

Corporate governance report 2018.

Alligator's corporate governance is governed by the Nasdaq Stockholm rules for issuers, the Swedish Corporate Governance Code (the "Code"), the Swedish Companies Act, good practice in the stock market and other applicable rules and recommendations, and the company's articles of association and internal governing documents. The internal governing documents mainly cover the rules of procedure for the Board, the mandate to the CEO and the terms of reference for financial reporting. Alligator also has a number of policy documents and manuals containing rules and recommendations, laying down principles and providing guidance for the company's operations and for its employees.

This corporate governance report has been drawn up in accordance with the rules in the Annual Accounts Act and in the Code. The corporate governance report has been reviewed by the company's auditors in accordance with the

provisions of the Annual Accounts Act, and the auditor's opinion is included in the auditor's report on pages 80-84.

Shareholders

At the end of 2018, Alligator had 5,176 shareholders. The number of shares was 71,388,615. There is only one class of share. Each share entitles the holder to one vote at the Annual General Meeting, and all shares have equal rights to the company's assets and profits.

Further details of Alligator's shareholder structure, shares etc. are presented on pages 18-19.

Shareholders' meeting

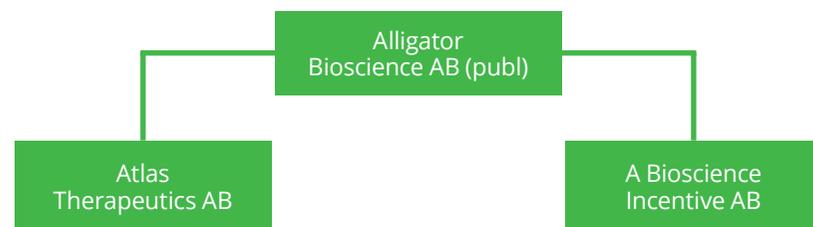
The shareholders' right to decide on the company's affairs is exercised through the supreme decision-making body, the shareholders' meeting (Annual General Meeting or any extraordinary general meeting). For example, the meeting decides on changes to the articles of association, appoints the Board and the auditors, approves the income state-

ment and balance-sheet, releases the Board and CEO from liability, decides on the appropriation of profit/loss, and adopts principles for appointing the nomination committee and guidelines for remuneration of senior executives.

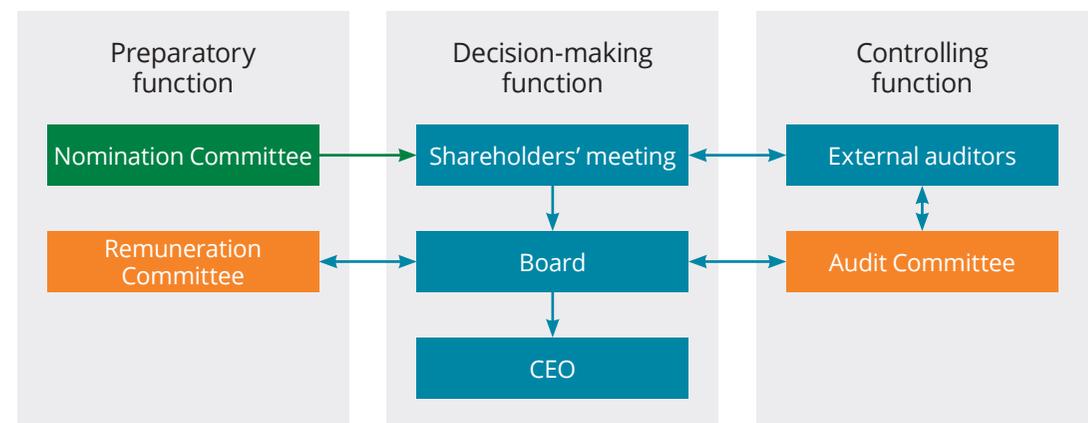
Shareholders may raise a given issue for discussion at the shareholders' meeting. Shareholders who wish to exercise this right must submit a written request to the Board of the company. Such requests must normally reach the Board no later than seven weeks before the shareholders' meeting.

