnings per share before and after dilution, SEK -0.46 (-0.40)
- Cash flow for the period, SEK 63.4 million (-85.5)
- Cash and cash equivalents, SEK 160.6 million (97.3)

The information was submitted for publication at 8:00 a.m. CET on July 13, 2023. For contact details and notes to the reader, see page 10.

CEO Comments

This quarter Alligator produced another set of outstanding data to add to the growing body of compelling clinical evidence supporting our lead drug candidate mitazalimab in pancreatic cancer. Our progress in the clinic is underpinned by the robust financial framework that we strengthened in the period to ensure our company and our research continues to thrive.

The second interim efficacy analysis from the OPTIMIZE-1 Phase 2 study evaluating mitazalimab in combination with chemotherapy in 1st line pancreatic cancer demonstrated that tumor responses deepened and the Objective Response Rate increased from 52% to 57%, suggesting a durable clinical benefit for patients. Median Duration of Response was 8.7 months compared to 5.9 months reported for FOLFIRINOX alone in other studies[1]. This indicates mitazalimab's immunostimulatory effect and suggests potential benefits on Progression Free Survival and Overall Survival. As we move forward towards the topline readout, we expect the response rate and outcome-related data like Progression Free Survival to improve, as patients will have stayed longer on treatment. Taken together, the data sets so far highlight the possibility that mitazalimab could transform the treatment paradigm for pancreatic cancer patients and will form the basis for discussions on the optimal route to market with regulators in the US and Europe. In April we announced that OPTIMIZE-1 had been fully recruited, eliminating the operational risk of this important Phase 2 trial, and placing us in an excellent position to deliver topline data in early Q1 2024, much faster than initially anticipated.

This quarter we also received Orphan Drug Designation from the US Food and Drug Administration (FDA) for mitazalimab in first-line metastatic pancreatic cancer. An Orphan Drug Designation is granted by the FDA to medicines that prevent or treat a rare disease or condition, like pancreatic cancer. In additional to the validation of mitazalimab, the designation confers significant benefits in the form of marketing exclusivity and cost savings once the drug candidate receives marketing approval.

We held a presentation at this year's American Society of Clinical Oncology (ASCO) Annual Meeting in Chicago, outlining the comprehensive data from January's OPTIMIZE-1 futility analysis. This was an excellent opportunity for us to showcase mitazalimab's strong clinical performance to the world's leading oncologists and I'm pleased to report we have received significant interest in our CD40 agonist from the medical community and potential partners. We are intensifying our business development efforts to find the right partner who can bring mitazalimab to patients as fast as possible.

Our successful preferential rights issue raised SEK 181 million before deduction costs, which ensures we remain financed to deliver the OPTIMIZE-1 top-line data while keeping dilution to our current shareholders to a minimum. We greatly value the support of our investors and are very grateful for the trust you continue to place in our company and our drug candidates. Our Annual General Meeting was held at the end of May and I'm pleased to say that all the resolutions were adopted with the required majority of votes.

On the partnership front, our research collaboration and license agreement with Orion Corporation is making rapid progress. We have generated several attractive options for Orion to select candidates from for final development. Orion has now exercised its development option in our first collaboration project which triggers a milestone payment to Alligator.

In other developments, we successfully dosed the last patient in our REACTIVE-2 Phase 1 study with Amphera and we also held a presentation at this year's annual meeting of the American

Association of Cancer Research (AACR), highlighting our Neo-X-Prime™ bispecific antibody ATOR-4066.

We remain deeply committed to delivering on our ambition to develop meaningful therapies for patients with hard-to-treat cancer and to this end we have much to look forward to in the months ahead. We are continuing to prepare mitazalimab for Phase 3 clinical evaluation in pancreatic cancer by engaging in manufacturing development, toxicology studies and regulatory integrations in what is an exciting next step for Alligator.

Søren Bregenholt
CEO Alligator Bioscience AB (publ)

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

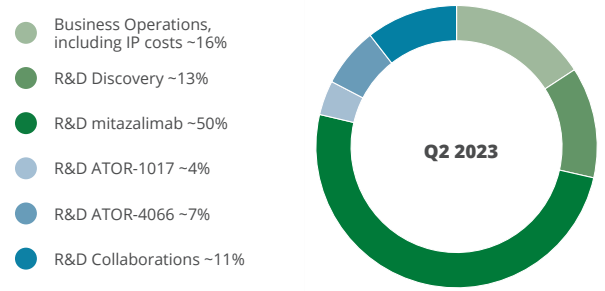
Performance measures Group

	Note	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Result (KSEK)						
Net sales	5	17,362	5,170	26,955	10,526	35,696
Operating profit/loss		-63,686	-45,888	-125,876	-88,911	-192,789
Profit/loss for the period		-63,712	-45,710	-126,255	-88,786	-193,403
R&D costs		-70,433	-39,297	-130,525	-77,353	-186,945
R&D costs as a percentage of operating costs excl. Impairments, %		86%	77%	84%	77%	81%
Capital (KSEK)						
Cash and cash equivalents at end of period		160,552	192,913	160,552	192,913	97,305
Cash flow from operating activities		-38,986	-41,354	-88,219	-85,982	-172,607
Cash flow for the period		115,637	-41,713	63,397	-85,483	-180,875
Equity at the end of the period		121,835	193,224	121,835	193,224	89,051
Equity ratio at the end of the period, %		54%	77%	54%	77%	53%
Info per share (SEK)						
Average number of shares		336,700,912	220,584,878	276,282,813	220,584,878	220,584,878
Earnings per share after dilution*		-0.19	-0.21	-0.46	-0.40	-0.88
Equity per share after dilution*		0.20	0.88	0.20	0.88	0.40
Personnel						
Number of employees at end of period		61	49	61	49	53
Average number of employees		60	48	57	48	50
Average number of employees employed within R&D		51	39	48	39	41

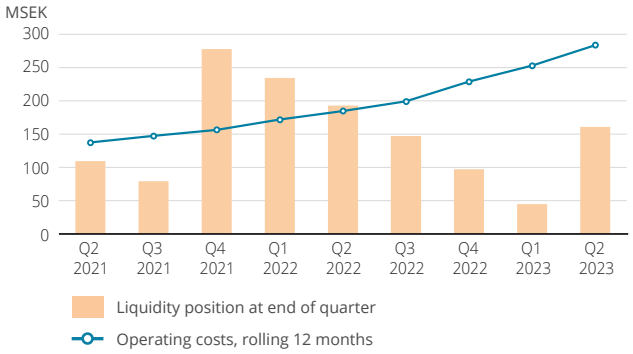
* Effect from dilution is not considered when result is negative and options where call rate is higher than closing rate is not considered.

