Invitation to subscribe for shares in Alligator Bioscience AB (publ)

Please note that the subscription rights may have an economic value.
In order not to lose the value of the subscription rights, the holder must either:

- Exercise the received subscription rights to subscribe for new shares no later than 25 January 2021, or
- By 21 January 2021 at the latest, sell the received subscription rights not intended to be exercised for subscription of new shares.

Note that shareholders with nominee-registered holdings must subscribe for new shares through the nominee.

Distribution of this prospectus and subscription of new shares are subject to restrictions in certain jurisdictions, see section "*Important information*".

IMPORTANT INFORMATION

In this prospectus (the "**Prospectus**"), "**Alligator**", the "**Company**" or the "**Group**" refer to, depending on the context, Alligator Bioscience AB, corporate registration number 556597-8201, the group in which Alligator Bioscience AB is the parent company or a subsidiary in the group. This Prospectus has been prepared in relation to a resolution by the Board of Directors of the Company, pursuant to the authorization granted by the annual general meeting on 5 May 2020, to carry out a new issue of shares with preferential rights for existing shareholders (the "**Rights Issue**" or the "**Offering**"). "**Redeye**" refers to Redeye Aktiebolag. "**Aktieinvest**" refers to Aktieinvest FK AB. For definitions of other terms used in this Prospectus, please see the section *"Glossary"*.

Information for investors

This Prospectus has been prepared in accordance with the rules set out in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**"). A Swedish version of the Prospectus has been approved and registered by the Swedish Financial Supervisory Authority in accordance with the provisions of the Prospectus Regulation. The approval from the Swedish Financial Supervisory Authority does not mean that the Swedish Financial Supervisory Authority guarantees that the information in the Prospectus is complete or correct. Swedish law governs the Prospectus and the Rights Issue. Disputes arising from the Prospectus, the Rights Issue and related legal matters shall be settled exclusively by Swedish courts. The English version of this Prospectus is a translation. In the event of any discrepancies between the different language versions, the Swedish language version shall take precedence.

No action has been taken, or will be taken, by the Company to allow a public offering in any country other than Sweden. Neither the subscription rights in the Rights Issue (the "**Subscription Rights**"), paid-up subscribed shares ("**BTA**") nor new shares subscribed for in the Rights Issue ("**Shares**") (altogether the "**Securities**") have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Securities may not be offered or sold, directly or indirectly, in or into the United States or to persons residing there. Moreover, the Offering is not made to persons resident in Canada, New Zealand, South Africa, Japan, Australia, South Korea, Hong Kong, Switzerland, Singapore, or to persons whose participation would require additional prospectuses, registration or other measures than those imposed by Swedish law. The Prospectus may not be distributed in any country or any jurisdiction where the distribution or the Rights Issue would require such measures or would be in conflict with the applicable regulation of such jurisdiction. Application for subscription of Shares in violation of the restrictions above may be considered void. Persons who receive copies of the Prospectus are required to inform themselves about, and comply with, such restrictions. Any failure to comply with the restrictions described may result in a violation of securities regulations.

In the member states of the European Economic Area ("**EEA**") – with the exception of Sweden – an offer of Securities may be made only in accordance with an exception in the Prospectus Regulation.

An investment in securities involves certain risks, see section *"Risk factors"*. When investors make an investment decision, they must rely on their own assessment of the Company and the Securities, including applicable facts and risks, and investors may not rely on any information other than contained in this Prospectus and any possible supplements to the Prospectus. Prior to making an investment decision, potential investors should engage their own professional advisers and carefully evaluate and consider their investment decision. No person is authorized to provide any information or make any statements other than those made in this Prospectus, and should such information or statements nevertheless be made, they should not be considered to have been approved by the Company nor Redeye, and neither the Company nor Redeye are responsible and assume no liability for such information or statements. Neither the publication of this Prospectus nor any transaction made in respect of the Prospectus shall under any circumstances imply that the information contained herein is accurate or applicable at any time other than on the date of publication of this Prospectus, or that there have been no changes in the Company's business since this date. If significant changes to the information in this Prospectus occur after the Prospectus has been published, which may affect an investor's assessment of the Company or the Shares, such changes will be announced in accordance with the provisions on supplements to a prospectus under the Prospectus Regulation.

No warranty, either expressed or implied, is provided by Redeye regarding the accuracy or completeness of the information contained in this Prospectus, and nothing in this Prospectus is to be regarded as a promise or guarantee by Redeye, whether it relates to the past or the future. Accordingly, to the extent permitted by applicable law, Redeye disclaims any liability that Redeye might otherwise have with respect to the Prospectus or any statement referred to above.

Information for investors in the United States

No Subscription Rights, BTA or Shares issued by Alligator have been registered or will be registered under the Securities Act or securities laws in any state or jurisdiction in the United States and may not be offered, subscribed for, exercised, pledged, sold, resold, assigned, delivered or transferred, directly or indirectly, in or into the United States, except in accordance with any applicable exception to, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with the securities laws of the relevant state or other jurisdiction in the United States. The Securities are offered outside the United States in reliance of Regulation S under the Securities Act. No offer will be made to the public in the United States. Any offer of Securities in the United States will only be made pursuant to an exception to, or in a transaction not subject to, the registration requirements of the Securities Act to a limited number of existing shareholders who (i) are *qualified institutional buyers* as defined in Rule 144A of the Securities Act (*QIBS*), and (ii) have signed and provided a so-called investor letter to Alligator. Recipients of this Prospectus are hereby notified that Alligator may rely on an exception to the registration requirements under section 5 of the Securities Act.

Up to 40 days after the commencement of the Rights Issue, an offer or transfer of Securities in the United States conducted by a securities broker (whether or not participating in the Rights Issue) may violate the registration requirements of the Securities Act.

The Securities have neither been approved nor rejected by the US Securities and Exchange Commission (SEC), any state securities authority, or any other US authority. Nor has any such authority assessed or commented on the Offering in this Prospectus or the accuracy and reliability of this document. Claiming the opposite is a criminal offense in the United States.

Presentation of financial information

Unless otherwise indicated, "**SEK**" refers to the official currency of Sweden. All financial amounts are stated in Swedish kronor ("**SEK**") unless otherwise expressly stated. "**MSEK**" means millions of kronor and "**TSEK**" means thousands of kronor. "**USD**" means US dollars, "**MUSD**" means millions of dollars, "**EUR**" means Euro, "**MEUR**" means millions of Euro and "**GBP**" means British pounds. Unless otherwise indicated, the financial information presented in this Prospectus has been derived from the Company's financial statements. The Company's audited consolidated financial statements for the financial year 2019, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU, and the Company's unaudited interim report for the period January–September 2020, which has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act (1995:1554) and reviewed by the Company's auditor, are incorporated by reference into the Prospectus and constitute part of the Prospectus. To make the information easily accessible to the reader, certain financial and other figures presented in the Prospectus have been rounded off. Consequently, the numbers in certain columns do not exactly correspond to the total amount specified. Except from the Company's audited financial statements for the financial year 2019 and the Company's interim report for the period January–September 2020 reviewed by the Company's auditor, no information in this Prospectus has been reviewed or audited by any auditor.

Forward-looking statements

This Prospectus contains certain forward-looking statements that reflect the Company's current views or expectations with respect to future events as well as financial and operational performance. The words "intend", "estimate", "expect", "may", "plan", "anticipate" or other expressions regarding indications or forecasts of future developments or trends that are not based on historical facts constitute forward-looking information. Although the Company believes that these statements are based on reasonable assumptions and expectations, the Company cannot guarantee that such forward-looking statements will be realized. Forward-looking information is inherently associated with both known and unknown risks and uncertainties since it depends on future events and circumstances. Forward-looking information does not constitute a guarantee of future results or performance, and the outcome may differ materially from what is set out in the forward-looking information. Factors that could cause the Company's future results or performance to differ from what is expressed in the forward-looking statements include, but are not limited to, those described in the section *"Risk factors"*. Forward-looking information in this Prospectus applies only to the date of the publication of the Prospectus. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or similar circumstances, other than as required by applicable law.

Industry and market information

This Prospectus contains market information and industry forecasts from third parties, including information regarding the size of the markets in which the Company operates. Although the Company considers that these sources are reliable and the information has been reproduced properly in the Prospectus, the Company has not independently verified the information, which is why its accuracy and completeness cannot be guaranteed. The Company has presented this information accurately and, as far as the Company's Board of Directors is aware and can ascertain from information that has been published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Some of the information and statements in the Prospectus relating to the industry in which the Company operates are not based on published statistics or information from independent third parties, but rather reflect the Company's best estimates based on information obtained from industry and business organizations and other contacts. Although the Company is of the view that its internal analyses are reliable, these have not been verified by any independent source.

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The Prospectus is valid up to twelve months from the date of approval, provided that the Company, if applicable, fulfills the obligation to provide supplement to the Prospectus in accordance with the Prospectus Regulation. The obligation to publish a supplement to the Prospectus will not apply when the Prospectus is no longer valid, and the Company will only prepare a supplement to the Prospectus when required pursuant to the provisions in the Prospectus Regulation.

THE RIGHTS ISSUE IN SUMMARY

Preferential rights
Each existing share in Alligator entitles to one (1) Subscription Right and five (5) Subscriptions Rights entitle to subscription of one (1) Share.

Subscription price
SEK 6.00 per Share.

Record date for participation in the Rights Issue
5 January 2021.

Subscription period
11 January – 25 January 2021.

Trading in Subscription Rights
11 January – 21 January 2021.

Trading in BTA
11 January 2021 – until the Rights Issue has been registered by the Swedish Companies Registration Office.

Subscription and payment with preferential rights
Subscription with Subscription Rights will take place during the subscription period through simultaneous cash payment.

Subscription and payment without preferential rights
Subscription without preferential rights shall be made to Aktieinvest no later than 25 January 2021 on a separate application form which can be obtained from Alligator's website, www.alligatorbioscience.se/en, and from www.aktieinvest.se. Payment for allotted Shares shall be made in cash in accordance with the instructions on the notice of allotment. Custody account holders shall instead apply with, and according to instructions from, the custodian.

Other information

Trading venue:	Nasdaq Stockholm
Ticker:	ATORX
ISIN code Share:	SE0000767188
ISIN code Subscription Right:	SE0015346390
ISIN code BTA:	SE0015346408
LEI code:	549300E15VI0MB7LXV19

Financial calendar

Year-end report 2020:	26 February 2021

Summary

INTRODUCTION AND WARNINGS

The securities

The Prospectus has been prepared by reason of the invitation to subscribe for Shares in the Company. The Company's shares have ISIN code SE0000767188 and are admitted to trading on Nasdaq Stockholm under the ticker ATORX.

Identity and contact details of the issuer

Legal name: Alligator Bioscience AB
Corporate registration number: 556597-8201
LEI code: 549300E15VI0MB7LXV19
Address: Medicon Village, Scheelevägen 2,
SE-223 81 Lund, Sweden
Telephone: + 46 (0)46 540 82 00
www.alligatorbioscience.se/en

Competent authority

The Swedish Financial Supervisory Authority
(Sw. Finansinspektionen)
Address: P.O. Box 7821, SE-103 97, Stockholm, Sweden
Telephone: +46 (0)8 408 980 00
www.fi.se

Date of approval of the Prospectus

30 December 2020

Warnings

This summary should be read as an introduction to the Prospectus. Any decision to invest in the Securities should be based on a consideration of the Prospectus as a whole by the investor.

Investors can lose all or parts of their invested capital.

If a claim related to the information in this Prospectus is brought before a court of law, the investor who is plaintiff under national law may be obliged to pay the cost of translating the Prospectus before the legal proceedings commence.

Liability under civil law covers only those persons who have issued the summary, including the translations of it, but only if the summary is misleading, incorrect or inconsistent with the other parts of the Prospectus or if the summary, taken together with the other parts of the Prospectus, does not provide key information in order to aid investors when considering whether to invest in such securities.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

The issuer's domicile, legal form and law

The Company is a Swedish public limited liability company established in Sweden with its registered office in the municipality of Lund, Sweden. The Company is regulated by, and its operations are conducted in accordance with, the Swedish Companies Act (2005:551). The Company's LEI code is 549300E15VI0MB7LXV19.

The issuer's principal business

The Company is a research-based biotechnology company that develops antibody-based drugs for cancer treatment. The Company is specialized in the development of tumor-directed immunotherapies, specifically agonistic mono- and bispecific antibodies. Immunotherapy is a type of treatment that stimulates the patient's own immune system to cure cancer. 'Tumor-directed' means that the drug is administered or designed in such a way that the immunostimulatory effect can be localized to the tumor. This is intended to result in a good safety and efficacy profile.

Alligator is active in the drug development phases ranging from concept and early drug discovery up to Phase II clinical studies involving patients. This includes the identification of new points of attack for drugs, development and optimization of novel drug candidates, evaluation of preclinical efficacy and safety, and finally confirmatory clinical studies in cancer patients.

Alligator was founded in 2001 and is based in Medicon Village in Lund, Sweden.

The issuer's major shareholders

The table below shows the shareholders who directly or indirectly have a shareholding in the Company that corresponds to five (5) per cent or more of the number of shares and votes, according to information from Euroclear Sweden AB on 31 October 2020 and changes thereafter known to the Company.

Name	Number of shares and votes	Percentage of share capital and votes
Banque Internationale à Luxembourg SA	13,386,042	18.8 %
Sunstone Life Science Ventures Fund II K/S	5,758,485	8.1 %
Other shareholders	*52,244,088*	*73.2 %*
Total	**71,388,615**	**100 %**

To the Board of Directors' knowledge, there are no shareholders' agreements, other agreements or corresponding arrangements between the Company's shareholders intended to exercise joint control of the Company. Nor is the Company's Board of Directors aware of any agreements or equivalent that could lead to a change in the control over the Company.

Board of Directors, senior management and auditor

The Company's Board of Directors comprises the chairman of the board Peter Benson and board members Carl Borrebaeck, Ulrika Danielsson, Graham Dixon, Kirsten Drejer, Anders Ekblom, Kenth Petersson, Jonas Sjögren and Laura von Schantz (employee representative).

The Company's executive management comprises Per Norlén (CEO), Malin Carlsson (Chief Operating Officer), Gayle Mills (Chief Business Officer), Marie Svensson (Chief Financial Officer), Peter Ellmark (Vice President Discovery) and Christina Furebring (Senior Vice President Projects).

At the 2020 annual general meeting, Ernst & Young Aktiebolag was re-elected as the Company's auditor, with Johan Thuresson as the responsible auditor. Johan Thuresson is an authorized public accountant and member of FAR, the institute for the accountancy profession in Sweden.

Key financial information regarding the issuer

The following audited financial information for the financial year 2019 has been derived from Alligator's annual report and consolidated financial statements for the financial year 2019, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU, and have been audited by the Company's auditor. The unaudited financial information below for the financial year 2019 and for the period January–September 2020 (including comparable figures for the period January–September 2019) has been derived from the Group's interim report for the period January–September 2020, which has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act (1995:1554). The interim report has not been audited, but has been reviewed by the Company's auditor. The reader's attention is drawn to the fact that during the period 2017–2020, the Company held fixed income funds that were reported as cash and cash equivalents. The holdings were completely divested during the first quarter of 2020. In October 2020, The Council for Swedish Financial Reporting Supervision (Sw. Nämnden för svensk redovisningstillsyn, the "**Council**") notified the Company that the Council's decision is that the holdings do not meet the definition of cash and cash equivalents in IAS 7. As of the Group's interim report for the period January–September 2020, the Company obeys the Council's decision to retroactively change the classification of fixed income funds from cash and cash equivalents to other short-term investments. The following summaries show the effects of the change (see "after change" below) for the Group's consolidated statement of financial position as of 31 December 2019 and 30 September 2019, and the Group's consolidated statement of cash flows for January–December 2019 and January–September 2019, which information has been derived from the Group's interim report for the period January–September 2020. The change has no effect on the Group's consolidated income statement.

The Group's consolidated income statement

	Audited	Unaudited	
TSEK	Jan–Dec 2019	Jan–Sep 2020	Jan–Sep 2019
Total operating income	5,396	6,151	4,969
Operating profit/loss	-214,519	-110,195	-155,212
Profit/loss before tax	-210,112	-108,780	-150,348
Earnings per share, before dilution (SEK)	-2.94	-1.52	-2.11

The Group's consolidated statement of financial position

	Audited	Unaudited		
TSEK	31 Dec 2019	31 Dec 2019 (after change)	30 Sep 2020	30 Sep 2019 (after change)
Total assets	311,128	311,128	187,590	371,743
Total equity	258,498	258,498	149,745	318,210

The Group's consolidated statement of cash flows

	Audited	Unaudited		
TSEK	Jan–Dec 2019	Jan–Dec 2019 (after change)	Jan–Sep 2020	Jan–Sep 2019 (after change)
Cash flow from operating activities	-178,963	-181,089	-109,675	-131,220
Cash flow from investing activities	17,815	167,815	156,886	109,069
Cash flow from financing activities	-6,298	-6,298	-4,616	-5,646

Key risks that are specific to the issuer

Risks related to preclinical and clinical development of drug candidates

There is a risk that the Company, its partners or other third parties may not successfully complete necessary preclinical or clinical studies, or that ongoing and future preclinical and clinical studies will not demonstrate sufficient safety and/or efficiency, which may lead to that the commercialization of the Company's drug candidates is delayed or, in worst case, prevented. Alligator may also have to cancel its studies or will have to carry out more extensive studies than planned, which may delay the development process and lead to increased costs, delayed commercialization and ultimately reduced cash flow or no cash flow at all.