The shareholders' meeting is held in Lund, Sweden. Invitations to the Annual General Meeting and any extraordinary general meeting which is to discuss changes to the articles of association must be sent out no more than six weeks and no later than four weeks before the meeting. Invitations to other extraordinary general meetings must be sent out no more than six weeks and no less than three weeks before the meeting. Invitations are published

Legal structure



Overview of corporate governance in the Alligator Group



in Post- och Inrikes Tidningar (the Swedish government gazette) and on the company's website. The issuing of invitations is also advertised in Dagens Industri.

In order to participate in the shareholders' meeting, shareholders must be entered in the register of shareholders maintained by Euroclear Sweden AB no later than five working days before the meeting, and notify the company no later than the date provided in the meeting invitation. This day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not be earlier than five working days before the shareholders' meeting.

Annual General Meeting 2018

At the Annual General Meeting held on April 26, 2018, Peter Benson was re-elected as Chairman of the Board and Carl Borrebaeck, Ulrika Danielsson, Anders Ekblom, Kenth Petersson and Jonas Sjögren were re-elected as ordinary members of the Board. Furthermore, Ernst & Young AB were re-appointed as auditors. The Annual General Meeting decided on the fees to the Board as described under Remuneration of the Board below. Finally, the Annual General Meeting also approved the instructions and rules of procedure for the nomination committee as described under Nomination committee below, and the remuneration policy for senior executives as set out in the administration report.

Nomination Committee

The Code stipulates that the company should have a nomination committee whose duties should include preparing and producing proposals for the election of Board members, the Chairman of the Board, the chair of the shareholders' meeting and the auditors. The nomination committee should also propose the fees payable to Board members and auditors. At the Annual General Meeting on April 26, 2018, it was decided to adopt an instruction and rules of procedure for the nomination committee whereby the nomination committee should be made up of

four members representing the three largest shareholders on the last working day of June, and the Chairman of the Board. The largest shareholders are owner-registered shareholders or other known shareholders as of the last working day in June. Before accepting the assignment, a member of the nomination committee should consider carefully whether there is any conflict of interest.

If any of the three largest shareholders declines to appoint a representative, or their representative leaves or steps down before completing the assignment without the shareholder that appointed the member appointing a new one, the Chairman of the Board must invite the next-biggest shareholders in order of size down to the tenth-largest (i.e. starting with the fourth-largest) to appoint a shareholder representative within one week of the request. If, despite such requests, only three members have been appointed four months before the Annual General Meeting, the nomination committee must be able to be constituted with three ordinary members and it must then be able to decide whether or not this procedure should be pursued to appoint the fourth member.

The members of the nomination committee should be published no later than six months before the Annual General Meeting on the company's website. In the event of significant changes of ownership earlier than six weeks before the Annual General Meeting, a new shareholder representative should be appointed. The Chairman of the Board should then contact which-ever of the three largest shareholders has no shareholder representative and invite them to appoint one. When this shareholder representative is appointed they should join the nomination committee and replace the previous member who no longer represents one of the three largest shareholders.

The nomination committee must meet the requirements for its composition laid down in the Code. If the larger shareholders who are entitled to appoint members of the nomination committee wish to appoint people who cause

the requirements for the composition of the committee laid down in the Code not to be satisfied, a larger shareholder will take precedence over a smaller in its choice of member. When a new member is appointed as a result of significant changes in ownership, the shareholder who is to appoint a new member must consider the composition of the existing nomination committee. The nomination committee should appoint its own chairperson. The Chairman of the Board or other Board representative may not chair the nomination committee. The mandate for the appointed nomination committee will run until a new nomination committee is appointed.

Fees may be paid to the members of the nomination committee as decided by the shareholders' meeting.