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

Operating costs distributed by function, Parent Company



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



Operations

Alligator Bioscience is a clinical-stage biotech company dedicated to developing tumor-directed best-in-class antibodies for hard-to-treat cancers. Our drug candidates have the potential to meet key needs in immuno-oncology by increasing the quantity and quality of tumor-specific T cells within the tumor and, at the same time, remodeling the tumor microenvironment to provide the immune system better access to the tumor. Alligator's highest standards on the safety and efficacy of its drug candidates increase their potential to be combined with current standard therapies, which is key to improving clinical benefits in oncology today.

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

Alligator's Organization

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

Several Proprietary Technologies

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

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

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

Business Model that Creates Value Across the Development Chain

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

Immuno Oncology Market Overview

Cancer touches many 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, hard-to-treat 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 account for approximately 40% of the total drug market by 2028.[2] A surge of new and innovative treatment methods is expected to emerge in the marketplace, and immunotherapies will play an important role in these treatment options for cancer.

Alligator believes that the demand for novel immunotherapy drugs will increase along with the global demand for new and more effective oncology therapies, and is well positioned to deliver state-of-the-art antibodies for cancer treatment.

Immuno-oncology

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

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

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

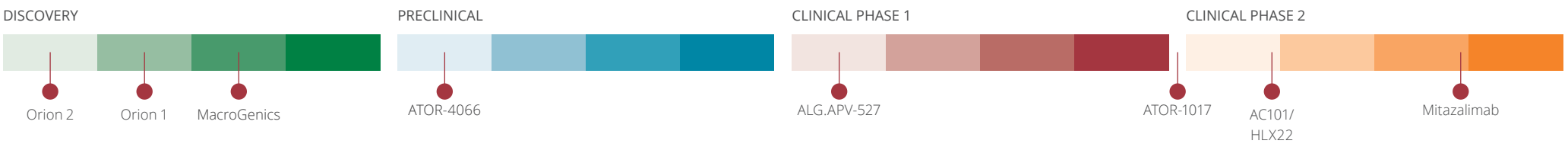
Approximately 300,000 people in the 16 major markets* are diagnosed with pancreatic cancer each year. Although surgery is the best treatment, only 15-20% of those diagnosed can be treated by surgery, while the remaining 85% are left with very few treatment options available to them, with chemotherapy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

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

[1] International Agency for Research on Cancer (IARC), Data version: 2020, April 2023.
[2] Database GlobalData (Pharma Intelligence Center – Drug Sales), February 2023.

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

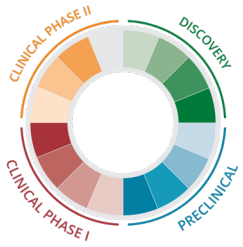
PIPELINE PROJECTS



Pipeline Projects – Internal Programs

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

Mitazalimab



Alligator's most advanced drug candidate mitazalimab, a potential game changer in the treatment of solid tumors, 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 a 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.

In Q1 2022, Alligator announced that mitazalimab was safe and tolerable in combination with mFOLFIRINOX and that 900 µg/kg, was selected as the Recommended Phase 2 Dose (RP2D), with the Phase 2 enrolment subsequently initiated at sites in Europe. As a consequence of the accelerated recruitment during 2022, the company announced that the full Phase 2 data would become available in Q1 2024, 9 months earlier than initially expected. The full enrollment of OPTIMIZE-1 was announced on April 12, reconfirming that full topline data are expected in the beginning of Q1 2024. The completion of enrollment significantly reduces the operational risk in OPTIMIZE-1 and the mitazalimab development program in general.

In early January 2023, the interim efficacy readout for OPTIMIZE-1 was published, showing an Objective Response Rate (ORR) exceeding 50% in 23 evaluable patients, and a disease control rate of more than 90%. These results were further put into context with current treatment options in a webinar hosted by Alligator, featuring CMO Sumeet Ambarkhane and Principal Investigator of OPTIMIZE-1, Prof. Jean-Luc van Laethem. Comprehensive data from the January interim readout were presented on June 5, at the ASCO Annual Meeting 2023.

On April 3 Alligator announced that FDA had cleared the IND for OPTIMIZE-2, a phase 2 study assessing the safety and efficacy of an immunotherapeutic combination of mitazalimab (CD40 mAb) and a PD-1 inhibitor, in adult patients with histologically confirmed urothelial carcinoma, and who have progressed following prior treatment with PD-(L)1 therapy. Alligator expects to initiate OPTIMIZE-2, during H1 2024 or earlier if operationally feasible.

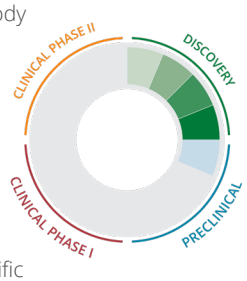
On May 15, Alligator received an FDA Orphan Drug Designation for mitazalimab in pancreatic cancer, a designation that confers significant benefits in the form of cost savings during development and marketing exclusivity following approval, further reducing the operational risk in the mitazalimab development program.

On June 26, Alligator announced positive second interim results from OPTIMIZE-1. Interim analysis conducted on the 23 patients included in the initial interim analysis reported in January 2023 demonstrated tumor responses deepened with the ORR increasing from 52% to 57%, suggesting a durable benefit for patients. Interim analysis conducted on all 57 evaluable patients demonstrated 25 patients responded to treatment resulting in an interim ORR of 44%. Median Duration of Response was 8.7 months compared to 5.9 reported for FOLFIRINOX alone in other studies[1], indicating an immunostimulatory effect of mitazalimab and potential Progression Free Survival (PFS) and survival benefits. We expect the response rate and outcome-related data like Progression Free Survival to improve, as patients will have stayed longer on treatment.