Risks related to future revenue and sales/licensing of drug candidates

The Company and its business is to a large extent dependent on collaborations, licensing and commercialization of the Company's development projects to generate revenue in the future. Prevented compensation and other revenues as well as terminated collaborations may lead to delayed commercial success and adversely affect the Company's result and in the long term the Company's financial position. Finally, there is a risk that the Company does not succeed in attracting buyers or licensees of the Company's drug candidates, which may lead to future revenues for this reason being delayed or, in whole or in part, prevented.

Risks related to Covid-19

In the event Covid-19 continues to spread at an increased rate, or new guidelines/restrictions are issued, there is a risk that the Company's clinical studies are further delayed or end up being more expensive than the Company has planned, or that the results from the clinical studies are delayed. Furthermore, there is a risk that various authorities, suppliers and partners experience delays as a result of the Covid-19 pandemic, which may affect the Company and its business negatively.

Risks related to recruitment of patients

Alligator and its partners are dependent on the recruitment of new patients who are willing to participate in the Company's clinical studies. In the event the recruitment of patients to the Company's clinical studies cannot take place to the extent required or if patient recruitment becomes more time consuming than the Company has planned, this may lead to delays in the Company's clinical studies. Such delays of the Company's studies may in turn result in the Company's development work becoming more costly than planned, and that expected sales revenues are delayed and postponed to the future, which could have a negative impact on the Company's operations and future prospects.

Risks related to competition

There is a risk that the Company's competitors succeed in commercializing their products earlier than Alligator and its partners, or that competitors develop products that are more efficient, have a better side effect profile and are more affordable than Alligator's drug candidates. This may result in Alligator's competitors establishing a strong market position before the Company can enter the market, and limit Alligator's opportunities to commercialize its drug candidates and thereby generate revenues in the future.

Risks related to patens and intellectual property rights

Alligator has an extensive patent portfolio attributable to both Alligator's technology platforms as well as drug candidates. There is a risk that granted patents will not provide a sufficient commercial protection, that the Company is forced to defend its patent rights against a competitor, or has a patent declared invalid, which may lead to extensive costs for the Company. Furthermore, there is a risk that the Company's ongoing patent applications will not be granted or that the Company will not succeed in registering and completing all necessary patent applications at a reasonable cost, and that other market operators have applied for patents regarding drug candidates included by the Company's patent applications, without the Company's knowledge. This could impede or prevent continued development and successful commercialization of the Company's drug candidates, and the Company's possibilities to generate license and sales revenues in the future.

Risks related to future capital needs

There is a risk that the Company's research and development projects will become more cost and time consuming than planned, and that positive cash flow is generated later than expected. There is furthermore a risk that the Company will not be able to raise capital when needed, or that capital cannot be raised on conditions favorable to the Company, which may affect the Company's operations and financial position adversely.

KEY INFORMATION ON THE SECURITIES

The main features of the securities

Type, class and ISIN of the securities

The Rights Issue refers to a new issue of a maximum of 14,277,723 Shares. The Company has only one share class. The shares have ISIN code SE0000767188 and are admitted to trading on Nasdaq Stockholm under the ticker ATORX.

Currency, nominal value and number of securities

The Shares are denominated in Swedish kronor (SEK). As per the date of the Prospectus, the Company's share capital amounts to SEK 28,555,446 divided into 71,388,615 shares, each share with a quota value of SEK 0.40. All shares are fully paid up. Through the Rights Issue, the number of Shares can increase by a maximum of 14,277,723.

Rights attached to the securities

Each share entitles to one (1) vote at general meetings in the Company. At the general meeting, each person entitled to vote may vote for the full number of shares owned and represented without limitation to the voting rights.

All shares entitle equal rights to share in the Company's profits and to any surplus in the event of liquidation.

The right to dividends rests with a person who, on the specified record date, is entered in the share register and recorded in the Swedish Central Securities Depository (Sw. avstämningsregister). If the Company decides to issue new shares, warrants or convertibles, the shareholders have preferential rights to subscribe for new shares in relation to the number of shares they already own. However, there are no provisions in the Company's articles of association that limit the possibility to, in accordance with the provisions in the Swedish Companies Act, issue new shares, warrants or convertibles with deviation from the shareholders' preferential rights.

The relative seniority of the securities in the issuer's capital structure in the event of liquidation

All shares have the same priority in the event of liquidation of the Company.

Transferability of the securities

There are no restrictions of the right to freely transfer shares in the Company.

Dividend policy

Alligator will continue to focus on developing and expanding the Company's project portfolio. Available financial resources and the reported result shall therefore be reinvested in the business to finance the Company's long-term strategy. The intention of the Board of Directors is therefore not to propose any dividend to the shareholders.

Where will the securities be traded?

The Company's shares are traded on Nasdaq Stockholm since 2016. The Shares will thus be subject to application for admission to trading on Nasdaq Stockholm after the Rights Issue. Trading in the Shares is expected to commence around week 7, 2021.

What are the key risks that are specific to the securities?

The market price of the share

During the period 1 January 2020 until 30 November 2020, the Company's share price was at its minimum SEK 4.265 and at its maximum SEK 11.50. Consequently, the Company's share price may be volatile. The volatility risk is particularly high in companies that, like Alligator, have not launched any drugs on the market, which means that the share price is largely based on expectations of the Company's future performances.

Future issues of new shares and dilution

There is a risk that any future new issues of shares may lead to a dilution of current shareholders' shareholding in the Company, and, depending on the conditions for such issues of new shares, may have a negative impact on the market price of Alligator's shares.

The impact of macroeconomic factors on the Rights Issue

A volatile stock market and a continued uncertainty regarding macroeconomic factors may have a negative impact on investors' willingness to invest in the Company's shares, which may have an adverse effect on the market price of the Company's shares but also lead to the subscription rate in the Rights Issue, both with and without Subscription Rights, being lower than would otherwise have been the case.

KEY INFORMATION ON THE RIGHTS ISSUE

Under which conditions and timetable can I invest in this security?

General

Alligator's Board of Directors resolved on 15 December 2020, pursuant to the authorization granted by the annual general meeting on 5 May 2020, to increase the Company's share capital through the issue of new shares with preferential rights for the Company's shareholders. The Rights Issue comprises a maximum of 14,277,723 Shares.

The shareholders of the Company have preferential rights to subscribe for the Shares in the Rights Issue in relation to the number of shares they own on the record date on 5 January 2021. Each existing share entitles to one (1) Subscription Right. Five (5) Subscription Rights entitle to subscription of one (1) Share in Alligator. In addition to this, investors are offered the possibility to register for subscription of Shares without Subscription Rights.

Subscription of Shares shall be made during the period from and including 11 January 2021 up to and including 25 January 2021 or such later date determined by the Board of Directors. The issuer does not impose any costs on investors in connection with the Rights Issue.

After the Swedish Companies Registration Office has registered the Rights Issue, the Shares will be admitted to trading on Nasdaq Stockholm. Registration at the Swedish Companies Registration Office is expected to take place around week 7, 2021. Trading in the Shares is expected to commence around week 7, 2021.

Subscription price

The subscription price has been set to SEK 6.00 per Share, meaning that the Rights Issue, upon full subscription, provides the Company with proceeds of a total of approximately MSEK 86 before deduction of costs related to the Rights Issue.

Allotment principles

If not all Shares are subscribed for by exercise of Subscription Rights, allotment of the remaining Shares shall be made within the highest amount of the Rights Issue: firstly, to those who have subscribed for Shares by exercise of Subscription Rights (regardless of whether they were shareholders on the record date or not) and who have applied for subscription of Shares without exercise of Subscription Rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of Subscription Rights that each and every one of those, who have applied for subscription of Shares without exercise of Subscription Rights, have exercised for subscription of Shares; secondly, to those who have applied for subscription of Shares without exercise of Subscription Rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of Shares the subscriber in total has applied for subscription of Shares; and thirdly, to those who have provided guarantee commitments with regard to subscription of Shares, in proportion to such guarantee commitments. To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

Dilution as a result of the Rights Issue

Upon full subscription in the Rights Issue, the total number of shares in the Company will increase from 71,388,615 shares to 85,666,338 shares, which results in a dilutive effect amounting to a maximum of 14,277,723 shares, corresponding to approximately 16.7 per cent of the share capital and votes in the Company.

Costs relating to the Offering

The costs relating to the Rights Issue are estimated to amount to approximately MSEK 10 and consist mainly of costs for guarantee commitments as well as remuneration to financial and legal advisors in relation to the Rights Issue and costs related to marketing material and other presentations.

Costs imposed on investors

No costs are imposed on investors participating in the Offering. When trading in Subscription Rights and BTA, however, brokerage is normally paid in accordance with applicable terms for securities trading.

Why is this Prospectus being produced?

Proceeds and costs relating to the Rights Issue

Upon full subscription in the Rights Issue, the Company will be provided MSEK 86 before deduction of costs related to the Rights Issue, which are estimated to amount to approximately MSEK 10.

Reasons for the Offering and use of the proceeds

Alligator is active in the drug development phases ranging from concept and early drug discovery up to Phase II clinical studies involving patients. This includes the identification of new points of attack for drugs, development and optimization of novel drug candidates, evaluation of preclinical efficacy and safety, and finally confirmatory clinical studies in cancer patients. Alligator was founded in 2001 and is based in Medicon Village in Lund, Sweden.

Alligator's development portfolio comprises the drug candidates mitazalimab, ATOR-1017, ALG.APV-527 and ATOR-1015 as well as the Neo-X-Prime™ drug concept, all of which are designed for the treatment of metastatic cancer. The AC101 project is run through a partner, the Chinese company Shanghai Henlius Biotech Inc., that is responsible for financing and conducting the clinical development. In 2020, the Company

generated important data to drive the Company's continued development of its clinical project portfolio.

The Phase I study of ATOR-1017 advanced faster than expected by the Company, and interim data presented as early as August 2020 showed a good safety profile at clinically relevant dose levels. The dose evaluation will continue at escalated dose levels and the Company is expecting to present safety data and possibly efficacy data in spring 2021, with a Phase II clinical study scheduled to start in the second -half of 2021. Alligator has also demonstrated strong Proof of Mechanism data for mitazalimab (Alligator's most advanced immuno-oncology drug candidate). With a solid dataset from two Phase I clinical studies with more than 100 patients, the next step will be to start a Phase II clinical efficacy study.

Alligator is now focusing its resource on ATOR-1017 and mitazalimab, and believes that both programs have first-in-class potential and can commence Phase II studies in 2021.

The Board of Directors considers Alligator's existing working capital to be insufficient to finance the Company's continued development needs and the below commitments for the coming twelve-month period from the date of the Prospectus. With regard to the Company's planned activities, a working capital deficit is expected to arise in August 2021. The deficit for the coming twelve-month period is estimated to approximately MSEK 75.

To ensure continued successful development in accordance with the Company's business plan and strategy, Alligator has decided to carry out a Rights Issue. The Rights Issue is expected to provide Alligator with proceeds of MSEK 86 before deduction of issue costs, which are estimated to approximately MSEK 10 (of which costs for guarantee commitments amount to approximately MSEK 4). Thus, the net proceeds from the Rights Issue are estimated to MSEK 76. The Board of Directors' assessment is that the working capital requirement for the coming twelve-month period will be met by available cash and cash equivalents and the net proceeds from the Rights Issue.

The expected net proceeds from the Rights Issue will, in the following order of priority and with an approximate proportion indicated in brackets, be used to:

1. Initiate and conduct Phase II studies for mitazalimab (50 per cent)
2. Complete Phase I study and initiate preparatory work on Phase II study for ATOR-1017 (50 per cent)

If the Rights Issue, despite issued subscription undertakings and guarantee commitments, is not sufficiently subscribed for, the Company may have difficulties conducting its business and execute planned developments at the planned rate. Should this occur, the Company intends to investigate alternative financing opportunities, such as additional raising of capital, grants, financing through loans, or until additional capital can be raised, operating the business at a slower pace than planned.

Subscription undertakings and guarantee commitments

In connection with the Offering, Alligator has received subscription undertakings from existing shareholders of a total of approximately MSEK 12.6, corresponding to approximately 15 per cent of the Rights Issue. In addition, the Company has entered into agreements on guarantee commitments with a number of existing shareholders and a number of external investors amounting to approximately MSEK 73, corresponding to approximately 85 per cent of the Rights Issue. Guarantee commitments entered into consists in part of a so-called bottom guarantee of approximately MSEK 60.2 and in part of a so-called top guarantee of approximately MSEK 12.8. The bottom guarantee ensures, provided that subscription is made at least corresponding to the subscription undertakings, that approximately 85 per cent of the Rights Issue is subscribed and paid for. The top guarantee ensures, provided that subscription is made at least corresponding to the subscription undertakings and the bottom guarantee, that 100 per cent of the Rights Issue is subscribed and paid for. In total, the Offering is thus covered by subscription undertakings and guarantee commitments amounting to approximately MSEK 86, corresponding to 100 per cent of the Rights Issue.

Interests and conflicts of interest

Redeye is financial advisor and Setterwalls Advokatbyrå AB is legal advisor to the Company in connection with the Offering. Aktieinvest is the Issuer Agent in connection with the Offering. Redeye and Aktieinvest receive a pre-agreed compensation for services provided in connection with the Offering and Setterwalls Advokatbyrå AB receives compensation for services provided on an ongoing basis. Other than that, Redeye, Aktieinvest and Setterwalls Advokatbyrå AB have no financial or other interests in the Rights Issue.

Alligator has received subscription undertakings from existing shareholders and has entered into agreements on guarantee commitments with a number of existing shareholders and a number of external investors. In total, subscription undertakings and guarantee commitments amount to approximately MSEK 86, corresponding to approximately 100 per cent of the Offering.

In addition to the abovementioned parties' interest in the Offering being successful, and with regard to guarantee commitments that the agreed compensation is paid in cash in accordance with the guarantee commitments entered into, there are no financial or other interests or conflicts of interest between the parties who have financial or other interests in the Offering according to the above.

Risk factors

An investment in securities is associated with risk. When assessing Alligator's future development, it is important to consider the risk factors associated with the Company and the Shares. These include, among other things, risks related to Alligator's business and industry, legal and regulatory risks, financial risks and risks related to the Shares and the Rights Issue. Below are described the risk factors considered to be of material importance for the Company and its future development. The Company has assessed the importance of the risks based on the likelihood that the risks will materialize and the expected extent of their adverse effects on the Company's business, results and/or financial position should they materialize, and where quantification has not been possible, the risks have been graded on a qualitative scale with the designations low, medium and high. The risk factors that are currently considered most significant are presented first in each category, while the risk factors are then presented without any particular ranking. The description below is based on information that is available as per the date of the Prospectus.

The Prospectus contains forward-looking statements that may be affected by future events, risks and uncertainties. The Company's actual results may differ materially from the results expected in the forward-looking statements due to a number of factors that are described below and elsewhere in the Prospectus.

RISKS RELATED TO THE COMPANY'S BUSINESS

Risks related to preclinical and clinical development of drug candidates

As per the date of the Prospectus, Alligator has four drug candidates which are all in clinical phase, and a number of drug candidates which are subject to preclinical studies and research. All of Alligator's drug candidates must undergo extensive preclinical and clinical studies in order to demonstrate the drug candidate's safety and efficiency in humans before they can receive regulatory approval to be launched on the market as finished products. There is a risk that the Company, its partners or other third parties may not successfully complete necessary preclinical or clinical studies, which may lead to that the commercialization of the Company's drug candidates is delayed or, in worst case, prevented. Results from early preclinical studies may not be consistent with the results in more extensive preclinical studies, and results from later preclinical studies may not be consistent with the results obtained in subsequent clinical studies, which leads to a risk that ongoing and future preclinical and clinical studies regarding the Company's drug candidates will not demonstrate sufficient safety and/or efficiency for the Company's drug candidates to be launched on the market, which may lead to future proceeds being delayed or, in worst case, in whole or in part prevented. Furthermore, preclinical and clinical studies are expensive and related to uncertainties and risks regarding timetables, delays and results in the studies. There is therefore a risk that Alligator will have to cancel its studies or will have to carry out more extensive studies than the Board of Directors of the Company considers necessary as of today, which may delay the development process and lead to increased costs, delayed commercialization and ultimately reduced cash flow or no cash flow at all.

Alligator assesses the probability that the risks will materialize, in whole or in part, as high, and that the risks, if they materialize, would have a high impact on the Company.