In accordance with the instruction adopted, a nomination committee has been constituted ahead of the 2019 Annual General Meeting comprising: Kirsten Drejer representing Sunstone Life Science Ventures Fund II K/S, Jonas Sjögren representing Jonas Sjögren, Lars Bergkvist (chairman) representing Lars Spånberg and the Chairman of the Board Peter Benson.

External audit

The company's auditor is appointed by the Annual General Meeting for the period up to the end of the next AGM. The auditor reviews the annual report and accounts and the administration by the Board and the CEO. After each financial year, the auditor is required to submit an audit report to the shareholders' meeting.

The company's auditor reports his/her observations from the audit to the Board each year, along with an assessment of the company's internal control.

At the Annual General Meeting on April 26, 2018, Ernst & Young Aktiebolag was re-elected as the company's auditor, with certified public accountant Johan Thuresson as chief auditor. The Annual General Meeting also decided that

fees should be paid to the auditor in accordance with the usual charging rules and approved invoices. The auditor's fee for the 2018 financial year was SEK 591,000.

The Board of Directors

Duties of the Board

Next to the shareholders' meeting, the Board is the company's highest decision-making body. The Board is responsible for the organization of the company and the management of the company's affairs, e.g. by setting its goals and strategy, maintaining procedures and systems to monitor the specified goals, continuously assessing the company's economic situation and evaluating its operational management. The Board is also responsible for ensuring that correct information is given to the company's stakeholders, that the company complies with laws and regulations and that the company produces and implements internal policies and ethical guidelines. The Board also appoints the company's CEO and decides on his/her salary and other remuneration based on the guidelines adopted by the shareholders' meeting.

Composition of the Board

The members of the Board appointed by the shareholders' meeting are elected each year at the Annual General Meeting for the period up to the next AGM. According to

the company's articles of association, the Board should comprise at least three and at most eight members, without deputies.

According to the Code, the majority of the Board members elected by the shareholders' meeting should be independent of the company and of its senior management. To decide whether or not a member is independent, an overall assessment should be made of all matters that could cast doubt on the member's independence of the company or its senior management. According to the Code, at least two of the members who are independent of the company and of its senior management should also be independent of major shareholders. Major shareholders are those who directly or indirectly control 10% or more of all shares and votes in the company. To determine a member's independence, the extent of that member's direct and indirect relationships with the major shareholder should be taken into consideration. A Board member who is an employee or board member in a company that is a major shareholder is not considered to be independent.

The Board's assessment is that all members are independent of major shareholders. With the exception of Carl Borrebaeck, all members of the Board are independent in relation to the company and its management. As indicated,

the Board of Directors is of the opinion that the company meets the Code's independence requirements.

Chairman of the Board

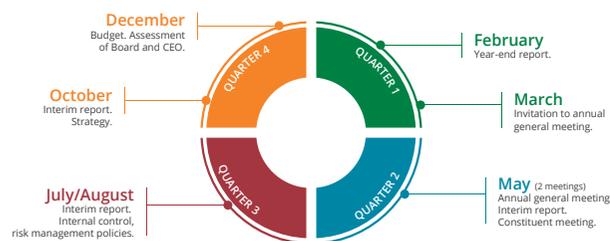
The role of the Chairman is to lead the work of the Board, and to ensure that its work is carried out effectively and that the Board can meet all its obligations.

The Chairman should meet with the CEO to monitor developments in the company and ensure that the members of the Board are provided through the auspices of the CEO with the information needed to monitor the company's position, financial planning and development.

The Chairman should also consult with the CEO on strategic matters and check that the decisions of the Board are implemented in an effective manner.

The Chairman is responsible for contacts with shareholders on matters of ownership and for conveying the views of the shareholders to the Board. The Chairman is not involved in the day-to-day work of the company. Nor is he a member of senior management.