We are encouraged by the interim data and have intensified our business development efforts to identify the right partner to bring mitazalimab to patients as fast as possible in pancreatic cancer and beyond thus leveraging its full commercial potential. We believe that the most likely time frame for a partnership deal is from Q4 2023 to Q2 2024.

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

ATOR-4066

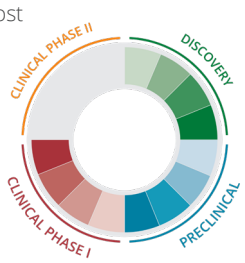


ATOR-4066 is a bispecific antibody created to elicit powerful, tumor-specific immune effects, developed using Alligator's technology platform, Neo-X-Prime™. In Neo-X-Prime, we combine Alligator's expertise in immuno-oncology and CD40 targeted therapies with our state of the art technology platform and our bispecific antibody format RUBY™. The concept builds on bispecific antibodies simultaneously binding to CD40 and to molecules preferentially expressed on tumor cells. In addition to a tumor directed activation of dendritic cells, this will also promote physical linkage of circulating tumor material to dendritic cells. This linking of tumor material with the dendritic cells results in education and activation of tumor neoantigen-specific T cells and induces superior anti-tumor immunity.

ATOR-4066 is a tumor directed bispecific antibody that binds to CD40 and carcinoembryonic antigen (CEACAM5), a tumor-associated antigen that is preferentially expressed in certain cancer types such as colorectal, gastric and pancreatic cancer. During the year, the preclinical data package supporting the mode of action of ATOR-4066 and its potent anti-tumor effect in in vivo models has been presented at several scientific meetings and in November a scientific article was published in the peer-reviewed *Journal for Immunotherapy of Cancer*, highlighting the potential of ATOR-4066 and the Neo-X-Prime platform. In April, Alligator presented a poster at the 2023 AACR Annual Meeting. Taken together, the presented data show the ability of ATOR-4066 to remodel the immune microenvironment and activate tumor-infiltrating immune cells in primary human tumors expressing CEA, demonstrating the promise of this new candidate drug and strongly supporting further development towards the clinic.

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

ATOR-1017

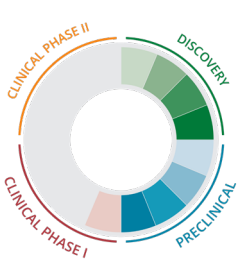


ATOR-1017 is Alligator's second most advanced program and is in the final stages of a Phase 1 dose-escalation study. The study is designed to assess the safety and tolerability of ATOR-1017 in patients with advanced, solid cancers, and to establish a recommended Phase 2 dose for future studies.

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

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

ALG-APV-527



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

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

A publication in a peer-reviewed journal Molecular Cancer Therapeutics highlighting ALG.APV-527 preclinical data was published in November 2022. The data demonstrates a favorable preclinical efficacy and safety profile of ALG.APV-527 compared to a first generation 4-1BB antibody. In September 2022, the companies Investigational New Drug (IND) application received a "may proceed" notification from the US Food and Drug Administration (FDA), and in February 2023 the first patient was dosed in the Phase 1 clinical study to evaluate ALG.APV-527 in the treatment of solid tumors expressing the tumor-associated antigen 5T4. The study is being conducted in the US.

Collaborations and Out-Licensing Agreements

Orion Corporation

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

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

As part of the agreement, Alligator is eligible for development, approval, and sales milestone payments of up to EUR 313 million. Should Orion exercise its option to continue development and commercialization of the resulting product candidates, Alligator will be eligible to receive additional royalty payments. On May 11, 2023, Alligator announced that Orion had selected bispecific lead antibodies and subsequently exercised its first development option to these molecules under the agreement.

MacroGenics, Inc.

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

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

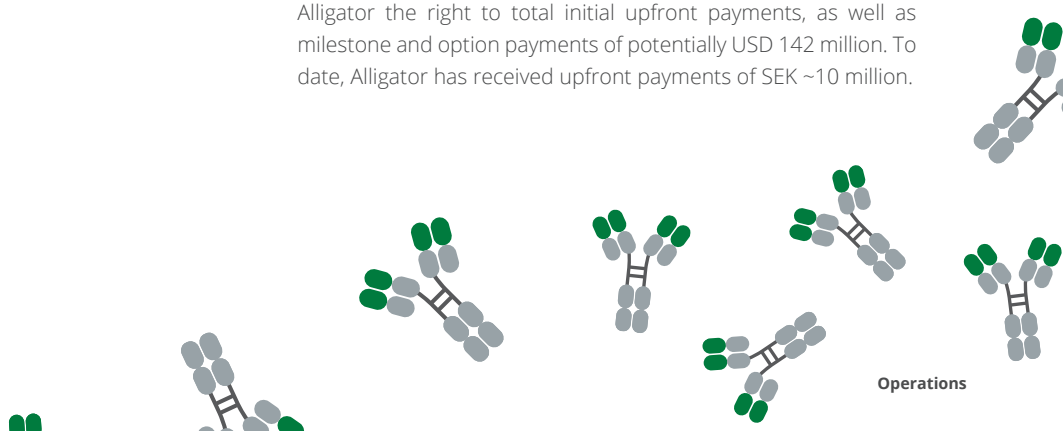
AC101/HLX22

Through its subsidiary Atlas Therapeutics AB, Alligator holds a participating interest in the clinical Biosynergy (AC101/HLX22) project, run by the listed Korean company AbClon. The drug candidate is now being further developed by the Chinese company Shanghai Henlius, which increased its rights to encompass a global license for development and commercialization in 2018. The phase 2 study had the first patient dosed in Q3 2021, and the estimated primary completion date for the study is April 2023, will full completion expected Q3 2024. In 2022, an IND application has been approved for a second Phase 2 trial in China with AC101/HLX22 in gastric cancer.

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

Biotheus

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



The Alligator Share

Number of shares, stock option program and share saving program

The Extraordinary General Meeting on 24 April 2023 resolved to carry out the rights issue and to reduce the share capital within the aggregate SEK 74,435,668.608 from SEK 88,613,891.20 to SEK 14,178,222.592. This reduction means that the quota value per share is reduced from SEK 0.40 to SEK 0.064. The Rights Issue comprised a maximum of 441,169,756 units. Each unit consists of one ordinary share and one warrant. Eight warrants entitle the holder to subscribe for one new ordinary share in the company at an exercise price corresponding to 70 percent of the volume-weighted average price of the company's share on Nasdaq Stockholm during a period of ten trading days preceding 15 August 2023, however not less than SEK 0.40. The exercise period will run between 17 August – 31 August 2023.