Risks related to limited project portfolio in early development stage

Alligator has five drug candidates in its project portfolio with mitazalimab, ATOR-1017, ATOR-1015 and AC101 in active clinical phase, ALG.APV-527 which is prepared for clinical Phase I, as well as a number of projects in research phase. Alligator has not yet launched any of its drug candidates on the market, neither itself nor through partners, and has therefore not yet conducted any sales or generated any sales revenue, which makes it difficult to evaluate the Company's sales potential. Alligator has invested significant amounts in the development of its drug candidates and additional significant amounts will need to be invested for the ongoing and future development of the Company's drug candidates. Alligator has entered into a license agreement with the Chinese company Biotheus regarding antibodies from ALLIGATOR-GOLD® and Alligator has, through its subsidiary Atlas Therapeutics AB, entered into an agreement for licensing AC101 to the Chinese company Shanghai Henlius Biotech Inc. which, among other things, is responsible for financing and conducting the continued clinical development of AC101. Due to this, the Company's remaining project portfolio is compiled only of a few drug candidates that, at the most, are in a preclinical phase or have completed clinical Phase I. Considering the Company's relatively limited project portfolio in early stage and the extensive amount of research and capital that will need to be invested in the Company's drug candidates, it could lead to a severe negative impact on Alligator's operations and possibilities to generate revenue in the future if one or some of the drug candidates would be subject to setbacks. How, if and to what extent the Company's remaining drug candidates may be commercialized is highly uncertain and the risk level when developing drugs is generally high. Furthermore, it is difficult to estimate the level of resources that will be needed to potentially reach a commercialization of the Company's drug candidates as they are in early research and development stages. The narrow focus of the project portfolio, that is, the focus on tumor-directed immunotherapies, also exposes Alligator to the risk that the value and potential in the Company's project portfolio is reduced or depleted, for example if this research field in general would be subject to setbacks or if any of the Company's competitors in a more successful way manages to develop and commercialize products with similar properties as the Company's. There is furthermore a risk that one or more of the drug candidates in Alligator's project portfolio, for a number different reasons of which several are described above, may not be completed and

may not become commercially viable for the Company. Lack of commercial success for one or more of the Company's drug candidates may adversely affect the Company's ability to, in whole or in part, generate sales revenue in the future.

Alligator assesses the probability that the risks will materialize, in whole or in part, as high, and that the risks, if they materialize, would have a medium impact on the Company.

Risks related to future revenue and sales/licensing of drug candidates

According to the Company's current business strategy, part of the Company's future revenue is expected to consist of so-called milestone payments, that is, interim and option payments from partners within the framework of a project/program, provided that a specified pre-agreed target related to the Company's development projects has been achieved, as well as license revenues from licensing and royalties from sales in case of a potential commercialization of drug candidates. The Company and its business is thus to a large extent dependent on collaborations, licensing and commercialization of the Company's development projects to generate revenue in the future. In the short to medium term, potential revenues are expected to consist mainly of milestone payments and license revenues related to development projects in clinical phase. In the long term, potential revenues may also include sales revenues and royalties after any commercialization of one or more of the Company's drug candidates.

In collaborations, there is a risk that the pre-agreed targets are not achieved sufficiently or that a partner is unable to make milestone payments or other agreed compensation, despite the agreed targets or conditions being achieved by the Company, or that a partner chooses to terminate the collaboration before the Company has obtained full compensation from the collaboration. As an example of this, Janssen Biotech, Inc. chose to terminate its ongoing collaboration with the Company in July 2019, according to which Janssen Biotech, Inc. had agreed to finance and conduct the continued clinical development of the drug candidate mitazalimab. According to the agreement, Alligator was entitled to an initial payment, development and sales related interim target compensation and sales-based royalties. Furthermore, sales revenues or royalties from future sales of a commercialized drug candidate may be lower than expected or prevented if a completed drug candidate does not obtain market acceptance or otherwise achieves no commercial success. Prevented compensation and other revenues as well as terminated collaborations may lead to delayed commercial success and adversely affect the Company's result and in the long term the Company's financial position.

The Company's current business strategy also includes a potential sale or licensing of the Company's drug candidates and clinical development projects. There is a risk that the Company does not succeed in attracting buyers or licensees of the Company's drug candidates, which may lead to future revenues for this reason being delayed or, in whole or in part, prevented.

Alligator assesses the probability that the risks will materialize, in whole or in part, for all projects as low, and that the risks, if they materialize, would have a high impact on the Company.

Risks related to Covid-19

The ongoing Covid-19 pandemic has led to several clinical studies being cancelled, delayed or postponed to the future as a result of a continued high burden on the healthcare as well as guidelines/restrictions from, among others, the European Medicines Agency (EMA) and local authorities. In April 2020, Alligator announced a temporary halt of recruitment of new patients to the Company's ongoing clinical Phase I studies with the drug candidates ATOR-1017 and ATOR-1015 due to Covid-19. The Company is closely monitoring the development of the Covid-19 pandemic and the authorities' guidelines and continuously evaluates appropriate measures to minimize any delays in the Company's ongoing clinical studies. In the event Covid-19 continues to spread at an increased rate, or new guidelines/restrictions are issued, there is a risk that the Company's clinical studies are further delayed or end up more expensive than the Company has planned, or that the results from the clinical studies are delayed. Furthermore, there is a risk that various authorities, suppliers and partners experience delays as a result of the Covid-19 pandemic, which may affect the Company and its business negatively. The interruptions and delays described above may entail additional costs for the Company, and may lead to the Company no longer being able to conduct its operations in its current form, that the Company is forced to reduce its operations and that expected sales revenues related to the Company's drug candidates are postponed, which could have a negative impact on the Company's operations and future prospects.

Alligator assesses the probability that the risks will materialize, in whole or in part, as medium, and that the risks, if they materialize, would have a medium impact on the Company.

Risks related to partners and suppliers

Due to the anticipated size and cost of Phase III studies it is currently not likely that the Company will develop any drug candidates beyond Phase II studies on its own. Alligator is thus dependent on current and future licensing, collaboration, supplier and other agreements with experienced partners for the development and successful commercialization of the Company's existing and future drug candidates. Alligator has, among other things, entered into a cooperation agreement with the American biotechnology company Aptevo Therapeutics Inc. regarding co-development of ALG.APV-527 through clinical Phase II. Additionally, Alligator has entered into a license agreement with the Chinese company Biotheus and has, through its subsidiary Atlas Therapeutics AB, entered into an agreement on licensing of AC101 to the Chinese company Shanghai Henlius Biotech Inc. In

addition to the cooperation and license agreements described above, the Company is, and will most likely continue to be, dependent on collaborations with different suppliers and manufacturers for the production of the Company's clinical materials. There is a risk that current, or future, suppliers, manufacturers, licensees and partners choose to terminate the cooperation agreements with the Company, or may be unable to continue the collaboration on terms favorable to the Company. Nor can it be guaranteed that the Company's suppliers, manufacturers or partners will fully meet the quality requirements set by the Company or relevant authorities. There is furthermore a risk that the Company will not succeed in entering into collaborations at all or will not succeed in entering into collaborations on terms favorable to the Company when needed. In the event any of the above risks materialize, Alligator assesses that it would have a negative impact on the Company's business in terms of delayed commercialization, additional costs for the Company and potentially also lead to reduced or prevented revenues.

Alligator assesses the probability that the risks will materialize, in whole or in part, as low, and that the risks, if they materialize, would have a medium impact on the Company.

Risks related to recruitment of patients

Alligator and its partners are dependent on the recruitment of new patients who are willing to participate in the Company's clinical studies. The scope of the patient recruitment and the number of available patients has a significant impact on the timetable of the clinical studies. In the event the recruitment of patients to the Company's clinical studies cannot take place to the extent required or if patient recruitment becomes more time consuming than the Company has planned, this may lead to delays in the Company's clinical studies. Additionally, the ongoing Covid-19 pandemic may lead to the Company being forced to make temporary halts in its recruitment of patients and otherwise make it more difficult and result in that it takes longer to find and recruit patients to the Company's clinical studies. Such delays of the Company's studies may in turn result in the Company's development work becoming more costly than the Company planned, and that expected sales revenues are delayed and postponed to the future, which could have a negative impact on the Company's operations and future prospects.

Alligator assesses the probability that the risks will materialize, in whole or in part, as medium, and that the risks, if they materialize, would have a medium impact on the Company.

Risks related to compensation and payment systems and subsidies

A significant part of Alligator's potential future revenues are likely to be affected by compensation and payment systems for healthcare and drugs on different markets and Alligator will be dependent on that the Company's and its partners' products are eligible for subsidies from, for example, public insurance schemes, public care providers or private health insurers. There is a risk that Alligator's products do not qualify for subsidies from publicly or privately funded health care programs or that compensation will be lower than the Company expected, which could affect Alligator's and its partners' sales and profitability. Changes in compensation and subsidy schemes, or applicable regulations, are difficult to predict and may affect the demand for the Company's products, potential sales and marketing of the Company's products as well as the Company's ability to conduct its business in a profitable way. In several countries, there are various measures to curb rising drug costs, which may affect Alligator's and its partners' future sales opportunities in various markets. Reduced or defaulted compensations or subsidies to Alligator or its end users may make it difficult for the Company and its partners to sell the Company's drugs while maintaining a margin and would thus impair Alligator's earnings capacity and its opportunities to compete efficiently, which could have a negative impact on Alligator's business, financial position and results.

Alligator assesses the probability that the risks will materialize, in whole or in part, as medium, and that the risks, if they materialize, would have a medium impact on the Company.

Risks related to market acceptance

To date, none of the Company's drug candidates have been commercialized. Even if the Company's drug candidates are approved by the appropriate authorities for marketing and sales, there is a risk that physicians may not prescribe them, which would prevent the Company from generating revenues or becoming profitable. Market acceptance of the Company's and its partners' future potential drug candidates will depend on a number of factors, including the clinical indications for which the product is approved, acceptance by physicians, patients and healthcare payers, experienced advantages over competing treatments, and the extent to which the product has been approved for inclusion on formularies of hospitals and managed care organizations as well as availability of adequate compensation systems and price subsidies. Lack of market acceptance of the Company's drug candidates may lead to the Company's future revenues being delayed or, in whole or in part, defaulted, which may have a negative impact on the Company's operations and future prospects.

Alligator assesses the probability that the risks will materialize, in whole or in part, as medium, and that the risks, if they materialize, would have a medium impact on the Company.

Risks related to certian key employees and qualified personnel

Alligator has established an organization with qualified personnel in order to create the best possible conditions for research, development and commercialization of the Company's drug candidates. The Company's future growth is to a large extent dependent on the industry-specific knowledge, experience and the engagement that the Company's senior management and key employees possess. Alligator's ability to retain and recruit qualified employees is of great importance for the Company's future success, and if the Company were to lose such key employees, or would not be able to recruit new qualified personnel to the extent necessary or on satisfactory terms in relation to competition from, among others, industry companies, universities and other institutions, this could lead to increased personnel costs and delays or interruptions in the Company's business and future development, which could have a negative impact on Alligator's opportunities to commercialize its drug candidates and thus affect the Company's profitability and future earnings capacity.

Alligator assesses the probability that the risks will materialize, in whole or in part, as low, and that the risks, if they materialize, would have a medium impact on the Company.

RISKS RELATED TO THE COMPANY'S INDUSTRY

Risks related to competition

The development and commercialization of new drug candidates is highly competitive and is characterized by rapid technological development. Alligator faces competition with respect to its current drug candidates, and will face competition with respect to any drug candidates that the Company may seek to develop or commercialize in the future, from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. As per the date of the Prospectus, there are around 20 approved drugs on the market for immuno-oncology and several pharmaceutical and biotechnology companies are operating within research and development of drugs for immunotherapy of cancer. These companies include large, well-defined pharmaceutical companies. Competitors, including the ones described above, may have significantly greater financial resources than Alligator and its partners, which may give them advantages within, for example, research and development, contacts with regulatory authorities, marketing and product launch. There is a risk that the Company's competitors succeed in commercializing their products earlier than Alligator and its partners, or that competitors develop products that are more efficient, have a better side effect profile and are more affordable than Alligator's drug candidates, which may result in Alligator's competitors establishing a strong market position before the Company can enter the market. Such competing products may limit Alligator's opportunities to commercialize its drug candidates and thereby generate revenues in the future.

Alligator assesses the probability that the risks will materialize, in whole or in part, as medium, and that the risks, if they materialize, would have a medium impact on the Company.

LEGAL AND REGULATORY RISKS

Risks related to patents and intellectual property rights

Alligator has an extensive patent portfolio attributable to both Alligator's technology platforms as well as drug candidates and Alligator has exclusive rights to several families of granted patents and patent applications, which have been granted or are awaiting approval in important geographical areas, such as the United States, Europe and Japan. However, patents and other intellectual property rights have a limited life, and there is a risk that granted patents will not provide a sufficient commercial protection, as objections and other invalidity claims against granted patents can be made after the patent is granted. If the Company is forced to defend its patent rights against a competitor, or has a patent declared invalid, this may lead to extensive costs for the Company, which may affect the Company's business and financial position adversely. Additionally, the costs relating to a dispute, even in the event of a favorable outcome for Company, may be significant. There is also a risk that the extent of a granted patent is not sufficient to protect against other market operators developing similar drug candidates. There is furthermore a risk that the Company's ongoing patent applications will not be granted or that the Company will not succeed in registering and completing all necessary patent applications at a reasonable cost. Other market operators may also have applied for patents regarding drug candidates included by the Company's patent applications, without the Company's knowledge. There is therefore a risk that the Company may infringe, or allegedly infringes, a patent held by a third party. A potential infringement in the patent of a third party may limit the opportunities of the Company or any of its partners to use the Company's drug candidates as planned. Thus, the Company's patent applications may also have a lower priority in relation to other patent applications or limit the possibility for the Company to commercialize its drug candidates and obtain necessary patent protection, which would greatly affect Alligator's opportunities to further develop the Company's drug candidates. If the risks above would materialize, it would impede or prevent continued development and successful commercialization of the Company's drug candidates, and ultimately the Company's opportunities to generate license and sales revenues in the future.

Alligator assesses the probability that the risks will materialize, in whole or in part, as low, and that the risks, if they materialize, would have a high impact on the Company.

Risks related to regulatory approvals and registration

In order for Alligator to carry out preclinical and clinical studies and/or market and sell drugs, the Company must obtain marketing approval or authorization from relevant authorities on each market, such as the Medical Products Agency in Sweden, the Food and Drug Administration (FDA) in the United States or the European Medicines Agency (EMA) in the EU. The process for obtaining the relevant approvals is cost and time consuming and may delay, prevent or make the development of the Company's drug candidates more costly. There is also a risk that relevant authorities do not find the preclinical studies, on which an application for a clinical study is based, sufficient, or that the Company, due to authority decisions, needs to conduct more extensive future clinical studies than the Company currently deems sufficient, which may lead to delays, increased costs or delayed revenues for the Company. Additionally, the Company's business is dependent on the Company's drug candidates obtaining necessary approvals from authorities after the completion of preclinical and clinical studies. Furthermore, applicable rules and interpretations may change, which may have a negative effect on the Company's ability to meet the regulatory requirements. In addition, approvals and registrations may be withdrawn after the Company or its partners have been granted these. In the event the Company, on its own or through its partners, does not succeed in obtaining relevant approvals or registrations, or if approvals or registrations are withdrawn, this may lead to increased costs, that the Company's ability to generate revenues, in whole or in part, is prevented, delays in the development work, or that the Company is forced to close down all or part of its operations, as well as lead to the Company's market position being deteriorated in relation to the Company's competitors.

Alligator assesses the probability that the risks will materialize, in whole or in part, as low, and that the risks, if they materialize, would have a high impact on the Company.

Risks related to side effects, product liability and insurance cover

Alligator is exposed to several liability risks, such as the risk of a potential product liability claims that may arise in connection with the production of drugs, clinical studies or marketing and sales of drugs in the event the Company's drug candidates reach commercialization. For example, patients participating in the Company's current or future clinical studies, or who are otherwise in contact with the Company's products, may suffer side effects that cause illness, bodily injury, death or other damage. Even if clinical studies would be carried out by a partner, there is a risk that the Company may be held liable for potential incidents. Potential side effects may delay or stop the Company's development work as well as limit or prevent the commercial use of the Company's drug candidates and thereby lead to increased costs and significantly affect the Company's earning capacity, sales, result and financial position. Furthermore, there is a risk that the Company will be sued by patients who suffer from potential side effects, in which case Alligator may be liable for damages. In all clinical studies, there will most likely be limitations in the scope of the insurance cover as well as limits to the amount of compensation paid. There is therefore a risk that Alligator's insurance cover is not sufficient to cover future legal claims directed at the Company, which may lead to significant costs and have a material adverse effect on the Company and its operations, both in terms of reputation and financially.

Alligator assesses the probability that the risks will materialize, in whole or in part, as low, and that the risks, if they materialize, would have a high impact on the Company.

Risks related to legal proceedings

Alligator is not, and has not during the last twelve months, been part of any authority proceedings, legal proceedings or arbitrary proceedings which have had, or could have, a significant impact on the Company's financial position or profitability. There is a risk that Alligator will be involved in disputes in court or with authorities in connection with the Company's operations, which may require Alligator to hire external expert advisors, including legal advisors. Alligator may for example be subject to regulatory investigations as well as potential claims related to intellectual property, patient injuries or misleading or improper marketing. Such proceedings may be time consuming, disrupt normal operations, refer to significant amounts and can, regardless of the outcome, cause significant costs for the Company, which may have a negative effect on the Company's other external costs. Furthermore, exposure to disputes and authority proceedings, even if the financial risks are not significant, may have a negative impact on the Company's reputation and its business relationships.

Alligator assesses the probability that the risks will materialize, in whole or in part, as low, and that the risks, if they materialize, would have a medium impact on the Company.

Risks related to confidentiality

Alligator is dependent on trade secrets and know-how in its operations which cannot be protected by registration in the same way as patents and other intellectual property rights. This concerns, for example, information on inventions that have not yet been applied for patents as well as knowledge on concepts, methods and processes. Alligator uses confidentiality agreements with employees, consultants, advisors and partners in order to protect trade secrets and know-how, but these agreements may prove insufficient to prevent trade secrets and know-how from being disclosed and spread without the Company's control, which leads to a risk that competitors may take part in or make use of trade secrets and know-how developed by Alligator. Such uncontrolled spread of confidential information

could negatively affect the development of the Company's drug candidates if the information would, for example, be used to develop potential competing drug products or other commercial use without the Company being compensated for this or otherwise taking part of this, which could cause the development and commercialization of the Company's drug candidates to be less attractive, and result in the Company's ability to generate revenues being, in whole or in part, prevented.