Board meetings 2018



Board and committee members 2018

| Name | Position | Attendance | | |
|-------------------|--|------------|-----------------|------------------------|
| | | Board | Audit Committee | Remuneration Committee |
| Peter Benson | Chairman of the Board, Member of Remuneration Committee | 9/9 | | 4/4 |
| Carl Borrebaeck | Board Member | 8/9 | | |
| Ulrika Danielsson | Board Member, Chair of Audit Committee, Member of Remuneration Committee | 8/9 | 5/5 | 4/4 |
| Anders Ekblom | Board Member, Chair of Remuneration Committee | 8/9 | | 4/4 |
| Kenth Petersson | Board Member, Member of Audit Committee | 9/9 | 5/5 | |
| Jonas Sjögren | Board Member, Member of Audit Committee | 8/9 | 5/5 | |
| Laura von Schantz | Board Member, Employee representative | 9/9 | | |

Work of the Board

The Board follows written rules of procedure that are reviewed each year and adopted by the constituent Board meeting. Among other things, the rules of procedure govern the Board's working methods, tasks, decision-making within the company, the meeting schedule for the Board, the tasks of the Chairman and the breakdown of responsibilities between the Board and the CEO. The terms of reference for financial reporting and instructions to the CEO are also adopted at the constituent Board meeting.

The work of the Board is also driven by an annual presentation schedule, to meet the Board's need for information. The Chairman and the CEO, along with the members of the Board, maintain an ongoing dialog on the management of the company.

The Board meets according to a predefined annual timetable and should hold at least seven ordinary Board meetings between Annual General Meetings. Extra meetings may also be arranged to deal with matters that cannot be postponed to any of the ordinary meetings. In 2018, the Board met on a total of nine occasions.

The yearly evaluation of the Board has been performed by an external part through individual interviews with the members of the Board and Group Management. They have given feedback on their on how the Board works, composition and areas for improvement. The feedback has been reported back to the nomination committee and the Board consolidated.

Remuneration of the Board

Fees for the Board members elected by the shareholders' meeting are decided by the Annual General Meeting. Before the 2019 Annual General Meeting, the nomination committee will submit proposals for the fees to be paid. At the Annual General Meeting on April 26, 2018, it was decided that the fees should be SEK 550,000 to the Chairman and SEK 300,000 to each of the ordinary Board mem-

bers who are not employees of the company. It was also decided that payment for committee work should be made at SEK 125,000 for the chair of the Audit Committee, SEK 30,000 to each of the ordinary members of the Audit Committee and SEK 25,000 to the chair of the Remuneration Committee. No additional fees were paid for work by ordinary members of the Remuneration Committee. See also Note 12 Payments to senior executives.

Audit Committee

The Audit Committee monitors the company's financial position and the effectiveness of its internal control and risk management. It keeps itself informed of the audit of the annual accounts and consolidated accounts, and reviews and monitors the impartiality and independence of the auditor. The Audit Committee should also assist the nomination committee with resolutions on the election of and fees payable to the auditor. Since the Annual General Meeting on April 26, 2018, the Audit Committee has comprised Ulrika Danielsson (Chair), Kenth Petersson and Jonas Sjögren.

Remuneration Committee

The Remuneration Committee chiefly addresses questions of remuneration and other conditions of employment of the CEO and senior executives. The Remuneration Committee should also follow up and evaluate ongoing variable remuneration schemes for senior management and those schemes completed during the year and follow up and assess compliance with the guidelines on remuneration of senior executives decided on by the Annual General Meeting. Since the Annual General Meeting on April 26, 2018, the Remuneration Committee has comprised Anders Ekblom (Chair), Ulrika Danielsson and Peter Benson.

CEO and other senior executives

The CEO is subordinate to the Board and his main task is to handle the company's day-to-day management and operations. The rules of procedure for the Board and the instruction to the CEO set out the matters to be decided

by the Board of the company and those for which the CEO is responsible.