As a result of the rights issue, the share capital increased by SEK 25,791,420.224 to SEK 39,969,642.816 through the issuance of 402,990,941 new ordinary shares, resulting in that the total number of shares outstanding in the company increase from 221,534,728 to 624,525,669, whereof 623,575,819 are ordinary shares and 949,850 are series C shares. The rights issue resulted in a dilution of the ordinary shares of approximately 64.6 per cent and following the rights issue, the total number of votes in the company amounts to 623,670,804.

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. The maximum number of ordinary shares that can be issued in relation to LTI 2021 amount to 853,905 whereby 649,752 for the deliverance of matching shares and performance shares to participants and 204,153 to hedge payments of future social security contributions, which corresponds to a dilution of approximately 0.1 per cent of the company's share capital and votes.

Warrant programs, LTI 2022 I/II

At the Annual General Meeting 2022 it was resolved to implement a long-term incentive program by way of a warrant program for employees in the company and for certain board members ("LTI 2022-I", respectively "LTI 2022-II"). Each warrant in LTI 2022-I/II entitles to subscription of one ordinary share in the company. In June 2023, these warrants have been partially cancelled, and of the original number, 2,627,000 options remain in LTI 2022-I and 500 options remain in LTI 2022-II. Subscription of shares by virtue of the warrants may be effected as from 1 June 2025 up to and including 30 June 2025. The subscription price per share for above warrant programs, was calculated to SEK 3,38 which corresponds to 200 per cent of the volume weighted average price during 10 trading days immediately after the annual general meeting 2022. All warrants have been transferred to the participants at fair market value.

The recalculation of the share savings program and the warrants programs above because of the rights issue in June 2023 will take place in August 2023 after the value of the warrants is established.

Warrant programs 2023/2023-II

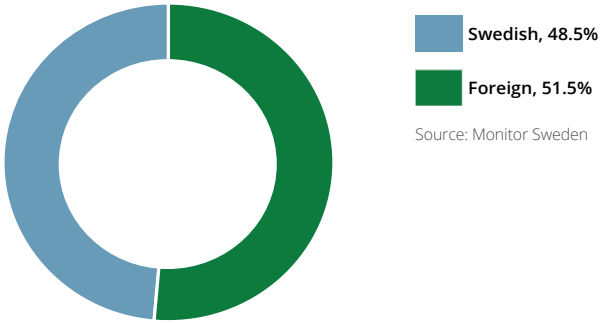
At the Annual General Meeting 2023 it was resolved to implement another long-term incentive program by way of a warrant program for employees in the company and for certain board members ("Warrant program 2023", respectively "Warrant program 2023-II"). In case all warrants issued within the Warrant program 2023 program are utilized for subscription of new ordinary shares, a total of 8,955,000 new ordinary shares will be issued, which corresponds to a dilution of approximately 1.4 per cent of the company's ordinary shares after full dilution. In case all warrants issued within the Warrant program 2023-II are utilized for subscription of new ordinary shares, a total of 1,440,000 new ordinary shares will be issued, which corresponds to a dilution of approximately 0.2 per cent of the company's ordinary shares after full dilution.

In case both the existing incentive programs as well as the warrant programs proposed for the Annual General Meeting are exercised in full, a total of 14,375,905 ordinary shares will be issued, which corresponds to a total dilution of approximately 2.3 per cent of the company's ordinary shares.

The Alligator share in brief June 30, 2023

Listed on:	Nasdaq Stockholm Small Cap
Number of shares:	624,525,669 (623,575,819 ordinary shares och 949,850 C shares)
Average turnover per day:	Approximately 2,720,000 (preceding quarter: approx. 730,000)
Number of shareholders:	10,540 (preceding quarter: approx. 9,582)
Market capitalization:	SEK 297 million (preceding quarter: approx .SEK 159 million)
Ticker:	ATORX
ISIN:	SE0000767188

Swedish and foreign ownership



Source: Monitor Sweden

Largest Shareholders, June 30, 2023	No of Shares	%
Koncentra Holding AB (Part of Allegro Investment Fund)	189,151,498	30.3
Roxette Photo NV*	18,148,825	8.2
Avanza Pension	19,823,204	3.2
Magnus Petersson	19,124,338	3.1
Nordnet Pensionförsäkring	16,268,308	2.6
Johan Zetterstedt	10,000,000	1.6
Lars Spånberg	9,641,572	1.5
Jonas Sjögren	6,553,098	1.1
Öhman Fonder	6,150,597	1.0
Mikael Lönn	6,000,000	1,0
Other shareholders	322,714,379	46.5
Total number of shares	**623,575,819**	**100.0**

*Holding verified as per May 15, 2023.

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

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

Other information

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

Employees
The number of employees in the Group at the end of the quarter was 61 (53). Of these, 18 (16) were men and 43 (37) were women. Of the total number of employees at the end of the quarter 52 (44) were employed within research and development.

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

- Q3 Interim Report: October 26, 2023
- Year-end Report 2023: February, 2024
- Annual Report 2023: March, 2024

Risks and uncertainties
During the course of its business operations, the Group is exposed to various financial risks, such as market risk (comprising foreign exchange risk, interest-rate risk and price risk), credit risk and liquidity risk. The aim of the Group's overall risk management is to achieve minimal adverse effects in terms of earnings and financial position.
The Group has transaction exposure from contracted payment flows in foreign currency. Most of the Group's transaction exposure is in USD, GBP and EUR. A 5 % stronger/weaker SEK against the USD would have a positive/negative effect on post-tax profits and equity of approx. +/- SEK 1,527 thousand during the first half of 2023. A 5 % stronger/weaker SEK against the EUR would have a positive/negative effect on post-tax profits and equity of approx. SEK +/-1,465 thousand. A 5 % stronger/weaker SEK against the GBP would have a positive/negative effect on post-tax profits and equity of approx. +/- SEK 777 thousand during the first half of 2023.