Alligator assesses the probability that the risks will materialize, in whole or in part, as low, and that the risks, if they materialize, would have a medium impact on the Company.

Risks related to processing of personal data

Within the framework of Alligator's business, the Company collects and processes data attributable to, for example, patients participating in the Company's clinical studies and the Company's employees. The Company is thereby subject to Regulation (EU) 2016/679 of the European Parliament and of the Council ("**GDPR**"). There is a risk that Alligator currently, or in the future, will not comply with the requirements that GDPR entail. Incorrect or insufficient processing of personal data, failures in the Company's obligations towards those whose personal data are processed and other violations according to the GDPR may result in sanctions in terms of fines amounting to the higher of MEUR 20 or 4 per cent of the Group's annual turnover, which may entail significant costs and have a significant negative impact on the Company and its business, both in terms of reputation and financially.

Alligator assesses the probability that the risks will materialize, in whole or in part, as low, and that the risks, if they materialize, would have a low impact on the Company.

FINANCIAL RISKS

Risks related to future capital needs

The Company's operations within research and development lead to part of the Company's available liquidity continually being consumed. Alligator does not have a steady flow of revenues, instead these come irregularly in connection with the signing of license agreements and when milestones that generate compensation are achieved in licensed research projects. The research and development projects that the Company conducts, together with the fact that the Company does not generate, and has not generated, any sales revenues, leads to significant costs and there is a risk that the Company's research and development projects will become more cost and time consuming than planned. Furthermore, it may take long before the Company's drug candidates reach commercialization and current cash flow can be generated from the Company's operations. Any delays in the Company's research and development projects may result in that positive cash flow is generated later than expected. The Company may therefore, depending on when a positive cash flow is achieved, also in the future need to raise additional capital in addition to the capital raised through the Rights Issue. There is a risk that the Company will not be able to raise capital when needed, or that capital cannot be raised on conditions favorable to the Company, which may affect the Company's operations and financial position adversely. If Alligator cannot obtain sufficient financing, the Company may be forced to stop its planned development projects, carry out restructuring of all or parts of the business, or be forced to run the business at a slower pace than planned, which may lead to delayed or prevented commercialization of the Company's drug candidates as well as delayed or prevented license and sales revenues.

Alligator assesses the probability that the risks will materialize, in whole or in part, as medium, and that the risks, if they materialize, would have a high impact on the Company.

Risks related to accumulated tax losses

As of 31 December 2019, Alligator has accumulated tax losses that amount to approximately MSEK 725. The accumulated tax losses could in the future reduce any taxable profits that the Company makes, and thus reduce the corporate tax that would arise on any future profits. Tax losses and the use thereof are subject to extensive restriction rules. Alligator's opportunity to utilize, in whole or in part, the accumulated tax losses in the future will be determined by, among other things, future changes in ownership of the Company. Alligator's opportunity to utilize, in whole or in part, the accumulated tax losses in the future may also be affected by, among other things, changes in the applicable tax legislation. If the tax losses carried forward cannot be used to reduce the tax on future profits, it will mean that the Company's tax expense will increase, which could have a material adverse effect on Alligator's financial position and earnings.

Alligator assesses the probability that the risks will materialize, in whole or in part, as low, and that the risks, if they materialize, would have a low impact on the Company.

Risks related to changes in exchange rates

Alligator has its registered seat in Sweden and reports its financial position and earnings in SEK, which means that transactions in foreign currency will be converted to SEK. Alligator's operating income currently consist primarily of remuneration received in accordance with license agreements with Shanghai Henlius Biotech Inc. and Biotheus. These incomes are obtained in USD, while Alligator's operating expenses are mainly obtained in SEK and other foreign currencies, for example USD, EUR and GBP. Currency flows in connection with the purchase and sale of goods and services in currencies other than SEK give rise to a so-called transaction exposure. There is a risk that measures taken to manage the Company's transaction exposure and conversion risk may prove insufficient and not sufficiently effective and Alligator may fail to successfully establish and manage such measures. Changes in exchange rates may therefore affect the Company's cash flow, income statement and statement of finan-

cial position negatively. To illustrate the risk as of 31 December 2019, an increase or decrease with 5 per cent in USD, EUR and GBP would have affected the Company's post-tax profits and equity for the financial year 2019 by approximately +/- MSEK 1.4, +/- MSEK 3.5 and +/- MSEK 1.0. In addition, changes in exchange rates may also adversely affect the pricing and demand for the Company's products, and thus Alligator's competitiveness.

RISKS RELATED TO THE SHARES AND THE RIGHTS ISSUE

The market price of the share

Current and potential investors should consider that an investment in Alligator is associated with risk and that an investment in shares may both increase and decrease in value. This entails a risk that investors may lose all or part of their invested capital. During the period 1 January 2020 until 30 November 2020, the Company's share price was at its minimum SEK 4.265 and at its maximum SEK 11.50. Consequently, the Company's share price may be volatile. The share price can be affected by several factors, of which some are specific to the Company and its operations, while others are related to the stock market as a whole. The share price is, among other things, dependent of the development of the Company's project and development work, how well the Company lives up to communicated targets as well as changes in the stock market's expectations in the pharmaceutical industry in general. Such factors may also increase the volatility of the share price. The volatility risk is particularly high in companies that, like Alligator, have not launched any drugs on the market, which means that the share price is largely based on expectations of the Company's future performances. An investment in the Company's Shares should therefore be subject to a thorough analysis.

Future issues of new shares and dilution

Alligator is still at an early clinical development stage and it is difficult to assess in advance when the Company can generate sales revenues and become profitable. To enable continued development of Alligator's drug candidates, the Company needs further financing. If additional financing is arranged through share capital, additional issues of new shares or other securities in the Company will, for current shareholders, unless they participate in such possible issues of new shares, lead to a dilution of their shareholding in the Company. As the time and conditions for any future issues of new shares will depend on Alligator's situation and the market conditions at the current time, the Company cannot predict or estimate the amount, time or other conditions for such issues of new shares. Depending on the conditions of any further issues of new shares, such issues may have a negative impact on the market price of Alligator's shares.

The impact of macroeconomic factors on the Rights Issue

Investors' willingness to invest in the Rights Issue may, besides the factors that are directly related to the Company's operations and the Company's shares, also be affected by general macroeconomic factors. The period immediately before the publication of the Prospectus has been associated with a highly turbulent and volatile stock market that arose primarily as a result of the ongoing Covid-19 pandemic, which has affected the investment climate and has had a general impact on supply and demand for shares and other securities. These factors have also had a direct impact on the Company's shares by creating fluctuations in the share price. A volatile stock market and a continued uncertainty regarding macroeconomic factors may have a negative impact on investors' willingness to invest in the Company's shares, which may have an adverse effect on the market price of the Company's shares but also lead to the subscription rate in the Rights Issue, both with and without Subscription Rights, being lower than would otherwise have been the case. It is not possible to predict future price movements and it is possible that the factors above, individually or combined, may adversely affect the value of an investor's invested capital. The short-term development of the share price may also have an adverse effect on the subscription rate and the outcome of the Rights Issue, which in itself could have a negative impact on an investor's willingness to invest in the Company. An investment in the Company should therefore be subject to a thorough analysis of the Company, its competitors and environment, general information about the industry, the general economic situation and macroeconomic factors as well as other relevant information, as there is a risk that shares in the Company cannot be sold at a price acceptable to the shareholder at any time or at all.

Limited liquidity in the share

Alligator's share is traded on Nasdaq Stockholm and the share has during some periods shown a limited liquidity. It is not possible to predict the future interest in the Company's share on the stock market. Even if the Company's shares are subject to trade, the level of liquidity in the Company's shares may vary and therefore not always be satisfying. If an active and liquid trading does not develop, it may have a negative effect on the shares' market price and lead to difficulties for shareholders to change their shareholdings at any desired time or share price. A low liquidity in the Company's shares also contributes both to a higher volatility in the share price, but also to a higher difference between the share's purchase price and sale price.

Subscription undertakings and guarantee commitments are not secured

Alligator has received subscription undertakings from existing shareholders and entered into guarantee commitments with a number of existing shareholders and a number of external investors. In total, subscription undertakings and guarantee commitments amount to approximately MSEK 86, corresponding to approximately 100 per cent of the Rights Issue. These subscription undertakings and guarantee commitments are not secured by advance transaction, bank guarantee, blocked funds, pledge, or similar arrangement. Thus, if all or part of these commitments are not fulfilled, there would be a risk that the Offering is not subscribed for as planned, which would lead to the Company being provided with less capital than calculated to finance its business.

Trade in Subscription Rights and BTA

Subscription Rights and BTA will be subject to trading on Nasdaq Stockholm. There is a risk that an active trade in the Subscription Rights and BTA does not develop, that there will not be sufficient liquidity or that the Subscription Rights cannot be sold. If an active trade does not develop, the market price of the Subscription Rights and BTA will depend on, among other things, the price development of the Company's shares and will be subject to greater volatility than for the said shares. The price of Alligator's shares may be less than the subscription price in the Rights Issue due to reasons attributable to Alligator as well as a general decline in the stock market.

Specific risks for foreign shareholders

Alligator's share is listed in SEK and any dividends will be paid in SEK. If the Swedish krona becomes weak in relation to foreign currency, the conversion to local currency may therefore entail that the value of foreign shareholders' shareholdings and dividends may be adversely affected. Furthermore, tax legislation in both Sweden and the shareholder's country of residence may affect the income from any potential dividend that is paid.

If Alligator issues new shares with preferential rights for the Company's shareholders in the future, foreign shareholders in certain countries may be subject to restrictions which mean that they cannot participate in such issues of new shares or that their participation is otherwise prevented or restricted. For example, shareholders in the United States may be prevented from exercising such preferential rights if no exemption from the registration requirements under the Securities Act is applicable. Shareholders in other jurisdictions outside of Sweden may also be affected similarly depending on local regulatory requirements. Alligator has no obligation to, in future issues of new shares, apply for registration under the Securities Act or apply for similar approval under the legislation of another country outside of Sweden regarding subscription rights or shares. To the extent foreign shareholders cannot subscribe for new shares in possible new issues of shares, their proportional share holdings in the Company may decrease.

Alligator will not register neither the Shares, the Subscription Rights nor the Rights Issue under the Securities Act or applicable registration requirements in any other jurisdiction than Sweden.

Invitation to subscribe for shares in Alligator

Alligator's Board of Directors resolved on 15 December 2020, pursuant to the authorization granted by the annual general meeting on 5 May 2020, to increase the Company's share capital through the issue of new shares with preferential rights for the Company's shareholders. The Rights Issue comprises a maximum of 14,277,723 Shares with a subscription price of SEK 6.00 per Share, amounting to a capital raise of approximately MSEK 86 before deduction of issue costs.

The Company's shareholders have preferential rights to subscribe for the Shares in the Rights Issue in relation to the number of shares that they hold on the record date on 5 January 2021. Each existing share entitles to one (1) Subscription Right. Five (5) Subscription Rights entitle to subscription of one (1) Share in Alligator. If all Shares are not subscribed for with Subscription Rights, allotment of the remaining Shares shall be made within the maximum amount of the Rights Issue: firstly, to those who have subscribed for Shares by exercise of Subscription Rights (regardless of whether they were shareholders on the record date or not) and who have applied for subscription of Shares without exercise of Subscription Rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of Subscription Rights that each and every one of those, who have applied for subscription of Shares without exercise of Subscription Rights, have exercised for subscription of Shares; secondly, to those who have applied for subscription of Shares without exercise of Subscription Rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of Shares the subscriber in total has applied for subscription of Shares; and thirdly, to those who have provided guarantee commitments with regard to subscription of Shares, in proportion to such guarantee commitments. To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

Subscription shall be made during the period from and including 11 January 2021 up to and including 25 January 2021, or such later day determined by the Board of Directors and otherwise according to what is stated under section *"Terms and conditions"*. The subscription price has been set to SEK 6.00 per Share, meaning that the Rights Issue, if subscribed in full, will provide Alligator with proceeds of approximately MSEK 86, before deduction of issue costs.

The issue resolution means that Alligator's share capital will increase by a maximum of SEK 5,711,089.20, from SEK 28,555,446 to SEK 34,266,535.20, through the issuance of a maximum of 14,277,723 Shares. After the Rights Issue, the number of shares in Alligator will amount to a maximum of 85,666,338 shares. For shareholders who choose not to subscribe for Shares in the Rights Issue, a dilution effect will arise, corresponding to approximately 16.7 per cent of the total number of shares in the Company after the Rights Issue. Such shareholders may partially be financially compensated for the dilution by selling their Subscription Rights.

In connection with the Offering, Alligator has received subscription undertakings from existing shareholders of a total of approximately MSEK 12.6, corresponding to approximately 15 per cent of the Rights Issue. In addition, the Company has entered into guarantee commitment agreements with a number of existing shareholders and a number of external investors amounting to approximately MSEK 73, corresponding to approximately 85 per cent of the Rights Issue. The guarantee commitments entered into consists in part of a so-called bottom guarantee of approximately MSEK 60.2 and in part of a so-called top guarantee of approximately MSEK 12.8. The bottom guarantee ensures, provided that subscription is made at least corresponding to the subscription undertakings, that approximately 85 per cent of the Rights Issue is subscribed and paid for. The top guarantee ensures, provided that subscription is made at least corresponding to the subscription undertakings and the bottom guarantee, that 100 per cent of the Rights Issue is subscribed and paid for. In total, the Offering is thus covered by subscription undertakings and guarantee commitments amounting to approximately MSEK 86, corresponding to 100 per cent of the Rights Issue. However, the subscription undertakings and guarantee commitments entered into are not secured by any bank guarantee, blocked funds, pledge or similar arrangements. Consequently, there is a risk that one or more parties will not fulfil their undertakings and commitments, respectively. For further description, see section *"Risk factors – Subscription undertakings and guarantee commitments are not secured"*.

The shareholders of Alligator are hereby invited to subscribe for Shares in Alligator with preferential rights in accordance with the terms and conditions of the Prospectus.

Lund 30 December 2020

Alligator Bioscience AB (publ)

The Board of Directors

Background and reasons

The Company is a research-based biotechnology company that develops antibody-based drugs for cancer treatment. The Company is specialized in the development of tumor-directed immunotherapies, specifically agonistic mono- and bispecific antibodies. Immunotherapy is a type of treatment that stimulates the patient's own immune system to cure cancer. 'Tumor-directed' means that the drug is administered or designed in such a way that the immunostimulatory effect can be localized to the tumor. This is intended to result in a good safety and efficacy profile.

Alligator is active in the drug development phases ranging from concept and early drug discovery to Phase II clinical studies involving patients. This includes the identification of new points of attack for drugs, development and optimization of novel drug candidates, evaluation of preclinical efficacy and safety, and finally confirmatory clinical studies in cancer patients. Alligator was founded in 2001 and is based in Medicon Village in Lund, Sweden.

Alligator's development portfolio comprises the drug candidates mitazalimab, ATOR-1017, ALG.APV-527 and ATOR-1015 as well as the Neo-X-Prime™ drug concept, all of which are designed for the treatment of metastatic cancer. The AC101 project is run through a partner, the Chinese company Shanghai Henlius Biotech Inc., that is responsible for financing and conducting the clinical development. In 2020, the Company generated important data to drive the Company's continued development of its clinical project portfolio. The Phase I study of ATOR-1017 advanced faster than expected by the Company, and interim data presented as early as August 2020 showed a good safety profile at clinically relevant dose levels. The dose evaluation will continue at escalated dose levels and the Company is expecting to present safety data and possibly efficacy data in spring 2021, with a Phase II clinical study scheduled to start in the second half of 2021. Alligator has also demonstrated strong Proof of Mechanism data for mitazalimab (Alligator's most advanced immuno-oncology drug candidate). With a solid dataset from two Phase I clinical studies with more than 100 patients, the next step will be to start a Phase II clinical efficacy study.

Alligator is now focusing its resources on ATOR-1017 and mitazalimab and believes that both programs have first-in-class potential and can commence Phase II studies in 2021.

Use of the proceeds from the Offering

The Board of Directors considers Alligator's existing working capital to be insufficient to finance the Company's continued development needs and the below commitments for the coming twelve-month period from the date of the Prospectus. With regard to the Company's planned activities, a working capital deficit is expected to arise in August 2021. The deficit for the coming twelve-month period is estimated to approximately MSEK 75.

To ensure continued successful development in accordance with the Company's business plan and strategy, Alligator has decided to carry out a Rights Issue. The Rights Issue is expected to provide Alligator with proceeds of MSEK 86 before deduction of issue costs, which are estimated to approximately MSEK 10 (of which costs for guarantee commitments amount to approximately MSEK 4). Thus, the net proceeds from the Rights Issue are estimated to MSEK 76. The Board of Directors' assessment is that the working capital requirement for the coming twelve-month period will be met by available cash and cash equivalents and the net proceeds from the Rights Issue.