The CEO is also responsible for producing reports and decision documents ahead of the Board meetings, and for presenting this material at Board meetings.

Alligator's Management Team consists of six persons: the CEO, the Chief Financial Officer, Chief Medical Officer, Vice President (VP) Discovery, Senior VP Preclinical Development and VP Business Development.

Remuneration of senior executives

The remuneration of senior executives may consist of basic salary, variable remuneration, pension benefits, other benefits and severance conditions. The CEO and other senior executives were paid salaries and other remuneration for the 2018 financial year as set out in Note 12.

The notice period for the CEO is six months, whichever party serves notice. The CEO will be entitled to a severance payment equal to six months' salary in the case of termination by the company. The notice period for other senior executives is six months, whichever party serves notice. No severance payments have been agreed for other senior executives.

See also Guidelines for remuneration to senior executives on page 31.

Internal control

The Board's responsibility for internal control is laid down in the Companies Act, the Annual Accounts Act, which contains requirements to the effect that details of the major features of Alligator's systems for internal control and risk management in relation to financial reporting must be included in the corporate governance report, and the Code. Among other things, the Board is required to ensure that Alligator has good internal control and formalized procedures to ensure that the established principles for finan-

cial reporting and internal control are adhered to and that there are suitable systems for follow-up and control of the company's activities and the risks inherent in the company and its operations.

The overall purpose of internal control is to provide reasonable assurance that the company's operational strategies and goals are followed up and that the shareholders' investments are protected. The internal control should also provide reasonable assurance that external financial reporting is reliable and prepared in accordance with good auditing practice, that applicable laws and regulations are obeyed and that requirements for listed companies are complied with. Internal control essentially covers the following five components.

Control environment

The Board bears the overall responsibility for internal control over financial reporting. In order to create and maintain a functioning control environment, the Board has adopted a number of policies governing financial reporting. These mainly comprise the rules of procedure for the Board, the mandate to the CEO and the terms of reference for financial reporting. The Board has also adopted a special set of signatory rules and a financial policy. The company also has a finance manual containing principles, guidelines and process specifications for accounting and financial reporting. The Board has also set up an Audit Committee whose main task is to ensure that the approved principles for financial reporting and internal control are complied with and that regular contact with the company's auditor is maintained. The responsibility for maintaining an effective control environment and for the day-to-day work on internal control over financial reporting rests with the CEO. The CEO reports to the Board on a regular basis in accordance with the instruction to the CEO and the terms of reference for financial reporting. The Board also receives reports from the company's auditor.

Based on a control environment assessed as good and an external review by auditors, the Board has determined that there are no special circumstances in the business or other matters to justify setting up an internal audit function.

Risk assessment

The risk assessment involves identifying risks that could arise if the fundamental requirements for financial reporting in the company were not met. In a separate risk assessment document, Alligator's Management Team has identified and evaluated the risks arising in the company's operations and assessed how these risks can be handled. Within the Board, the Audit Committee bears the primary responsibility for regularly assessing the company's risk situation, after which the Board carries out an annual review of the risk situation.

Control activities

Control activities contain identified risks and ensure correct and reliable financial reporting. The Board is responsible for internal control and monitoring by senior management. This is done via both internal and external control activities and through review and follow-up of the company's governing documents relating to risk management.

Information and communication

The company has information and communication paths designed to promote accuracy in financial reporting and to enable reporting and feedback from the business to the Board and management, such as by making governing documents in the form of internal policies, guidelines and instructions available and known to the employees concerned. The Board has also adopted an information policy governing the company's disclosure of information.

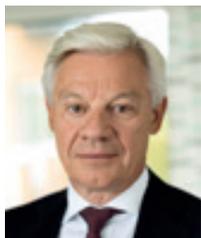
Follow-up

Compliance with and effectiveness of the internal controls are followed up on a regular basis. The CEO ensures that the Board receives regular reports on the development of the company's operations, including the development of the company's results and financial position and details of significant events such as research findings and major agreements. The CEO also reports on these matters at each Board meeting.