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

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

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

Statement of financial position
The Company works continuously to secure the financing of the operation. This include both business development for new partnering agreements, with an upfront payment upon signing, as well as other options. In June 2023 the Company carried out a rights issue of approximately SEK 159 million after transaction costs. As the company within the next 12 months has additional financing needs that have not yet been secured, the Board is continuously working on evaluating various financing options to ensure continued operation. It is the Board´s assessment that the company has good prospects of securing future financing, for example, through a new share issue, however, the absence of assurance at the same time of submission of this report means that there is a significant uncertainty factor regarding the company´s ability to continue operation.

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

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

Notes to the reader
Figures in brackets refer to the outcome for the corresponding period in the preceding year for figures related to the income statement and cash flow. For figures related to the financial position and personnel, figures in brackets refer to December 31, 2022. Unless otherwise stated, all amounts stated are rounded correctly, which may mean that some totals do not tally exactly. "Dollar" means US dollars unless otherwise stated.

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

For further information, please contact:
Søren Bregenholt, CEO
Email: **soren.bregenholt@alligatorbioscience.com**
Phone: +46 46 540 82 00

Marie Svensson, CFO
Email: **marie.svensson@alligatorbioscience.com**
Phone: +46 46 540 82 03

Guillaume van Renterghem, LifeSci Advisors, Investor Relations
Email: **ir@alligatorbioscience.com**

Alligator Bioscience AB (publ) 556597-8201
Medicon Village, Scheelevägen 2
223 81 Lund, Sweden
Phone: +46 46 540 82 00
www.alligatorbioscience.com

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, 2022. Unless stated otherwise, all amounts are in SEK thousand (KSEK). All amounts stated are rounded, which may mean that some totals do not tally exactly.

Consolidated
Income Statement

Net Sales

Sales for the period pertain primarily to the collaboration and licence agreement with Orion Corporation. In December 2022, Alligator Bioscience and Orion Corporation announced the initiation of the second program of their Immuno-oncology Research Collaboration and License Agreement. In May 2023 Orion Corporation has selected bispecific lead antibodies and exercised its option to develop these molecules under the existing research collaboration and license agreement between the two companies. In the same period prior year sales reffered primarily to the first program within the collaboration and licence agreement with Orion Corporation.

Other operating income

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

Operating costs

The company's costs are higher compared to the same period previous year and pertain mainly to costs related to mitazalimab's Optimize-1 study and ALG. APV 527. External costs for mitazalimab amounted to SEK 32,361 thousand (11,522) during the second quarter of the year. These costs are driven by Phase 3 enabling toxicity studies, drug production and a high number of patients that stay on longer in Optimize-1 compared to the previous year. The first patient in ALG.APV 527 was dosed in February 2023 and the study is currently ongoing. The personnel costs in the second quarter are higher than last year due to an increased number of employees.

Net financial items

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

All amounts KSEK unless specified	Note	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Operating income						
Net sales	5	17,362	5,170	26,955	10,526	35,696
Other operating income	5	1,304	267	2,138	467	1,439
Total operating income		**18,666**	**5,437**	**29,093**	**10,993**	**37,135**
Operating costs						
Other external costs		-56,456	-30,756	-107,923	-60,902	-147,725
Personnel costs		-22,427	-18,849	-40,766	-34,245	-68,836
Depreciation of tangible assets and intangible assets		-2,664	-1,343	-5,133	-4,090	-11,767
Other operatings expenses		-806	-378	-1,147	-667	-1,597
Total operating costs		**-82,351**	**-51,325**	**-154,969**	**-99,903**	**-229,925**
Operating profit/loss		**-63,686**	**-45,888**	**-125,876**	**-88,911**	**-192,789**
Financial items						
Other interest income and similar income statement items		162	70	76	125	32
Interest expense and similar income statement items		-188	108	-455	-	-646
Net financial items		**-26**	**178**	**-379**	**124**	**-614**
Profit/loss before tax		**-63,712**	**-45,710**	**-126,255**	**-88,786**	**-193,403**
Tax on profit for the period		-	-	-	-	-
Profit for the period attributable to Parent Company share-holders		**-63,712**	**-45,710**	**-126,255**	**-88,786**	**-193,403**
Earnings per share						
Earnings per share before and after dilution, SEK		**-0.19**	**-0.21**	**-0.46**	**-0.40**	**-0.88**

Consolidated
Statement of Comprehensive Income

All amounts KSEK	Note	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Profit/loss for the period		**-63,712**	-45,710	**-126,255**	-88,786	-193,403
Other comprehensive income		-	-	-	-	-
Comprehensive income for the period		**-63,712**	**-45,710**	**-126,255**	**-88,786**	**-193,403**

Consolidated
Statement of Financial Position

ASSETS

Participations in development projects

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

Right of use assets

At the end of the period, right of use assets amounted to SEK 22,362 thousand (25,550). Right of use assets pertain to leases for offices and laboratories, machines and vehicles.

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

Cash and cash equivalents

Consolidated cash and cash equivalents, which consist of bank balances, totaled SEK 160,552 thousand (97,305).

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

All amounts in KSEK	Note	2023-06-30	2022-06-30	2022-12-31
ASSETS				
Fixed assets				
Intangible assets				
Participations in development projects	3	17,949	17,949	17,949
Patents		-	4	-
Softwares		27	136	70
Tangible assets				
Improvements in leased premises		-	304	-
Right of use assets		22,362	21,476	25,550
Equipment, machinery and computers		3,256	2,725	1,386
Financial assets				
Other long term financial fixed assets	6	2,111	-	1,815
Total fixed assets		**45,704**	**42,593**	**46,770**
Current assets				
Current receivables				
Accounts receivable	6	9,642	4,736	13,930
Other receivables	6	4,988	5,604	3,636
Prepayments and accrued income		3,065	5,606	7,942
Cash and cash equivalents	6	160,552	192,913	97,305
Total current assets		**178,247**	**208,859**	**122,814**
TOTAL ASSETS		**223,950**	**251,451**	**169,584**

Consolidated
Statement of Financial Position

EQUITY AND LIABILITIES

Equity

Equity at the end of the period amounted to SEK 121,835 thousand (89,051), corresponding to an equity ratio of 54 (53) %. The Extraordinary General Meeting on 24 April 2023 resolved to carry out the rights issue and to reduce the share capital within the aggregate SEK 74,435,668.608 from SEK 88,613,891.20 to SEK 14,178,222.592. This reduction means that the quota value per share is reduced from SEK 0.40 to SEK 0.064. The Rights Issue comprised a maximum of 441,169,756 units. Each unit consists of one ordinary share and one warrant. Eight warrants entitle the holder to subscribe for one new ordinary share in the company at an exercise price corresponding to 70 percent of the volume-weighted average price of the ccompany's share on Nasdaq Stockholm during a period of ten trading days preceding 15 August 2023, however not less than SEK 0.40. The exercise period will run between 17 August – 31 August 2023.