The expected net proceeds from the Rights Issue will, in the following order of priority and with an approximate proportion indicated in brackets, be used to:

1. Initiate and conduct Phase II studies for mitazalimab (50 per cent)
2. Complete Phase I study and initiate preparatory work on Phase II study for ATOR-1017 (50 per cent)

If the Rights Issue, despite issued subscription undertakings and guarantee commitments, is not sufficiently subscribed for, the Company may have difficulties conducting its business and execute planned developments at the planned rate. Should this occur, the Company intends to investigate alternative financing opportunities, such as additional raising of capital, grants, financing through loans, or until additional capital can be raised, operating the business at a slower pace than planned.

The Board of Directors of Alligator is responsible for the content of the Prospectus. As far as the Board of Directors is aware, the information provided in the Prospectus corresponds to the facts and nothing has been omitted that would affect its import.

Lund 30 December 2020

Alligator Bioscience AB (publ)

The Board of Directors

Terms and conditions

THE OFFERING

The Rights Issue comprises a maximum of 14,277,723 Shares which are issued at a subscription price of SEK 6.00 per Share, resulting in a capital raise of MSEK 86 upon full subscription before deduction of issue costs.

PREFERENTIAL RIGHTS TO SUBSCRIBE

Anyone who, on the record date 5 January 2021, is registered as a shareholder in the share register held by Euroclear Sweden AB on behalf of Alligator is entitled to subscribe for Shares in the Rights Issue with preferential rights in relation to the number of shares held on the record date.

SUBSCRIPTION RIGHTS

Shareholders in Alligator are entitled to one (1) Subscription Right for each existing share. Five (5) Subscription Rights entitle to subscription of one (1) Share.

SUBSCRIPTION PRICE

The subscription price is SEK 6.00 per Share. Brokerage is not paid.

RECORD DATE

The record date with Euroclear Sweden AB for the right to participate in the Rights Issue is 5 January 2021. The last day of trading in Alligator's share with the right to participate in the Rights Issue is 30 December 2020. The first day of trading in Alligator's share without the right to participate in the Rights Issue is 4 January 2021.

SUBSCRIPTION PERIOD

Subscription of Shares in the Rights Issue shall take place from and including 11 January up to and including 25 January 2021. After the expiration of the subscription period, unused Subscription Rights will be void and will thereafter lose their value. After the subscription period, unexercised Subscription Rights will, without notification from Euroclear Sweden AB, be deleted from the shareholders' VP accounts.

TRADING IN SUBSCRIPTION RIGHTS

Trading in Subscription Rights will take place on Nasdaq Stockholm during the period from and including 11 January up to and including 21 January 2021. Securities institutions with the necessary authorization handle the brokering of purchases and sales of Subscription Rights. Anyone wishing to buy or sell Subscription Rights must therefore contact their bank or broker. Subscription Rights that are not exercised for subscription in the Rights Issue must be sold by 21 January 2021 or be used for subscription of Shares by 25 January 2021 in order not to be become void and lose their value.

ISSUE STATEMENT AND APPLICATION FORMS

Directly registered shareholders

Shareholders or representatives of shareholders who, on the record date 5 January 2021, are registered in the share register held by Euroclear Sweden AB on behalf of the Company, will receive a pre-printed issue statement, a special application form 1 and 2 as well as an information folder. The pre-printed issue statement shows, among other things, the number of Subscription Rights received. Anyone who is included in the list of pledge holders and others, specifically kept in connection with the shareholder register, will not receive an issue statement but are noticed separately. VP notices, reporting the registration of Subscription Rights on shareholders' VP accounts, will not be sent out.

Nominee-registered shareholders

Shareholders whose holdings in Alligator are nominee-registered with a bank or other nominee receive an information folder. Subscription and payment, with or without preferential rights, shall be made in accordance with instructions from the respective nominee.

SUBSCRIPTION WITH PREFERENTIAL RIGHTS

Subscription with preferential rights shall be made through simultaneous cash payment no later than 25 January 2021. Subscription through payment shall be made either by the payment notice sent out with the issue statement or by the payment notice that is attached to the special application form 1 according to the following options:

1) Pre-printed payment notice

In case all Subscription Rights received on the record date are used for subscription, only the pre-printed payment notice sent out shall be used as a basis for subscription through cash payment. The special application form 1 shall in that case not be used. Please note that application for subscription is binding.

2) Special application form 1

In case the Subscription Rights are acquired or sold, or a different number of Subscription Rights than what appears from the pre-printed issue statement is used for subscription, the special application form shall be used as a basis for subscription through cash payment. The shareholder shall, on the special application form 1, state the number of Shares that the shareholder subscribes for and on the attached payment notice state the amount to be paid. Payment is thus made through the use of the payment notice. An incomplete or incorrectly completed application form may be disregarded. Please note that application for subscription is binding.

The special application form 1 can be obtained by Aktieinvest on the telephone number below. A completed application form shall,

in connection with payment, be sent or submitted to the address below and be received by Aktieinvest no later than 17:00 CET on 25 January 2021. It is only allowed to submit one (1) special application form 1. In case more than one application form is submitted, only the last one received will be considered. Other application forms will thus be disregarded. Please note that application for subscription is binding.

Aktieinvest FK AB
Emittentservice
P.O. BOX 7415
SE-103 91 STOCKHOLM
Telephone: +46 (0)8-5065 1795
E-mail: emittentservice@aktieinvest.se

SUBSCRIPTION WITHOUT PREFERENTIAL RIGHTS

Subscription of Shares without preferential rights shall be made during the same period as subscription of Shares with preferential rights, that is, from and including 11 January up to and including 25 January 2021. Registration for subscription without preferential rights is made by completing, signing and sending the special application form 2 to Aktieinvest at their address according to above, or to the nominee. No payment shall be made in connection with subscription of Shares without preferential rights, but shall be made in accordance to what is set out below. The special application form 2 shall be received by Aktieinvest no later than 17:00 CET on 25 January 2021. It is only allowed to submit one (1) special application form 2. In case more than one application form is submitted, only the last one received will be considered. Other application forms will thus be disregarded. Please note that application for subscription is binding.

Subscribers with depository: In order to invoke subsidiary preferential rights, the subscription must be made through the same nominee as the subscription with preferential rights.

ALLOTMENT PRINCIPLES

If not all Shares are subscribed for by exercise of Subscription Rights, allotment of the remaining Shares shall be made within the highest amount of the Rights Issue: firstly, to those who have subscribed for Shares by exercise of Subscription Rights (regardless of whether they were shareholders on the record date or not) and who have applied for subscription of Shares without exercise of Subscription Rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of Subscription Rights that each and every one of those, who have applied for subscription of Shares without exercise of Subscription Rights, have exercised for subscription of Shares; secondly, to those who have applied for subscription of Shares without exercise of Subscription Rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of Shares the subscriber in total has applied for subscription of Shares; and thirdly, to those who have provided guarantee commitments with regard to subscription of Shares, in proportion to such guarantee commitments. To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

Please note: Nominee-registered (depository) subscribers, who wish to increase the probability of being allotted without preferential rights by also subscribing for Shares with preferential rights, must, however, subscribe for Shares without preferential rights through the same nominee as they subscribed for Shares with preferential rights with. Otherwise, there is no possibility at the time of allotment to identify a particular subscriber who has subscribed for Shares both with and without Subscription Rights.

ALLOTMENT UPON SUBSCRIPTION WITHOUT PREFERENTIAL RIGHTS

Notice of any allotment of shares subscribed for without preferential rights is provided by sending an allotment notice in terms of a settlement note. Payment must be made no later than the third business day after the notice of allotment has been sent to the subscriber by settlement notice. No notice is given to persons who have not received allotment. If payment is not made on time, the shares may be transferred to someone else. Should the sale price in the event of such transfer fall below the price in the Rights Issue, the person who originally received the allotment of these shares may be liable for all or part of the difference.

SHAREHOLDERS RESIDING IN CERTAIN UNAUTHORIZED JURISDICTIONS

Allotment of Subscription Rights and the issue of Shares in the exercise of Subscription Rights to persons residing in countries other than Sweden may be affected by securities legislation in such countries, see *"Important information"* on the inside of the cover. For this reason, with some exceptions, shareholders who have their existing shares directly registered in VP accounts with registered addresses in the United States, Canada, New Zealand, South Africa, Japan, Australia, South Korea, Hong Kong, Switzerland, Singapore or any other jurisdiction in which participation would require additional prospectuses, will not receive any subscription rights on their respective VP accounts or be allowed to subscribe for Shares. In other countries than Sweden, which are also part of EEA, an offering of securities may only be made in accordance with an exception from the Prospectus Regulation. The subscription rights that would otherwise be delivered to such shareholders will be sold on the market and the proceeds of the sale, less costs, will thereafter be paid to affected shareholders to the return account that is connected to the VP account. Amounts of less than SEK 100 will not be paid out.

PAID-UP SUBSCRIBED SHARES (BTA)

Subscription through payment is registered with Euroclear Sweden AB as soon as possible, which is normally a few business days after payment. Thereafter, the subscriber receives a VP

notice with confirmation that BTA has been booked into the subscriber's VP account. The newly subscribed Shares are booked as BTA in the VP account until the Rights Issue has been registered with the Swedish Companies Registration Office.

TRADING IN BTA

Trading in BTA will take place on Nasdaq Stockholm from and including 11 January 2021 until the Rights Issue has been registered with the Swedish Companies Registration Office. This registration is expected to take place around week 7, 2021.

DIVIDEND

The Shares entitle to dividend from the first record date for dividends that fall after the issue resolution.

DELIVERY OF SHARES

As soon as the Rights Issue has been registered with the Swedish Companies Registration Office, which is expected to take place around week 7, 2021, BTA is converted to Shares without notice from Euroclear Sweden AB. For shareholders with nominee-registered shareholdings, the information will be provided by each nominee. Such conversion is expected to take place week 7, 2021. The newly issued Shares will be admitted to trading on Nasdaq Stockholm in connection with the conversion.

ADMISSION TO TRADING

The shares are subject to trading on Nasdaq Stockholm. The Shares that are issued in connection with the Rights Issue will be subject to an application for the newly issued Shares to be admitted to trading on Nasdaq Stockholm. The earliest date when the Shares are expected to be admitted to trading is week 7, 2021.

PUBLICATION OF THE OUTCOME OF THE RIGHTS ISSUE

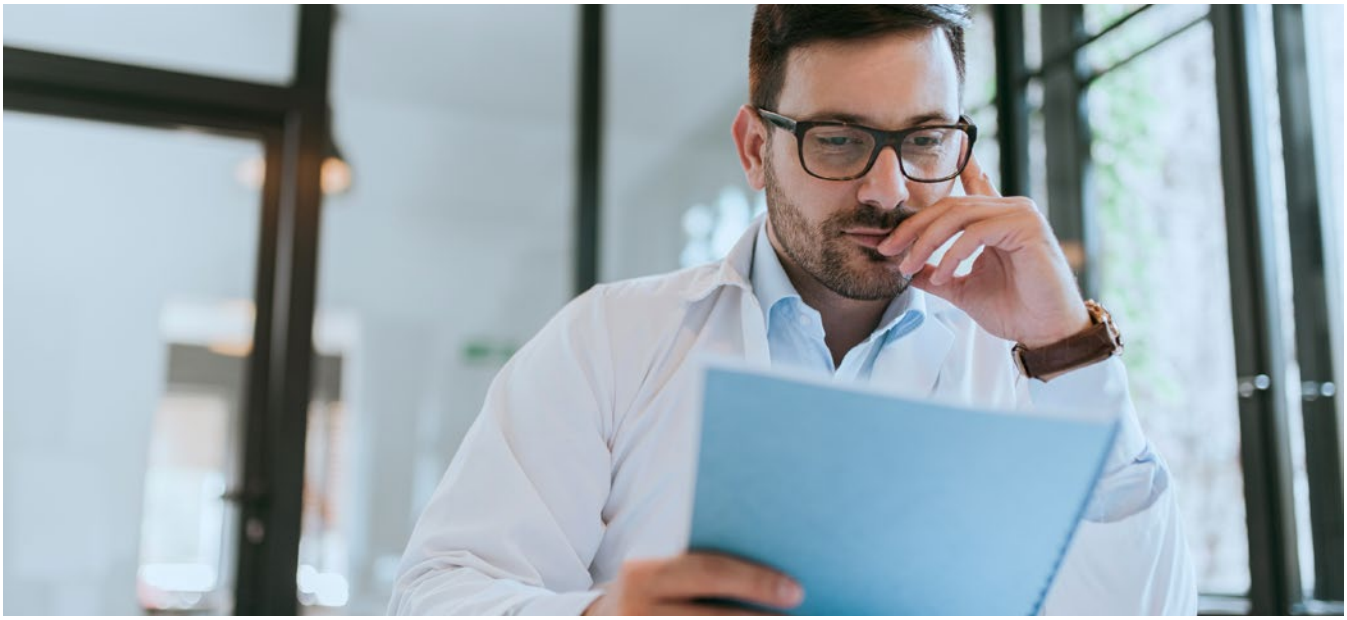
As soon as possible after the subscription period has expired, the Company will publish the outcome of the Rights Issue. The publication will be made through a press release and will be available at the Company's website.

OTHER INFORMATION

The Company is entitled to extend the time for subscription and payment in the Rights Issue. Any extension of the subscription period shall be announced by a press release no later than the last subscription day in the Rights Issue, that is, 25 January 2021. The Company is not entitled to terminate the Rights Issue or temporarily withdraw the Offering.

In the event an excessive amount is paid by a subscriber of the Shares, Aktieinvest will arrange for the excess amount to be repaid. In such case, Aktieinvest will contact the subscriber for information on a bank account to which Aktieinvest can repay the amount. No interest will be paid for excess amounts. A subscription of Shares, with or without Subscription Rights, is irrevocable and the subscriber may not cancel or modify a subscription of Shares.

Incomplete or incorrectly completed application forms may be disregarded. If the subscription payment is late, insufficient or paid incorrectly, the subscription may be disregarded or subscription may be made with a lower amount. Payments that are not used will in that case be repaid.



Market overview

The following is a general description of the markets in which Alligator operates. The Company has reproduced third-party information accurately and, as far as the Company's Board of Directors is aware and can ascertain from information published by third parties, no facts have been omitted that would make the reproduced information inaccurate or misleading. The Company considers these external sources reliable but has not performed an independent verification of them and cannot guarantee that the information is accurate or complete. Forecasts and forward-looking statements in this section are thus not guarantees of future performance and therefore, actual outcomes and results may differ materially from expectations expressly or implicitly stated herein.

INTRODUCTION

Alligator is a research-based biotechnology company that develops innovative antibody-based drugs for tumor-directed immunotherapy. Immunotherapy is a field of cancer research that is focused on stimulating the immune system to treat and even cure cancer. Tumor-directed immunotherapy is immunotherapy that stimulates the immune system in a more selective way to direct the immune response to the tumor region. Biotechnology involves research and innovation to create products by using cells, proteins or other active biological products in technical applications. As a result, biotechnology companies usually have both a technology platform and a product portfolio. Many biotechnology companies only conduct R&D in the early phases of drug discovery, while large international pharmaceutical companies (so-called "**Big Pharma**") commercialize drugs in the global market.

MARKET SIZE

Need for cancer care

Almost 18 million new cancer cases are diagnosed worldwide each year.[1] The figure is expected to reach 21.5 million within five years, representing growth of 19 per cent.[2] Approximately 40 per cent of all men and women will be diagnosed with cancer at some point during their lifetimes (based on 2015-2017 data),[3] indicating a major need for advanced cancer care.

One reason for the growth in cancer rates is increased longevity. Another is improved diagnostic accuracy. This means that more cancers are being detected, and more often at an early stage, which improves the probability of treatment success. Approximately 25 per cent of the world's cancer cases occur in Europe and 15 per cent in North America, while nearly half of all cancer cases occur in Asia. The most common cancers are lung, breast, prostate and colorectal cancer. The incidence rate is approximately 600 per 100,000 persons in Europe and North America. The rate is highest in high-income countries in North America and Europe, as well as in Australia and New Zealand.[4]

Cancer is one of the leading causes of illness and death. There were 9.6 million deaths from cancer worldwide in 2018.[5]

The oncology market

The increase in cancer cases is reflected by the high social costs of cancer care. In 2019, sales of oncology drugs amounted to USD 140 billion, from a base of USD 94 billion three years earlier. The oncology drug market is expected to more than double by 2025. In the coming years, a surge of new and innovative treatment methods is expected to emerge in the marketplace, and the Company believes that immunotherapies will play an important role in these treatment options for cancer. In 2019, the oncology market accounted for approximately 15 per cent of the total drug market and is expected to reach 20 per cent by 2025.[6]

The immuno-oncology market

Immuno-oncology is a form of cancer therapy that aims to stimulate the immune system to attack tumors. 27 of the antibody-based drugs approved in Europe and/or the United States are in oncology, including several major immuno-oncology brands such as Keytruda® (Merck), Opdivo® (BMS), Tecentriq® (Roche) and Yervoy® (BMS).[7]

There have been major advances in immuno-oncology in recent years and the immunotherapy drugs market is expected to grow rapidly in the years ahead.[8] The average cost of treatment with existing immunotherapies is high. For example, Keytruda® costs about SEK 80,000 per month and patient.[9] Variations occur between geographic regions and types of cancer.

A unique feature of the immuno-oncology market is that it refers to biologic drugs (biologics). This means that there is not the same competition from generic drugs, since it is not yet possible to produce identical molecules at a low cost when patents expire. Competition at product level would require the development of new products that are highly similar (biosimilars). What this means in practice is that any company that want to compete with biosimilars will have to conduct clinical studies before bringing the products to market. This applies particularly to the type of drug candidates developed by Alligator – agonistic antibodies – since the stimulatory effect can depend on the manufacturing process, which further complicates copying.