Board of Directors.

Peter Benson | Chairman

Born 1955. Chairman since 2014 and Board member since 2011. Swedish graduate in business administration from Lund University in Sweden and has an MA in Economics from the University of California. Peter Benson is Chairman and General Partner of Sunstone Capital Life Science Ventures and has previously inter alia been Head of Life Science Investments for Vækstfonden (The Danish Growth Fund) and part of Pharmacia AB's group management.



Other current positions: Chairman of Ascelia AB, Good Partners AB, and Sunstone Capital A/S. Board member of Arcoma Aktiebolag, Jollingham AB, Montela Aktiebolag, Opsona Therapeutics Ltd., and CMC SPV of 3 April 2017.

Holdings in Alligator: None
Independent in relation to the Company, its senior management and major shareholders.

Kent Petersson

Born 1956. Board member since 2001. BA from Lund University with long experience of working in both the finance and biotechnology sectors, including as an analyst. He has been a business angel for more than 15 years and has founded a number of biotechnology companies.



Other current positions: Chairman of AlphaBeta AB, Biocrine AB, Biocrine Regenerative Medicine AB and Spiber Technologies AB. Board member of Science Pacific AB and Genovis AB.

Holdings in Alligator: 408,000 shares.
Independent in relation to the Company, its senior management and major shareholders.

Carl Borrebaeck

Born 1948. Board member since 2001. Professor at the Department of Immunotechnology and Programme Director of the CREATE Health Translational Cancer Research Centre at Lund University. Carl is a co-founder of Alligator and a board member of the Royal Swedish Academy of Engineering Sciences (IVA) and former Vice-Chancellor of Lund University. In 2009, Carl was awarded AkzoNobel's Science Prize and 2012 he received IVA's gold medal for his pioneering research on biomarkers. In 2017 he was designated as the Biotech builder of the Year for his entrepreneurship. He has founded five companies in life science and eHealth.



Other current positions: Chairman of Immunovia AB, PainDrainer AB and SenzaGen AB. Board member of Qlucore AB, Scandion AS and CB Ocean Capital AB. Partner of Immunova HB.

Holdings in Alligator: 1,200,833 shares.
Non-independent in relation to the Company, its management, but dependent in relation to major shareholders.

Jonas Sjögren

Born 1966. Board member since 2015. Swedish graduate engineer in electrical engineering from Chalmers University of Technology, Registered medical doctor from the Sahlgrenska Academy (Faculty of Health Sciences at the University of Gothenburg), and has an MBA from INSEAD.



Other current positions: Chariman of Exceca Allocation AB and Alsteron AB. Board member of Storytel AB (publ), Oblique Therapeutics AB and CMC SPV of 3 April 2017 AB. Deputy Board member of Delibr AB.

Holdings in Alligator: 4,936,388 shares.
Independent in relation to the Company, its senior management and major shareholders.

Ulrika Danielsson

Born 1972. Board member since 2016. MBA from the Gothenburg School of Business, Economics and Law at the University of Gothenburg, and has been the CFO of Castellum AB (publ) since 2014. She has worked for the Castellum Group in various senior positions since 1998 and has been a member of the corporate management of Castellum since 2006.



Other current positions: Ulrika Danielsson is a Board member and deputy Board member respectively for a number of subsidiaries and second-tier subsidiaries within the Castellum Group, and Board member of Slättö Förvaltning AB and John Mattsson Fastighetsföretagen AB.

Holdings in Alligator: None
Independent in relation to the Company, its senior management and major shareholders.

Laura von Schantz

Born 1982. Board member since 2017. Swedish graduate engineer in biotechnical engineering with a PhD in immuno-technology from Lund University. Employee representative.



Other current positions: None
Holdings in Alligator: 25,000 warrants, 25,000 employee stock options in the 2016/2020 program, 25,000 employee stock options in the 2018/2022 program.