As a result of the rights issue, the share capital increased by SEK 25,791,420.224 to SEK 39,969,642.816 through the issuance of 402,990,941 new ordinary shares, resulting in that the total number of shares outstanding in the company increase from 221,534,728 to 624,525,669, whereof 623,575,819 are ordinary shares and 949,850 are series C shares. The rights issue resulted in a dilution of the ordinary shares of approximately 64.6 per cent and following the rights issue, the total number of votes in the company amounts to 623,670,804.

Equity per share before and after dilution

At the end of the period, equity per outstanding share amounted to SEK 0.20 (0,41), before and after dilution. Since the subscription price for issued options has not been reached, these are not taken into account (not "in-the-money"). C shares are not taken into account either.

Lease liabilities and loans

Lease liabilities pertain to leases for offices and laboratories, machines and vehicles. At the end of the period long- and short-term lease liabilities amounted to SEK 20,894 thousand (24,502). In June 2022 Alligator entered into a lease agreement with Medicon Village for office premises valid from October 2024 with an agreement period of 5 years. The new agreement is estimated to increase the lease liabilities by SEK 42,281 thousand, based on the use of the agreement period without extension, and replaces the current agreement with Medicon Village regarding office premises.

Accrued expenses and deferred income

At the end of the period, accrued expenses and deferred income amounted to SEK 65,739 thousand (39,655). Expenses pertains to accrued expenses for clinical activities, personnel and other expenses. Accrued costs are higher compared to the same period last year and are primarily related to accrued patient costs for mitazalimab's Optimize-1 study and costs related to Phase 1 studie for ALG.APV 527.patient costs for mitazalimab's OPTIMIZE-1 study and costs related to the initiation of clinical studies for ALG.APV-527.

All amounts in KSEK	Note	2023-06-30	2022-06-30	2022-12-31
EQUITY AND LIABILITIES				
Equity				
Share capital		39,970	88,614	88,614
Other capital contributions		1,045,104	911,544	911,901
Retained earnings and profit/loss for the period		-963,239	-806,933	-911,463
Equity attributable to Parent Company shareholders		**121,835**	**193,224**	**89,051**
Non-current provisions and liabilities				
Lease liabilities	6	11,794	13,427	16,003
Total non-current provisions and liabilities		**11,794**	**13,427**	**16,003**
Current liabilities				
Accounts payable	6	11,455	4,866	13,343
Other liabilities		4,028	978	3,032
Lease liabilities	6	9,100	7,261	8,499
Accrued expenses and deferred income	6	65,739	31,696	39,655
Total current liabilities		**90,322**	**44,800**	**64,529**
TOTAL EQUITY AND LIABILITIES		**223,950**	**251,451**	**169,584**

Consolidated

Statement of Changes in Equity, in summary

All amounts in KSEK		2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Opening balance		**26,526**	**238,508**	**89,051**	**282,273**	**282,273**
New capital issue		181,346	-	181,346	380	380
Transaction costs		-22,783	-	-22,783	-713	-343
Treasury shares		-	-	-	-380	-380
Warrants		440	426	440	426	426
Effect of share-based payments personnel		20	-	44	25	99
Repurchase of warrants		-2	-	-9	-	-
Profit/loss for the period		-63,712	-45,710	-126,255	-88,786	-193,403
Closing balance		**121,835**	**193,224**	**121,835**	**193,224**	**89,051**

Consolidated
Statement of Cash Flows

Investments

Investments during the quarter consisted of laboratory equipment SEK 1,948 (440) thousand. Investments during the year amounts to SEK 2,420 (293) thousand.

Cash flow for the period

Cash flow for the quarter totaled SEK 115,637 thousand (-41,713). In June 2023, the Company carried out a rights issue SEK 181,346 thousand which had positive effect on the cash flow. Transaction cost amounted to SEK 22,783 thousand.

All amounts in KSEK	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Operating activities					
Operating profit/loss	-63,686	-45,888	-125,876	-88,911	-192,789
Adjustments for items not generating cash flow					
Depreciation and impairments	2,664	1,343	5,133	4,090	11,767
Effect from warrant program	20	26	44	53	99
Other items, no impact on cash flow	-	36	-	177	-19
Interest received	27	-	37	-	-
Interest paid	-130	-3	-266	-126	-646
Tax paid	-	-	-	-	-
Cash flow from operating activities before changes in working capital	**-61,105**	**-44,486**	**-120,928**	**-84,716**	**-181,588**
Changes in working capital					
Change in operating receivables	13,110	-561	7,518	2,429	-5,859
Change in operating liabilities	9,009	3,693	25,191	-3,694	14,840
Cash flow from operating activities	**-38,986**	**-41,354**	**-88,219**	**-85,982**	**-172,607**
Investing activities					
Acquisition of tangible assets	-1,948	-225	-2,420	-293	-440
Cash flow from investing activities	**-1,948**	**-225**	**-2,420**	**-293**	**-440**
Financing activities					
Amortization of leasing liabilities	-2,430	-535	-4,959	1,183	-7,806
Amortization of installment purchase	-	-26	-	-104	-104
New share issue	181,346	-	181,346	-	380
Transaction costs	-22,783	-	-22,783	-333	-343
Warrants	440	426	440	426	426
Repurchase of warants	-2	-	-9	-	-
Purchase of treasury shares	-	-	-	-380	-380
Cash flow from financing activities	**156,571**	**-134**	**154,035**	**792**	**-7,827**
Cash flow for the period	**115,637**	**-41,713**	**63,397**	**-85,483**	**-180,874**
Cash and cash equivalents at beginning of period	**44,837**	**234,448**	**97,305**	**278,148**	**278,148**
Exchange rate differences in cash and cash equivalents	77	178	-150	247	32
Cash and cash equivalents at end of period	**160,552**	**192,913**	**160,552**	**192,913**	**97,305**