1 World Cancer Research Fund, World Cancer report 2018.
2 IARC International Agency for Research on Cancer (IARC), Cancer tomorrow 2020.
3 NIH National Cancer Institute, US. The Surveillance, Epidemiology, and End Results (SEER) Program.
4 IARC International Agency for Research on Cancer (IARC), Cancer Today (iarc.fr), December 2020.
5 IARC International Agency for Research on Cancer (IARC), Cancer Today (iarc.fr), December 2020.
6 The information has been obtained from the database GlobalData, (Pharma Intelligence Center - Drug Sales), December 2020.
7 The information has been obtained from the database GlobalData, (Pharma Intelligence Center - Drug Sales), December 2020.
8 The information has been obtained from the database GlobalData, (Pharma Intelligence Center - Drug Sales), December 2020.
9 The Swedish Dental and Pharmaceutical Benefits Agency (*Sw.* Tandvårds- och läkemedelsförmånsverket), Hälsoekonomisk bedömning av Keytruda, case no. 1166/2016.

Competitors

Alligator's competitors are global pharmaceutical companies and small biotechnology companies that develop antibody-based drugs. There are also a large number of biotechnology companies that develop immunotherapies to recognize the same target molecule as Alligator, including Apexigen, Seattle Genetics, Celldex, Compass, Adagen, Pieris and CytomX Therapeutics.

MARKET TRENDS

Alligator assesses that the need and demand for novel immunotherapy drugs will increase moving forward. The main market trends identified by the Company are as follows:

- *Growing number of applications for immunotherapy:* The Company's assessment is that immunotherapies have a potential to revolutionize cancer treatment. Immunotherapies were first used to treat malignant melanoma, but these drugs could potentially treat all kinds of cancer effectively and are already being used to treat, among other things, kidney, head and neck, lung and bladder cancer as well as lymphoma.
- *Partnerships between pharmaceutical companies:* Partnerships are increasing between Big Pharma and small research-based biotechnology and pharmaceutical companies in drug discovery and development. The cost of drug development is high, which is why small research-based pharmaceutical companies often choose to license their products to Big Pharma before large-scale clinical studies are carried out. Big Pharma then carry out the clinical studies that are required and commercialize the drug in the global market. This streamlines the product development process from concept to commercialization, and distributes the risks between the parties. The research-based biotechnology and pharmaceutical companies also receive early returns in terms of upfront and milestone payments linked to development. In addition, licensing contracts usually entitle the small companies to sales-related milestone payments, which secures long-term revenues.
- *Demographic trend:* Due to demographic development trends, including population ageing in developed countries and higher incomes and better access to, and more widespread use of, drugs in emerging markets, the Company expects the total pharmaceutical market to grow.
- *Increased expenditure and investment:* In the years ahead, the Company expects that expenditure will increase, especially in developed countries, due to higher costs for drugs in novel and expensive therapies and a higher price per product in some countries. In addition, development in, for example, developing countries is expected to increase in the years ahead, due to improvements in social safety nets and private insurance.
- *Improved access to medicines:* The Company assesses that global access to medicines will increase. The increase will be driven by a more considerable use of more expensive, patented original drugs in developed countries, more widespread use of cheaper alternatives when patents expire and improved access to medicines in developing countries.

DRUG DEVELOPMENT AND APPROVAL PROCESS

Marketing authorization for a drug is only granted when there is sufficient scientific evidence that the drug is safe and effective. Producing this evidence can be a time-consuming and resource-intensive task, involving preclinical research and clinical studies. It takes at least ten years from initial discovery to the approval of a drug and the entire process requires substantial financial investment. Alligator is active from the early stage of drug discovery up until Phase II studies to demonstrate efficacy.

Phases of drug development at Alligator

Discovery

In the Discovery phase, Alligator generates new mono and bispecific antibodies with its ALLIGATOR-GOLD®, ALLIGATOR-FAB™, FIND® and RUBY™ technology platforms. The phase also includes the development and evaluation of treatment concepts, evaluation of potential drug candidates and early-stage efficacy studies. The antibodies are optimized to achieve the set objectives in terms of function, binding affinity and stability, after which a drug candidate is selected for further development.

Preclinical

In the preclinical phase, the safety and efficacy of the drug candidate is assessed as well as its clinical potential. These studies are conducted both internally at Alligator and together with external partners. Alongside of preclinical activities, research continues to acquire a better understanding of the candidate's biological function. This phase also includes the manufacturing of material for upcoming clinical studies.

Phase I

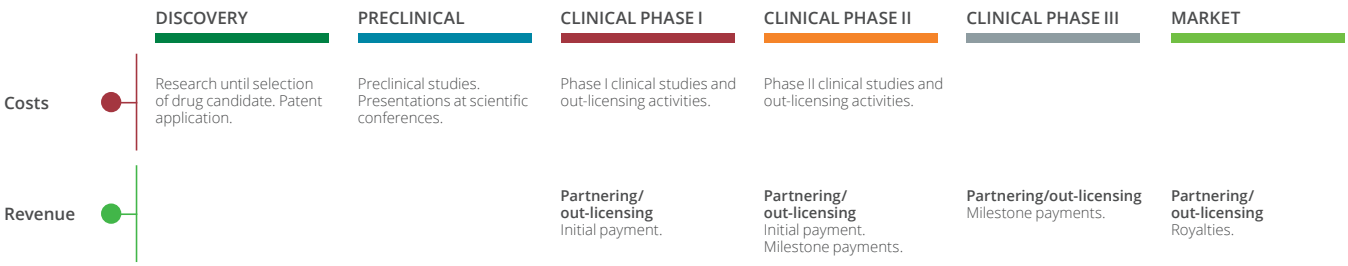
The first human studies are performed with a small number of subjects, normally 20-80 patients with metastatic cancer. The primary endpoint of these studies is to show that the compound is safe. How the drug is absorbed, distributed and metabolized is also studied.

Phase II

The endpoint of Phase II studies is to confirm the desired efficacy of the compound, and to determine the optimal dose. Normally, 100-300 patients are tested. By the end of Phase II, the drug's efficacy, probable dosage and adverse effect profile should have been determined.

Phase III

In Phase III, the compound is tested on a larger group of subjects, normally 1,000-3,000 patients. The primary endpoint of Phase III studies is to confirm that the new compound is at least as good or better than standard therapies. By the end of Phase III, there is convincing evidence of the performance and common side effects of the drug, and the documentation required to register the drug has been compiled.



Regulatory framework

The regulatory framework for obtaining marketing authorization for a drug is comprehensive. The drug must be approved by the competent authority in the country or region where the drug will be marketed. An approved drug is subject to extensive post-approval regulation, such as record keeping, periodic updates of safety reports, product testing and distribution, as well as advertising and marketing. If these requirements are not met, there is a risk that marketing authorization may be revoked or that civil or criminal penalties may be imposed.

Business description

OVERVIEW

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

HISTORY

Alligator was founded in Lund in 2001. The operations are based on the FIND® technology (a protein optimization technology), which was developed at the Department of Immunotechnology at Lund University under the supervision of Professor Carl Borrebaeck.

Alligator's operations were initially focused on using FIND® to optimize (improve) external customers' protein products on a contract basis. A large number of assignments were carried out during the first few years of Alligator's operations, and Alligator succeeded in improving its customers' protein in line with set targets in all cases. A brief company history including a few milestones in Alligator's history is presented below:

- 2001 Alligator was founded in Lund.
- 2007 It was decided that Alligator would use the FIND® technology to develop its own drug candidates.
- 2008 A strategic decision to focus the operations on immuno-oncology was made.
- 2009 FIND® optimization of the antibody that would later become mitazalimab (ADC-1013) commenced.
- 2012 A decision to focus the operations on both mono- and bispecific antibodies was made.
- 2013 The ALLIGATOR-GOLD® antibody library was completed, and has since been used to develop Alligator's drug candidates. Atlas Therapeutics AB was acquired.
- 2015 An exclusive license agreement was concluded with Janssen Biotech, Inc. for further development and commercialization of mitazalimab. A Phase I study with mitazalimab in cancer patients commenced.
- 2016 Alligator was listed on Nasdaq Stockholm and the first day of trading was 23 November 2016.
- 2017 Positive Phase I data for the CD40 antibody mitazalimab were presented. A co-development agreement with the United States biotechnology company Aptevo Therapeutics was concluded for the drug candidate ALG.APV-527.
- 2019 Positive safety data from a second Phase I study with mitazalimab were presented. Alligator regained the global rights to mitazalimab from Janssen Biotech, Inc.
- 2020 Focus on the clinical projects was strengthened. Mitazalimab and ATOR-1017 are prioritized projects. ATOR-1015 showed immune responses that require investigation. The plan is to continue the project together with a partner. ATOR-1017 showed positive safety data in a clinical Phase I interim read-out.

Objectives

Alligator's overall objective is to establish the Company as one of the world's leading innovators in immuno-oncology by effectively developing tumor-directed immunotherapies that save lives, and with unique properties that make them attractive to Big Pharma for in-licensing.

Strategic framework

The Company believes that economic value is mainly created by out-licensing drug candidates at clinical study stage, but there are also interesting opportunities for other types of out-licensing and partnerships. Final Phase II/III clinical development as well as marketing and sales have been planned by the Company's partners in each project.

Discovery strategy and technology platform

Alligator's discovery unit develops tumor-directed immunotherapies with a focus on active therapies that provide long-lasting tumor-specific immunity. The unit's most valuable assets are leading researchers and a strong technology platform, which can be described as the Company's innovation engine. This platform has been used to develop all current drug candidates and the aim is to further develop the platform through internal innovation and the in-licensing of groundbreaking technologies. This will strengthen Alligator's ability to further develop the next generation of immunotherapy.

Preclinical development strategy

All of the essential skills for moving projects forward is represented in the organization. Preclinical studies are carried out to evaluate the safety and toxicity of the antibodies and to increase the Company's understanding of the mechanism of action in more complex systems. The latter is crucial for the design of clinical studies. Preclinical studies are required for permission to commence clinical studies.

Manufacturing

Alligator has built up strong internal technical expertise and state-of-the-art equipment, enabling proprietary manufacturing of materials for preclinical studies. This reduces costs compared with outsourcing to a dedicated contract manufacturer, while increasing flexibility due to better control over the development process. The preclinical phase is not subject to the same rigorous demands as those imposed on drug candidates for clinical studies. Large-scale manufacturing of the drug candidate is not required until clinical studies commence.

Clinical development strategy

Alligator has the expertise and capacity to design and conduct early-phase clinical studies. The Company also has the regulatory expertise and ability to analyze clinical data in preparation for late-phase clinical studies. The operational aspects of the clinical development process have been out-licensed to CROs, which also makes it possible to conduct clinical studies in several different countries.

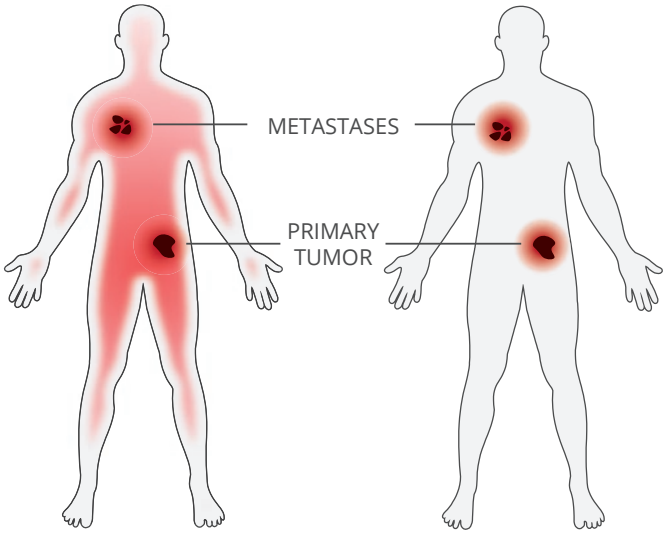
Business development strategy

Alligator conducts active business development in several areas. One key field is the out-licensing of antibodies and drug candidates. Antibodies produced with the Company's technology platform can be out-licensed as early as the discovery phase, while drug candidates are out-licensed in the preclinical or clinical phase, or further developed in a partnership. Alligator does not out-license its technology platform, but could make it available to future partners through various types of collaboration. Alligator may also in-license valuable technologies to supplement internal capabilities and capacity. The Company's project portfolio may also be strengthened by acquiring research assets or drug candidates.

Mission

The basic idea behind immuno-oncology is simple: to stimulate the body's own immune system to attack cancer cells and destroy them. The reason why the immune system cannot do this on its own is that cancer has many ways of tricking the immune system. The role of immuno-oncology is therefore to use various methods to help the immune system recognize cancer cells as enemies, and to harness the inherent ability of the system to fight cancer.

Cancer tumors often contain a high number of immune cells that can potentially attack and destroy the tumor. The problem is that cancer cells can find ways to hide from the immune system by activating immunosuppressive agents that inhibit attacks. Immuno-oncology development is focused on various strategies to enhance the immune response. The aim of the first strategy is to educate the immune system to recognize tumor cells – similar to providing the immune system with a magnifying glass or a telescopic sight. The aim of the second strategy is to boost or enhance the capabilities of the immune system so that it attacks the cancer tumor with full force.



General immune activation (figure to the left) may lead to severe adverse effects. Selective activation (figure to the right) of tumor-specific immune cells to result in fewer adverse effects.

Successful immuno-oncology therapies also have a vaccination effect – the specific type of cancer that has been eliminated cannot come back.

The Company believes that unique drug candidates and innovative research concepts differentiate Alligator from the vast majority of its competitors. The Company's drug candidates are developed to stimulate the immune system to selectively attack tumors, without affecting the rest of the body to the same extent.

The Company believes that the greatest advantage of this tumor-directed treatment is the positive effect it has on the tumor, while the adverse effects caused by stimulating the whole immune system can be kept as low as possible.

Business model

Alligator's business model is based on proprietary drug development – from drug discovery and preclinical studies to the phase of clinical development when the treatment concept is tested in patients. The plan is then to out-license the drug candidate for further development and market launch. This business model enables Alligator to generate revenue before the drug reaches the market, such as upfront payments when agreements are signed and milestone payments during the development process. Over the past five years, the Company has generated approximately MUSD 50 (just over MSEK 400) from these sources of revenue.

IMMUNOTHERAPY IN BRIEF

No single function of the immune system can eliminate all cancers. Alligator has therefore developed several different types of antibodies with different target molecules that can stimulate different parts of the immune system. This means that Alligator's various drug candidates can be developed to treat specific types of cancer. Alligator's drug candidates can also be combined with other therapies to further strengthen the immuno-oncology effect. By working with multiple target molecules, Alligator is also reducing its overall project portfolio risk.

The Company believes that immunotherapy has revolutionized cancer therapy in recent years, and is showing positive effects in a high percentage of patients and for a longer period of time compared with standard therapies. The Company also believes that future cancer treatments will probably involve a combination of multiple drugs.

In the Company's view, standard-of-care combination therapies may have boosted the clinical effect, but they have also led to an elevated risk of serious immune-related adverse events. Alligator believes that the Company's concept of tumor-directed immunotherapy provides an opportunity to solve this, and to offer new and more effective cancer therapies with no increased risk of serious adverse effects.

CD40 target molecule

Alligator's drug candidate mitazalimab (ADC-1013) is an agonistic (stimulatory) antibody that targets CD40, a receptor on the surface of dendritic cells in the immune system. Dendritic cells detect enemies, such as cancer cells. CD40 stimulation enables dendritic cells to activate the immune system's T cells more effectively. The immune system then attacks the cancer cells selectively, and has an effect even at very low doses. Cancer cells can also express CD40 on the cell surface, which means that mitazalimab can also destroy cancer cells directly as a secondary mechanism of action.

Alligator is following two possible development paths for the CD40 antibody mitazalimab. The first is to treat 'cold tumors' such as pancreatic cancer, meaning tumors that contain very low levels of the immune system's T cells. The second alternative is to combine with other immunotherapies such as PD-1-antibodies or with a cancer vaccine. The vaccine and mitazalimab can work together, by the vaccine providing the tumor antigen (a kind of label specific to the tumor), while mitazalimab stimulates dendritic cells that can mediate an attack.

Neo-X-Prime™, the new drug concept for personalized cancer therapy, uses CD40 as one of two target molecules. The Neo-X-Prime™ antibodies bind with tumor cells (exosomes), which contain mutated proteins from the tumor (neoantigens), which are unique to each patient and against which the immune system can be targeted.

4-1BB target molecule

ATOR-1017 is an immunostimulatory antibody that binds to the 4-1BB receptor in tumor-specific T cells and Natural Killer (NK) cells. 4-1BB stimulates the immune cells involved in tumor control, making 4-1BB a highly interesting target for immunotherapy. Recently, promising clinical results have been presented for drug

candidates targeting 4-1BB, which has increased the interest in this target.

In addition to effector T cells, ATOR-1017 also stimulates NK cells, which are immune cells that attack tumor cells that are trying to hide from the body's immune system. ATOR-1017 differs from other 4-1BB antibodies, partly because of its unique binding profile, but also because its immunostimulatory function is dependent on crosslinking to Fc-gamma receptors on immune cells. This localizes the immunostimulation to the tumor region where both 4-1BB and Fc-gamma receptors are expressed at high levels, which is entirely in line with the treatment strategy for Alligator's drug candidates. The aim is to achieve an effective tumor-directed immune response with minimum side effects.