Anders Ekblom

Born 1954. Board member since 2017. Physician, board certified in anesthesia and intensive care, dentist and Associate Professor in physiology at the Karolinska Institute. Anders Ekblom has extensive experience from the biopharmaceutical industry globally, including being EVP



Global Medicines Development at AstraZeneca and CEO and President of AstraZeneca AB Sweden.

Other current positions: Chairman of TFS International AB and Elypta AB. Board member of AnaMar AB, NxtScience AB, Infant Bacterial Therapeutics AB, LEO Pharma A/S and Mereo BioPharma Group plc.

Holdings in Alligator: 19,658 shares
Independent in relation to the Company, its senior management and major shareholders.

Information regarding individuals' own and related parties' shareholdings pertain to the situation on December 31, 2018.

Alligator's management.

Per Norlén | CEO

Born 1970. Medical doctor with board certification in clinical pharmacology, and a PhD and associate professorship in experimental and clinical pharmacology at Lund University. Per Norlén has 25 years of research experience in pharmacology including 15 years of experience in clinical drug development. Employed since 2010 and member of the Management Team since 2010.



Other current positions: Chairman of A Bioscience Incentive AB and board member of Atlas Therapeutics AB.

Holdings in Alligator: 110,500 shares, 200,000 warrants, 250,000 employee stock options in the 2016/2020 program and 230,000 employee stock options in the 2018/2022 program.

Christina Furebring | SVP Preclinical Development

Born 1964. PhD in immune technology from Lund University. She is also a co-founder of the FIND technology which is a cornerstone of Alligator's technology platform. Christina Furebring has more than 20 years' experience of working on the optimization of proteins and antibodies. Employed since 2001 and member of the Management Team since 2001.



Other current positions: Deputy Board Member in A Bioscience Incentive AB and Atlas Therapeutics AB.

Holdings in Alligator: 100,000 shares, 120,000 warrants, 150,000 employee stock options in the 2016/2020 program and 135,000 employee stock options in the 2018/2022 program.

Anu Balendran | VP Business Development

Born 1975. PhD in biochemistry from the University of Dundee, UK. Anu has close to 20 years' experience from different positions within AstraZeneca R&D, the last eight years in international business development, most recently as External Innovation Director. Employed since 2018 and member of the Management Team since 2018.



Other current positions: None.

Holdings in Alligator: 1,000 shares and 135,000 employee stock options in the 2018/2022 program.

Charlotte A. Russell | Chief Medical Officer

Born 1964. Medical doctor with board certifications in hematology and internal medicine, and has a PhD in medical science from Copenhagen University. Charlotte has more than 25 years of research and clinical experience, including 10 years with clinical drug development in biotech/pharmaceutical companies. Employed since 2018 and member of the Management Team since 2018.



Other current positions: None

Holdings in Alligator: 135,000 employee stock options in the 2018/2022 program.

Peter Ellmark | VP Discovery

Born 1973. PhD and associate professor in Immunotechnology at Lund University. More than 15 years' experience of developing antibodies for immunotherapy of cancer. Employed since 2008 and member of the Management Team since 2018.



Other current positions: None

Holdings in Alligator: 10,000 shares, 50,000 warrants, 50,000 employee stock options in the 2016/2020 program and 135,000 employee stock options in the 2018/2022 program.

Per-Olof Schrewelius | Chief Financial Officer

Born 1963. MSc in Business Administration and Economics from Lund University and over 20 years of experience from different CFO and Finance Manager positions in various industries including medical technology and engineering. Employed since 2016 and member of the Management Team since 2016.



Other current positions: Board member of A Bioscience Incentive AB.

Holdings in Alligator: 10,000 shares, 125,000 warrants, 135,000 employee stock options in the 2018/2022 program.

Information regarding individuals' own and related parties' shareholdings pertain to the situation on December 31, 2018.