Parent Company
Income Statement

All amounts in KSEK	Note	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Operating income						
Net sales	5	17,362	5,170	26,955	10,526	35,696
Other operating income	5	1,304	267	2,138	467	1,439
Total operating income		**18,666**	**5,437**	**29,093**	**10,993**	**37,135**
Operating costs						
Other external costs		-58,960	-30,968	-112,718	-62,790	-155,785
Personnel costs		-22,427	-18,849	-40,766	-34,245	-68,836
Depreciation and impairment of tangible assets and intangible assets		-289	-1,141	-594	-2,306	-4,165
Other operatings expenses		-806	-378	-1,147	-667	-1,597
Total operating costs		**-82,481**	**-51,335**	**-155,225**	**-100,007**	**-230,383**
Operating profit/loss		**-63,815**	**-45,898**	**-126,132**	**-89,015**	**-193,248**
Results from financial items						
Other interest income and similar income statement items		162	70	76	125	35
Interest expense and similar income statement items		-58	109	-189	120	-4
Net financial items		**104**	**178**	**-113**	**244**	**31**
Profit/loss after financial items		**-63,711**	**-45,720**	**-126,245**	**-88,771**	**-193,217**
Appropriations						
Group contribution received		-	-	-	-	407
Total appropriations		**-**	**-**	**-**	**-**	**407**
Result before tax		**-63,711**	**-45,720**	**-126,245**	**-88,771**	**-192,810**
Tax on profit for the year		-	-	-	-	-
Profit/loss for the period		**-63,711**	**-45,720**	**-126,245**	**-88,771**	**-192,810**

Parent Company
Statement of Comprehensive Income

All amounts in KSEK	Note	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Profit/loss for the period		-63,711	-45,720	-126,245	-88,771	-192,810
Other comprehensive income		-	-	-	-	-
Profit/loss for the year		**-63,711**	**-45,720**	**-126,245**	**-88,771**	**-192,810**

Parent Company
Balance Sheet

All amounts in KSEK	Note	2023-06-30	2022-06-30	2022-12-31
ASSETS				
Fixed assets				
Intangible assets				
Patents		-	4	-
Software		27	136	70
Total intangible assets		**27**	**140**	**70**
Tangible assets				
Improvements in leased premises		-	304	-
Equipment, machinery and computers		3,256	2,725	1,386
Total tangible assets		**3,256**	**3,029**	**1,386**
Financial assets				
Participations in Group companies	3	20,294	20,294	20,294
Other long term financial fixed assets		2,111	-	1,815
Total financial assets		**22,405**	**20,294**	**22,109**
Total fixed assets		**25,687**	**23,463**	**23,565**
Current assets				
Current receivables				
Accounts receivables		9,642	4,739	13,930
Receivables from Group companies		845	438	845
Other receivables		4,988	5,604	3,636
Prepayments and accrued income		5,478	7,427	10,037
Total current receivables		**20,952**	**18,207**	**28,447**
Cash and bank deposits		158,866	191,629	96,046
Total current assets		**179,818**	**209,837**	**124,494**
TOTAL ASSETS		**205,505**	**233,299**	**148,059**

Parent Company
Balance Sheet

All amounts in KSEK	Note	2023-06-30	2022-06-30	2022-12-31
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		39,970	88,614	88,614
Total restricted equity		**39,970**	**88,614**	**88,614**
Non-restricted equity				
Share premium reserve		1,044,259	911,118	911,488
Retained earnings		-834,253	-715,968	-715,923
Profit/loss for the period		-126,245	-88,771	-192,810
Total non-restricted equity		**83,761**	**106,379**	**2,755**
Total equity		**123,731**	**194,993**	**91,369**
Current liabilities				
Accounts payable		11,455	4,866	13,343
Other liabilities		4,028	978	3,032
Accrued expenses and deferred income		66,292	32,462	40,314
Total current liabilities		**81,774**	**38,306**	**56,690**
TOTAL EQUITY AND LIABILITIES		**205,505**	**233,299**	**148,059**

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 2022.

Note 3 Effects of changed estimates and judgments

Significant estimates and judgments are described in Note 3 and Note 18 of the Annual report for 2022. There have been no changes to the company's estimates and judgments since the Annual report for 2022 was prepared.

Note 4 Segment reporting

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

Note 5 Consolidated Income

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

All amounts in KSEK	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Licensing income	5,594	-	5,594	-	-
Reimbursement for development work	11,768	5,170	21,361	10,526	35,696
Total	**17,362**	**5,170**	**26,955**	**10,526**	**35,696**

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

All amounts in KSEK	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Swedish government grants received	511	179	727	179	305
Insurance compensation	-	-	-	6	6
Operational exchange rate gains	793	88	1,393	281	1,103
Other	-	-	18	-	25
Total	**1,304**	**267**	**2,138**	**466**	**1,439**

Note 6 Financial instruments

Cash and cash equivalents for the Group at June 30, 2023 consisted of bank balances amounting to SEK 160,552 thousand (97,305). For financial assets and liabilities, the reported value as below is considered a reasonable approximation of fair value.

All amounts in KSEK	2023-06-30	2022-06-30	2022-12-31
Financial assets valued at amortized cost			
Other long term financial fixed assets	2,111	-	1,815
Accounts receivable	9,642	4,736	13,930
Other receivables	6	962	-
Liquid assets - bank accounts	160,552	192,913	97,305
Total financial assets	**172,310**	**198,611**	**113,050**
Financial liabilities valued at amortized cost			
Long-term lease liabilities	11,794	13,427	16,003
Accounts payable	11,455	4,866	13,343
Short-term lease liabilities	9,100	7,261	8,499
Accrued expenses	60,822	27,101	36,072
Total financial liabilities	**93,171**	**52,655**	**73,917**

Note 7 Related party transactions

In connection with the rights Issue, Alligator has in March 2023 entered into an agreement on a top guarantee of MSEK 10 with the Company's largest shareholder Koncentra, in which company board member Staffan Enkrantz is chairman of the board of directors. Furthermore, Alligator has in March 2023 entered into an agreement of a top guarantee of MSEK 0.5 and a bottom guarantee of MSEK 0.5 with board member Hans-Peter Ostler. For the guarantee commitments, cash compensation of 11% of the guaranteed amounts is paid for the bottom guarantee, and of 13% of the guaranteed amount for the top guarantees. The guarantee compensation was paid in June 2023 after the Swedish Companies Registration Office has registered the rights Issue.