The drug candidate ALG.APV-527, which is developed together with Aptevo Therapeutics Inc., has 4-1BB as one of its two target molecules. ALG.APV-527 is a so-called bispecific antibody, targeting 4-1BB and 5T4. 5T4 is a protein expressed on tumors, but at low levels or not at all in normal tissue, making it a compelling target molecule for cancer therapy.

Other target molecules in the portfolio

ATOR-1015 binds to two different immunomodulatory receptors – the inhibitory checkpoint receptor CTLA-4, and the co-stimulatory receptor OX40. In preclinical studies, the bispecificity has been shown to boost the immunostimulatory effect. Drugs that block the CTLA-4 target receptor have documented clinical efficacy through ipilimumab (Yervoy®), a standard drug for cancer treatment. The primary role of the OX40 target molecule in ATOR-1015 is to help localize the tumor and to improve drug penetration into the tumor.

The AC101 drug candidate targets the HER2 molecule. About 13 per cent of all breast cancer patients have HER2-positive breast cancer.[10] HER2-positive is an overexpression of human epidermal growth factor receptor 2 (HER2) or increased copy numbers of the HER2 gene in the tumor cells. This expression correlates with an aggressive type of breast cancer, HER2-positive breast cancer, and also, therefore, a poor prognosis.[11] The delivery of HER2-targeting antibodies into the body blocks the activation of HER2 receptors on the cell surface, which can slow or stop the growth of the tumor.

ALLIGATOR'S TECHNOLOGIES

Alligator's patented technology platform advances the Company's research and development of new and innovative drugs. The various technologies complement each other and can be combined to speed up the design and development of novel drug candidates. Alligator actively seeks partners in both immuno-oncology and other therapeutic areas in which Alligator's technology platforms can create significant value. The platform comprises:

- ALLIGATOR-GOLD® and ALLIGATOR-FAB™ antibody libraries, human antibody libraries for isolating therapeutic antibodies
- FIND®, a robust protein optimization technology
- RUBY™, a bispecific antibody format

Alligator has also established an efficient flow in the discovery process for novel drug candidates, where the strength of traditional phage display is combined with Next Generation Sequencing (NGS) to obtain improved drug candidates with essentially fully tailored properties. In addition, the discovery flow includes methods for integrated screening and characterization of both function and developability. These technologies combined give Alligator full capacity to develop potent and selective mono- and bispecific drugs.

Alligator's technology platforms – FIND® (protein optimization technology), ALLIGATOR-GOLD® and ALLIGATOR-FAB™ (antibody libraries) – are used for the discovery and development of novel drug candidates. These platforms enable efficient generation of novel drug candidates with high potential. In addition, the Company has bispecific antibody formats for the development of new dual-action antibodies. With the most recent antibody format, RUBY™, Alligator can generate bispecific molecules from any two antibodies, with excellent properties in terms of stability and yield. The format eliminates the need for further optimization, enabling Alligator to move drug candidates from preclinical research to clinical phase faster. One such example is the new Neo-X-Prime™ drug concept that was launched in September 2020. These technologies combined give Alligator a strong base for the development of bispecific, tumor-directed drug candidates.

ALLIGATOR-GOLD® and ALLIGATOR-FAB™ antibody libraries

ALLIGATOR-GOLD® and ALLIGATOR-FAB™ are proprietary human antibody libraries containing more than 60 billion unique antibody fragments and have been tailored to provide highly functional antibodies. The libraries encompass two different formats – ALLIGATOR-GOLD® is an scFv library and ALLIGATOR-FAB™ is a Fab library, which means they use different principles for binding to the target molecules, see below. This increases Alligator's ability to develop drug candidates that can target a broad spectrum of molecules.

The libraries are different from each other in the specific areas of the antibody surface that bind to the target molecules and are designed to mimic and surpass human immune system variation. The remaining antibody fragments (the framework) do not vary and these are specifically selected for use as medicines. The framework is of human origin and optimized for stability and productivity. ALLIGATOR-GOLD® and ALLIGATOR-FAB™ make up the basic technology platform that enables the development of novel drug candidates for the project portfolio. Either ALLIGATOR-GOLD® or ALLIGATOR-FAB™ has been used to develop, for example, ATOR-1017, ALG.APV-527 and Neo-X-Prime™.

10 Annual Report 2016. National Quality Register For Breast Cancer (NKBC) Aug 29, 2017.
11 Dawood S et al. J Clin Oncol 2009; 28: 92-8.

Key strengths that Alligator has identified in ALLIGATOR-GOLD® and ALLIGATOR-FAB™:

- Complete human antibody library with large variability (over 60 billion antibody varieties)
- Different fragments (scFv and Fab) increase the potential to produce highly functional antibodies for all possible target molecules
- The libraries mimic and surpass human immune system variation
- The library frameworks are particularly suited to drug development
- The libraries have been used to produce antibodies for more than 200 different target molecules, including those that make recognition by antibodies generally difficult

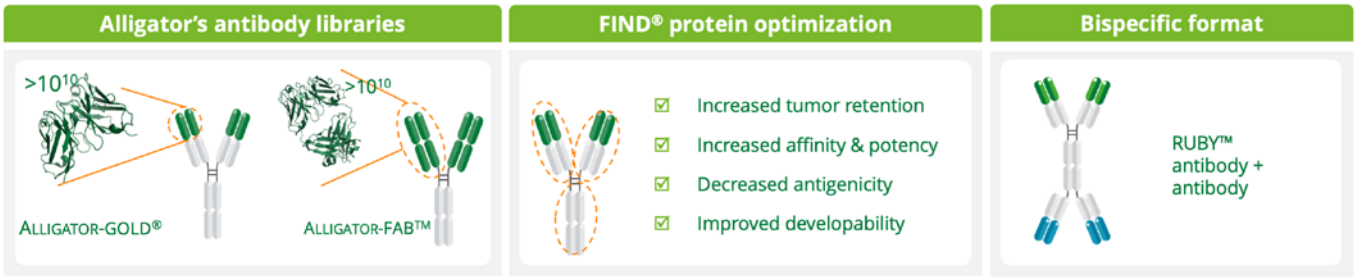
FIND®

FIND® (Fragment INduced Diversity) is a technology for optimizing antibodies and other proteins that are based on molecular evolution. FIND® can therefore be used to further optimize antibodies previously recognized from the antibody libraries. The technology makes it possible to create a large number of functional types of antibodies in a short time. The FIND® technology can be used to change virtually any type of antibody property. The improved properties can generate significant clinical benefits in terms of, for example, efficacy and potency, pharmacokinetics, safety and reduced antigenicity.

RUBY™

RUBY™ is a bispecific format developed by Alligator. RUBY™ can be used to generate bispecific molecules from any two antibodies, with excellent properties in terms of stability and yield. The format eliminates the need for further optimization, enabling Alligator to move drug candidates from preclinical research to clinical phase faster.

Technology platform



Alligator's various technologies complement each other and can be combined to speed up the design and development of novel drug candidates.

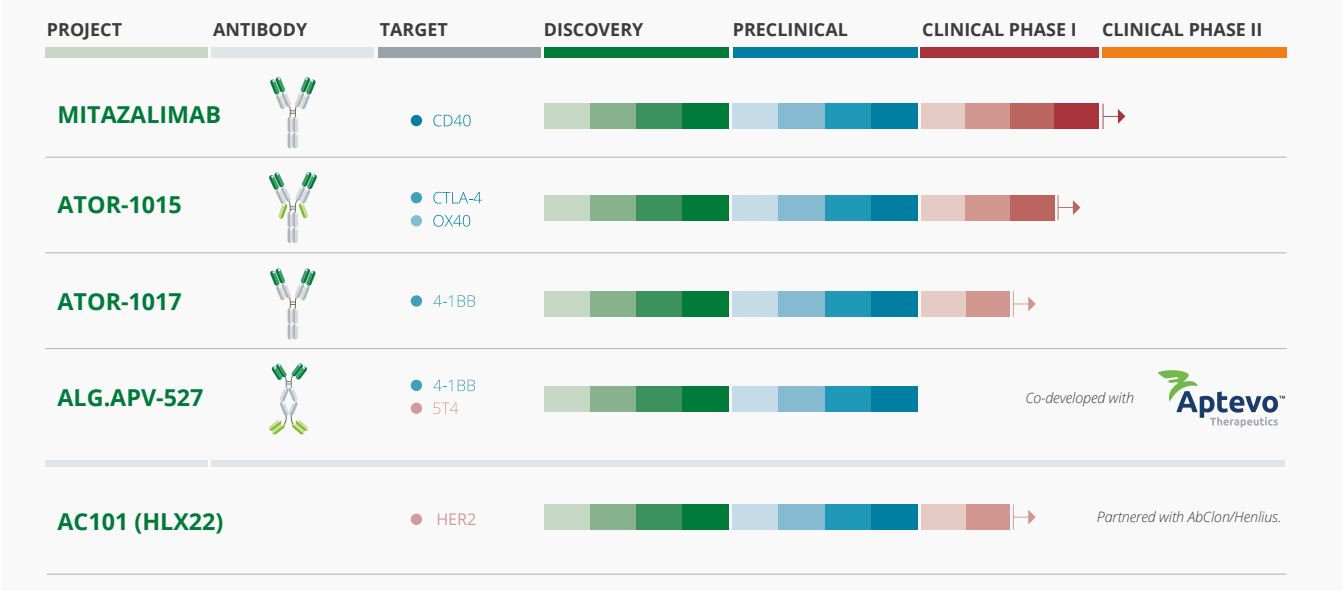
ALLIGATOR'S PROJECT PORTFOLIO

Introduction

Alligator has four drug candidates in clinical study phases. Mitazalimab (previously ADC-1013) has completed Phase I and will enter Phase II in spring 2021, while ATOR-1017 is in Phase I with the aim of entering Phase II in autumn 2021. ATOR-1015 has undergone Phase I dose escalation studies, and the plan is to continue the development together with a partner. AC101, which is being developed by Shanghai Henlius Biotech Inc. in China where Alligator has rights to shares of future revenues, is in Phase I.

In addition to these projects, the bispecific antibody ALG.APV-527, which is being developed in partnership with Aptevo Therapeutics Inc., has completed all preclinical studies. The Company is planning to submit a Clinical Trial Application (CTA) for a Phase I clinical study in the first half of 2021.

All drug candidates have been developed for tumor-directed immunotherapy and target immunostimulatory receptors, and are expected to provide long-term protection against cancer. Future cancer therapies will probably involve a combination of drugs. However, although the combination therapies used to date have boosted the clinical effect, they have also led to a higher risk of serious immune-related adverse events. Alligator's concept of tumor-directed immunotherapy provides an opportunity to solve this, and to offer new and more effective cancer therapies with no increased risk of serious adverse effects.



In addition to these projects, Alligator is conducting continuous research to identify new antibodies with the potential to develop into potent tumor-directed immunotherapy drugs. This means that they stimulate tumor-infiltrating immune cells, but not other immune cells in the body.

Alligator's new proprietary immuno-oncology concept, Neo-X-Prime™, which was created in the RUBY™ format, was launched in September 2020. Neo-X-Prime™ is being developed for personalized cancer therapy.

THE CLINICAL PROJECT PORTFOLIO IN BRIEF

Mitazalimab

Mitazalimab is an immunostimulatory CD40 antibody for the treatment of metastatic cancer, such as pancreatic cancer. Activation of the CD40 receptor on the immune system's dendritic cells enhances their ability to attack the cancer cells. Two Phase I studies with mitazalimab have generated competitive safety data and shown early signs of clinical efficacy. Phase II combination studies are scheduled to commence in 2021.

ATOR-1017

ATOR-1017 is an immunostimulatory antibody that binds to the 4-1BB receptor on tumor-specific T cells. 4-1BB has a capacity to stimulate the immune cells involved in tumor control, making this receptor a highly interesting target for cancer therapy. A Phase I study is ongoing and positive interim data was reported in August 2020.

ALG.APV-527

Developed in partnership with Aptevo Therapeutics Inc. ALG.APV-527 is a bispecific 4-1BB and 5T4 antibody designed for the treatment of metastatic cancer. In July 2017, Aptevo Therapeutics Inc. and Alligator signed a co-development (50/50) agreement for ALG.APV-527. In the first half of 2021, the companies are planning to submit a CTA for a Phase I clinical study in several European medical centers.

ATOR-1015

ATOR-1015 is a tumor-localizing, bispecific CTLA-4 and OX40 antibody for tumor-directed treatment of metastatic cancers, primarily skin cancer (malignant melanoma) where the CTLA-4 target molecule has proven effective. It should be possible to combine the finished product with, for example, PD-1 inhibitors. A Phase I study has concluded and evaluation of the results is ongoing.

AC101

AC101 is currently under development by Shanghai Henlius Biotech Inc. through its agreement with AbClon. Alligator has a stake in AC101 through its subsidiary Atlas Therapeutics AB, entitling Alligator to 35 per cent of AbClon's revenue from the agreement with Shanghai Henlius Biotech Inc. A Phase I study has started with the first patient dosed in July 2019.

MITAZALIMAB

Drug candidate ready for Phase II in pancreatic cancer

Mitazalimab is Alligator's most advanced candidate for immunotherapy and is designed for the treatment of metastatic cancers.

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

Clinical data from mitazalimab's Phase I study shows that mitazalimab is safe and well tolerated at clinically relevant dose levels. Early signs of clinical activity were also observed in the study – one renal cancer patient showed partial response, while ten patients maintained stable disease for at least six months. There is still one patient in the Phase I study who has now been treated with mitazalimab for more than 30 months.

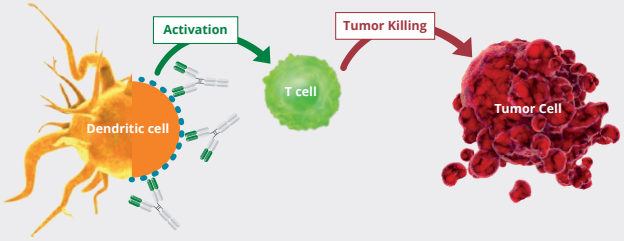
The clinical development plan presented in August 2020 contained a more detailed description of the upcoming Phase II OPTIMIZE-1 clinical study. The study is an open-label, multicenter study to assess the clinical efficacy of mitazalimab combined with chemotherapy (mFOLFIRINOX) in patients with metastatic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

In December 2020, Alligator also announced that the Company's Investigational New Drug (IND) application for mitazalimab had been approved, which is a prerequisite for initiating clinical studies in the US.

#CD40

mitazalimab ● CD40

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



In September 2020, positive biomarker data from the Phase I study conducted by Janssen Biotech, Inc., confirmed mitazalimab's mechanism of action. Biomarker data showed the predicted upregulation of important genes, such as PD-L1, following treatment with mitazalimab. This demonstrates Proof of Mechanism (PoM), that mitazalimab can induce the desired effects on the immune systems of patients.

Project status: Phase I clinical study completed, planning for Phase II

To date, the clinical program has comprised two Phase I studies. The first study was conducted by Alligator with a focus on intratumoral administration. The results showed that clinically relevant doses of mitazalimab are well tolerated. Promising safety and tolerability data from a second Phase I study with mitazalimab in cancer patients was presented by Janssen Biotech, Inc. at the American Society of Clinical Oncology's (ASCO) Annual Meeting in 2019. The results showed that the adverse events were mild and mostly transient. The study comprised a total of 95 patients. Doses of up to 1200 µg/kg i.v. with no premedication, and up to 2000 µg/kg with premedication, were shown to be safe and tolerable. The results also gave indications of clinical activity. One renal cancer patient showed partial response (PR), while ten patients maintained stable disease (SD) for at least six months.

ATOR-1017

Encouraging interim data in clinical Phase I

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

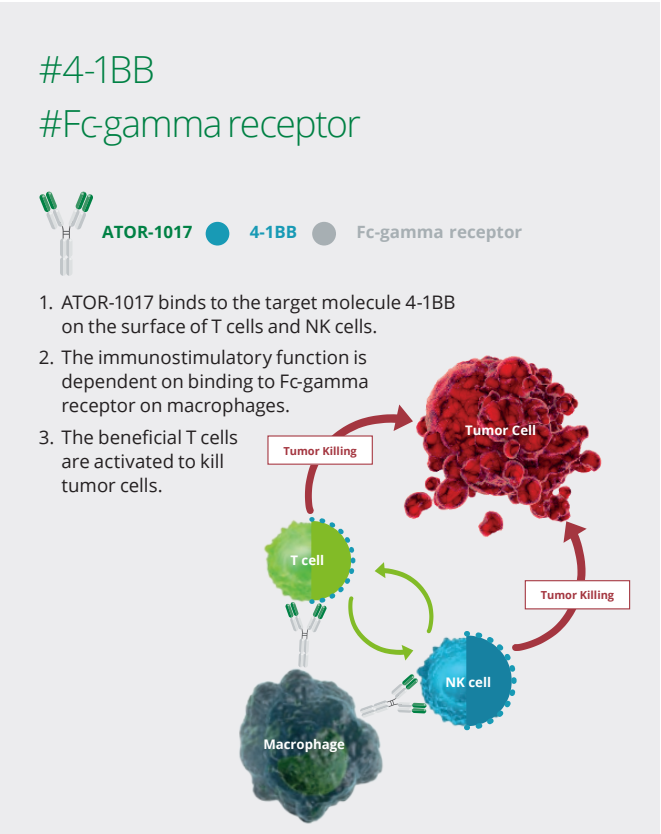
ATOR-1017 activates 4-1BB receptors, which increases the immune system's ability to discover and kill tumor cells. This makes 4-1BB a highly interesting target for cancer immuno-therapy. ATOR-1017 has a unique profile, including boosting the immunostimulatory effect in environments with high levels of immune cells, which occurs specifically in tumors. This creates an opportunity for potent, tumor-directed immunostimulation that can increase the effect and reduce side effects for the patient.