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

Financial definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

Equity ratio
Equity as a percentage of total assets.

Total assets
Total of the Company's assets.

Calculation of Performance Measures

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

To the right is shown the calculation of key figures, for the mandatory earnings per share according to IFRS and also for performance measures that are not defined under IFRS or where the calculation is not shown in another table in this report.

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

The Company does not have a steady flow of income, with income generated irregularly in connection with the signing of license agreements and achievement of milestones. Therefore, the Company monitors performance indicators such as equity ratio and equity per share in order to assess the Company's solvency and financial stability. These are monitored along with the cash position and the various measures of cash flows shown in the consolidated statement of cash flow.

All amounts KSEK unless specified	**2023 Apr-Jun**	**2022 Apr-Jun**	**2023 Jan-Jun**	**2022 Jan-Jun**	**2022 Jan-Dec**
Profit/loss for the period	-63,712	-45,710	-126,255	-88,786	-193,403
Average number of shares before dilution	336,700,912	220,584,878	276,282,813	220,584,878	220,584,878
Earnings per share before dilution, SEK	**-0.19**	**-0.21**	**-0.46**	**-0.40**	**-0.88**
Average number of shares after dilution	336,700,912	220,584,878	276,282,813	220,584,878	220,584,878
Earnings per share after dilution, SEK	**-0.19**	**-0.21**	**-0.46**	**-0.40**	**-0.88**
Operating costs	-82,351	-51,325	-154,969	-99,903	-229,925
Operating costs excluding impairments	**-82,351**	**-51,325**	**-154,969**	**-99,903**	**-229,925**
Reduce of administrative expenses	9,255	10,685	19,311	18,461	31,213
Reduce of depreciation	2,664	1,343	5,133	4,090	11,767
Research and development costs	**-70,433**	**-39,297**	**-130,525**	**-77,353**	**-186,945**
R&D costs / Operating costs excluding impairments %	**86%**	**77%**	**84%**	**77%**	**81%**
Equity	121,835	193,224	121,835	193,224	89,051
Number of shares before dilution	623,575,819	220,584,878	623,575,819	220,584,878	220,584,878
Equity per share before dilution, SEK	**0.20**	**0.88**	**0.20**	**0.88**	**0.40**
Number of shares after dilution	623,575,819	220,584,878	623,575,819	220,584,878	220,584,878
Equity per share after dilution, SEK	**0.20**	**0.88**	**0.20**	**0.88**	**0.40**
Equity	121,835	193,224	121,835	193,224	89,051
Total assets	223,950	251,451	223,950	251,451	169,584
Equity ratio, %	**54%**	**77%**	**54%**	**77%**	**53%**
Cash and cash equivalents at end of period	**160,552**	**192,913**	**160,552**	**192,913**	**97,305**

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

The declaration of the Board of Directors and the CEO

Anders Ekblom

Hans-Peter Ostler

Eva Sjökvist Saers

Graham Dixon

Veronica Wallin

Staffan Encrantz

Denise Goode

Anette Sundstedt

Søren Bregenholt

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

Lund, July 13, 2023

Anders Ekblom
Chairman of the Board

Hans-Peter Ostler
Vice chairman of the Board

Eva Sjökvist Saers
Board member

Graham Dixon
Board member

Veronica Wallin
Board member

Staffan Encrantz
Board member

Denise Goode
Board member

Anette Sundstedt
Board member
Employee representative

Søren Bregenholt
CEO

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

Disease control rate (DCR). Proportion of patients with objective response or stabilization of disease.

Drug candidate. A specific compound usually designated before or during the preclinical phase. The drug candidate is the compound that is then studied in humans in clinical studies.

EMA. The European Medicines Agency.

Experimental model. A model of a disease or other injury to resemble a similar condition in humans.

FDA. The US Food and Drug Administration.

GMP (Good Manufacturing Practice). Quality assurance methodology designed to ensure that products are manufactured in a standardized manner, such that quality requirements are satisfied.

Immuno-oncology. Field of oncology in which cancer is treated by activating the immune system.

INN (International Nonproprietary Name). Generic name on a drug substance. The INN is selected by the World Health Organization (WHO) since 1953.

Lead. A potential drug candidate which binds to the actual target molecule/s.

Ligand. Binds to a receptor. Could be a drug, hormone or a transmitter substance.

Lymphocyte. A type of white blood cells.

Macrophages. A type of white blood cell of the immune system that engulfs and digests cellular debris and foreign materia such as bacteria.

Milestone payment. Financial consideration received in the course of a project/program when a specified objective is reached.

Mitazalimab. Generic name (INN) for ADC-1013.

Monospecific antibodies. Antibody-based product which bind only to one target, such as a receptor.

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

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

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

Patent. Exclusive rights to a discovery or invention.

PD-1 (Programmed Death-1). Immune-inhibiting receptor on the surface of certain cells, for example tumor cells.

PD-L1 (Programmed Death-Ligand-1). The ligand that binds to PD-1, helping the cancer evade the body's immune defense.

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

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

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

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

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

R&D. Research & Development

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

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

Sponsor. The person, company, institution or organization responsible for initiating, organizing or financing a clinical study.

T cell. A type of white blood cell which is important to the specific immune defense.

Tumor-associated antigen (TAA). A protein expressed to a much higher degree on the surface of tumor cells than healthy cells.

Tumor cell. A cell that divides relentlessly.

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

Alligator Bioscience AB | Medicon Village, Scheelevägen 2, SE-223 81 Lund, Sweden | Phone: + 46 46 540 82 00 | www.alligatorbioscience.com