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

The ATOR-1017 drug candidate is being developed to improve combination therapy for metastatic cancer. A Phase I dose-ranging study in patients with metastatic cancer is ongoing and planned to include up to 50 patients. The study is taking place at three medical centers in Sweden, and the primary endpoint is to assess the safety and tolerability of ATOR-1017 and determine a recommended dose for subsequent Phase II studies.

Project status: Phase I

In August 2020, interim data from the ongoing Phase I study in patients with metastatic cancer was presented for the first time. The results to date show a promising safety profile for ATOR-1017 with only a few drug-related side effects, most of them mild or moderate (grade 1 or 2). In October 2020, the Data Review Committee that is protecting patient safety in the Phase I study with ATOR-1017 approved a dose level of 100 mg and approved a continued assessment of the higher dose level of 200 mg, corresponding to approximately 3.2 mg/kg. 100 mg is considered a therapeutically relevant dose, which means a dose that is expected to produce a therapeutic effect.



Preclinical data have shown that ATOR-1017 stimulates both NK cells and T cells, both of which contribute to an effective immune-mediated killing of tumor cells. NK cells are immune cells that respond specifically to tumor cells that are trying to evade the immune system's response. NK cells also strengthen cell-death signaling from the immune system's tumor-specific T cells. Stimulatory antibodies targeting 4-1BB therefore strengthen the ability of both NK cells and T cells to attack tumor cells.

OTHER CLINICAL PROJECTS

ATOR-1015

Tumor-localizing bispecific CTLA-4 antibody with dual immunostimulatory function

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

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

The ATOR-1015 antibody has been assembled and optimized using Alligator's unique ALLIGATOR-GOLD® and FIND® technologies and a bispecific fusion format.

Data from the ongoing Phase I study has shown that ATOR-1015 causes infusion-related events, which is considered related to the development of anti-drug-antibodies. This entails a need for careful assessment of clinical data. Preclinical research and a new study protocol will be required, as well as contact with regulatory authorities, prior to the initiation of any further clinical studies. Alligator intends to seek a partner for the continued clinical development process.

In September 2020, the United States Patent and Trademark Office (USPTO) issued Patent No. 10,774,150 for ATOR-1015 with validity until at least 2036.

Project status: Phase I

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

ALG.APV-527

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

The drug candidate has been co-developed with Aptevo Therapeutics Inc. since 2017, and the next step will be to submit a CTA to initiate clinical testing.

Project status: preclinical development completed

In June and November of 2020, preclinical data for ALG.APV-527 were presented at the PEGS Virtual Interactive Global Summit and the Society for Immunotherapy of Cancer's (SITC) Annual Meeting. Data shows that ALG.APV-527 has a positive safety profile, with no signs of systemic immunostimulation or liver toxicity. ALG.APV-527 also increases the anti-tumor response and induces a tumor-specific immunologic memory in experimental disease models.

It has already been shown that ALG.APV-527 has the potential to selectively stimulate and strengthen the T-cell response in the tumor without stimulating the immune system in the rest of the body. Overall, the results support the potential of ALG.APV-527 to induce effective tumor-targeted immunostimulation with fewer adverse events.

Co-development with Aptevo

In July 2017, Aptevo Therapeutics Inc. and Alligator signed an agreement regarding the co-development of ALG.APV-527. Under the agreement, both companies will own and finance the development. The original molecules involved in the tumor-binding function and the immunomodulatory function of ALG.APV-527

were developed using Alligator's patented ALLIGATOR-GOLD® antibody library. The bispecific molecule was further developed and improved with Aptevo's technology platform ADAPTIR™. A tumor-binding function was combined with an immunomodulatory function in the same molecule to create a drug candidate that can selectively target the tumor and stimulate the antitumor-specific immune cells that are found there.

Discovery project

Neo-X-Prime™

Alligator's new proprietary immuno-oncology concept for personalized cancer therapy, Neo-X-Prime™, was launched in September 2020. In brief, the Neo-X-Prime™ antibodies bind with tumor cells (exosomes), which contain mutated proteins from the tumor (neoantigens), which are unique to each patient and against which the immune system can be targeted. This concept can potentially solve many of the current challenges in immuno-oncology, for example replacing invasive cancer biopsies with a simple blood test.

Out-licensed projects

AC101 agreement with AbClon

Through its subsidiary Atlas Therapeutics AB, Alligator holds a participating interest in the clinical Biosynergy (AC101/HLX22) project, run by the Korean company AbClon. The HER2 antibody AC101 is currently being developed by the Chinese company Shanghai Henlius Biotech Inc., which expanded its rights to encompass a global license for development and commercialization in 2018. Alligator incurs no overheads for this project but is entitled to 35 per cent of AbClon's revenue from out-licensing to Shanghai Henlius Biotech Inc. In previous financial years, Alligator has received two milestone payments totaling MUSD 3. AC101 is currently undergoing testing in Phase I.

Technology agreement with Biotheus

In August 2019, an agreement was concluded with Chinese company Biotheus. Biotheus obtained the Chinese rights (China, Hong Kong, Taiwan and Macao) to an antibody from the ALLIGATOR-GOLD® library. Under the agreement, Alligator is entitled to potential upfront payments and future milestone and license option payments totaling MUSD 142. To date, Alligator has received upfront payments of about MUSD 1, for events such as positive results after an initial evaluation period.

RESEARCH PARTNERSHIPS

Alligator is leading several international, national and regional research partnerships. Some of these are presented below.

- Scandion Oncology, a preclinical collaboration agreement to assess chemotherapy combined with mitazalimab.
- Prof. Ignacio Melero, research collaboration regarding the biological rational for bispecific 4-1BB antibodies.
- Prof. Göran B Jönsson, research collaboration with the aim of further analyzing the CD40 biological rationale.
- Prof. Malin Lindstedt, collaboration to analyze biomarkers from clinical studies.
- Partner of NextGenNK (https://ki.se/a/research/nextgennk). NextGenNK is a competence center for the development of next-generation NK cell-based immunotherapies. The center is coordinated by the Karolinska Institute (KI) and collaborates with the Karolinska University Hospital and prominent national and international industrial partners. The center was launched in 2020, and is jointly funded by Vinnova, KI and Industrial partners.
- Barnabas Nyesiga, Industrial PhD student at Alligator, in partnership with Malmö University and Lund University.

SUPPLIERS AND MANUFACTURING

The biologic drugs developed by Alligator are derived from stable cell lines. To be tested in humans, the generation of these cell lines must comply with good manufacturing practice. In addition to regulatory compliance, selecting a cell line with the ability to produce sufficiently high quantities of a high-quality product is also important. This is a time-consuming and technologically advanced process. Alligator has built up strong internal expertise and *state-of-the-art* equipment, enabling proprietary generation of these stable cell lines. This reduces costs compared with outsourcing cell line development to a dedicated contract manufacturer, while increasing flexibility due to better control over the development process.

The manufacturing for preclinical studies will primarily take place in Alligator's own laboratories. This phase is not subject to the same rigorous demands as those imposed on drug candidates for clinical studies. Large-scale manufacturing of the drug candidate is not required until clinical studies commence, and must also comply with Good Manufacturing Practice (GMP) standards.

Alligator outsources all GMP manufacturing of clinical trial materials (CTM) to contract manufacturers. A thorough procurement is carried out prior to the manufacture of each drug candidate, and the contract manufacturer must be able to demonstrate a quality management system that meets the regulatory requirements for CTM manufacturing. In addition, the company must have the capacity and expertise required to meet Alligator's high standards. Alligator has extensive in-house experience of this type of procurement, as well as management of outsourced CTM manufacturing.

IP RIGHTS AND PATENT PORTFOLIO

Alligator has an active intellectual property (IP) strategy and strives to maximize the protection of the Company's innovations and technologies by obtaining patents in all key global markets, including the EU, the United States and Japan. Alligator's policy is to file patent applications to protect the technologies, innovations and improvements related to drug candidates that are considered valuable for the Company's development.

The Company is also reliant on the protection of trade secrets, undisclosed know-how and continued technological innovation to maintain and strengthen its position in the antibody-based immunotherapy market. Alligator's most important patents and patent applications are summarized in the table below.

Drug candidate	Description	Europe	United States	Japan	Expiration
Mitazalimab	Two patent families related to antibodies targeting CD40, and combination therapies involving these families	30 patents granted, 2 applications	2 patents granted, 2 applications	2 patents granted	2032-2035
ATOR-1017	One patent family related to antibodies targeting CD137	1 application	1 patent granted, 1 application	1 application	2037
ALG.APV-527	Two patent families related to bispecific antibodies targeting CD137/5T4	2 applications	1 patent granted, 3 applications	2 applications	2037-2038
ATOR-1015	Three patent families related to bispecific antibodies targeting OX40/CTLA-4, and combination therapies involving these families	5 patents granted, 2 applications	2 patents granted, 2 applications	1 patent granted, 2 applications	2034-2038
Technologies					
ALLIGATOR-GOLD®	One patent family related to an antibody library	4 patents granted	1 patent granted	-	2035
RUBY™	One patent family related to a bispecific antibody format	PCT application	PCT application	PCT application	2039
Neo-X-Prime™	Two patent families related to bispecific antibodies targeting dendritic cells and overexpressed tumor antigen	PCT application	PCT application	PCT application	2039

EMPLOYEES AND ORGANIZATION

Alligator's research organization is divided into four units: Discovery, CMC (Chemistry, Manufacturing & Control), Non-Clinical Development and Clinical Operations & Regulatory. The Discovery Unit is responsible for early-stage research projects up until a drug candidate has been identified. This normally includes the development and evaluation of treatment concepts, the evaluation of potential drug candidates and early-stage efficacy screening. The CMC unit develops manufacturing processes and is responsible for CTM manufacturing. The Non-Clinical Development unit supports the clinical projects and is responsible for preparation of the data packages required for clinical trial applications. The Clinical & Regulatory unit is responsible for designing and implementing all of the clinical studies required to show that Alligator's products are safe and effective, up until a successful out-licensing.

In addition to these units, Alligator also has HR, IR and Finance functions.

As of 30 September 2020, the Group had 46 employees (56). Of these, 9 (14) were men and 37 (42) were women. Of the total number of employees, 39 (48) were engaged in Research and Development.

Selected historical financial information

Presentation of financial and other information

*The selected historical financial information in the Prospectus shall be read together with the section "Capitalization, indebtedness and other financial information". The financial information is derived from and shall be read together with (i) Alligator's audited annual report as per and for the financial year ended 31 December 2019, which has been prepared in accordance with International Financial Reporting Standards ("***IFRS***"), as adopted by the EU and incorporated into the Prospectus by reference, and (ii) Alligator's unaudited interim report for the period January–September 2020, including comparative figures for the same period during the previous year and for the full year of 2019 (after change of classification, see below), prepared in accordance with IAS 34 Interim Reporting and the Swedish Annual Accounts Act (Sw. årsredovisningslagen (1995:1554)) and reviewed by the Company's auditor, and incorporated into the Prospectus by reference. Except for the Company's audited annual report for the financial year 2019 and the reviewed interim report for the period January–September 2020, no information in the Prospectus has been reviewed or audited by any auditor. Please note, that during the period 2017-2020, the Company had interest funds which have been recognized as cash and cash equivalents. The interest funds were divested during the first quarter of 2020. In October 2020, the Council for Swedish Financial Reporting Supervision (Sw. Nämnden för svensk redovisningstillsyn, the "***Council***") informed the Company that according to their decision, the interest funds do not meet the definition of cash and cash equivalents in IAS 7. As of the Group's interim report for the period January–September 2020, the Company obeys the Council's decision to retroactively change the classification of fixed income funds from cash and cash equivalents to other short-term investments. The presentation of performance measures below shows the effects of the change (see "after change" below) regarding the period January–December 2019 and January–September 2019, which information has been derived from the Group's interim report for the period January–September 2020. The change of classification has no effect on the consolidated income statement of the Group and consequently no effect on earnings per share. The information in the fourth column, "Full year 2019", is derived from Alligator's audited annual report as of and for the financial year ended 31 December 2019 and does not take into account the aforementioned retroactive adjustments.*

Alternative performance measures

The performance measures below are presented in accordance with the applied accounting standard and in the same format as previously reported in the Group's annual reports, interim reports and internal reports in order to create continuity and allow comparisons with previous periods. An alternative performance measure is a financial measure of the development of historical or future earnings, financial position or cash flow that is not defined or specified in IFRS. These measures provide valuable supplementary information to the Company's management, investors and other stakeholders to evaluate the company's performance. The alternative performance measures are not always comparable with measures used by other companies because not all companies calculate these measures in the same way. Accordingly, these should be considered a supplement to the measures defined in accordance with IFRS.

Unless otherwise stated, the performance measures below have not been audited nor reviewed by the Company's auditor, but the data has been derived from the Company's audited annual report for 2019 (as regards the fourth column "Full year 2019") and the Company's unaudited interim report for the period January–September 2020 which has been reviewed by the Company's auditor. All performance measures are attributable to the Group.

THE GROUP'S PERFORMANCE MEASURES

	Jan–Sep 2019 (after change)	Jan–Sep 2020	Full year 2019 (after change)	Full year 2019
RESULT (TSEK)				
Net sales[1]	4,358	4,352	4,358	4,358
Operating profit/loss[1]	-155,212	-110,195	-214,519	-214,519
Profit/loss for the period[1]	-150,348	-108,780	-210,112	-210,112
R&D costs	-125,888	-85,163	-173,601	-173,601
R&D costs as a percentage of operating costs excl. impairments	79%	73%	79%	78.9%
CAPITAL (TSEK)				
Cash and cash equivalents at end of period[1]	86,602	136,964	93,890	196,870
Cash, cash equivalents and bonds at end of period	302,370	136,964	249,886	249,886
Cash flow from operating activities[1]	-131,220	-109,675	-181,089	-178,963
Cash flow for the period[1]	-27,798	42,594	-19,572	-167,446
Equity at the end of the period[1]	318,210	149,745	258,498	258,498
Equity ratio at the end of the period, %	86%	80%	83%	83%
INFO PER SHARE (SEK)				
Earnings per share before dilution[1]	-2.11	-1.52	-2.94	-2.94
Earnings per share after dilution[1,2]	-2.11	-1.52	-2.94	-2.94
Equity per share before dilution	4.46	2.10	3.62	3.62
Equity per share after dilution[2]	4.46	2.10	3.62	3.62
PERSONNEL				
Number of employees at end of period[3]	56	46	55	55
Average number of employees[3]	56	51	55	55
Average number of employees employed within R&D[3]	48	44	46	46

1 Defined in accordance with IFRS and audited as regarding full year 2019 (not after change).
2 Dilution effect is not taken into consideration upon negative result and outstanding warrants are not taken into account where the Company's share price on the balance sheet date does not amount to at least the subscription price.
3 Operational performance measure.

DEFINITIONS AND CLARIFICATIONS OF ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measure	Definition	Purpose
R&D costs	The Company's direct costs for research and development. Refers to costs for personnel, materials and external services.	The key performance measure shows the costs the Company has for research and development, the Company's core business.
R&D costs as a percentage of operating costs excluding impairments	R&D costs divided with operating costs excluding impairments, that consists of other external costs, costs for personnel and depreciations (excluding impairments of tangible and intangible assets).	The Company's operations are to conduct research and development, which is why the performance measure is a significant performance measure as a measure of efficiency and how much of the Company's costs that are used in R&D.
Cash and cash equivalents including securities at the end of the period	Cash and cash equivalents consists of bank balances, interest funds and publicly traded corporate bonds.	At the time of listing, the Company had a surplus of cash and cash equivalents, whereby a certain proportion was invested in listed corporate bonds in order to obtain a return. The Company uses cash and cash equivalents including securities as key figures to follow up the Company's liquid position.
Equity ratio, %	Equity as a percentage of total assets.	The Company does not have a steady flow of revenue, as these are generated irregularly in connection with the signing of license agreements and achievement of milestones. Therefore, the Company monitors performance indicators such as equity ratio in order to assess the Company's solvency and financial stability.
Equity per share before dilution	Equity divided by the number of shares at the end of the period.	The Company does not have a steady flow of revenue, as these are generated irregularly in connection with the signing of license agreements and achievement of milestones. Therefore, the Company monitors performance indicators such as equity per share before dilution in order to assess the Company's financial stability.
Equity per share after dilution	Equity divided by the total number of shares at the end of the period and any outstanding warrants where the Company's share price on the reporting date is at least equal to the conversion price of the warrant.	The Company does not have a steady flow of revenue, as these are generated irregularly in connection with the signing of license agreements and achievement of milestones. Therefore, the Company monitors performance indicators such as equity per share after dilution in order to assess the Company's financial stability.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

TSEK unless specified	Jan–Sep 2019 (after change)	Jan–Sep 2020	Full year 2019 (after change)	Full year 2019
Profit/loss for the period	-150,349	-108,780	-210,112	-210,112
Average number of shares before dilution	71,388,615	71,388,615	71,388,615	71,388,615
Earnings per share before dilution, SEK	**-2.11**	**-1.52**	**-2.94**	**-2.94**
Average number of shares after dilution	71,388,615	71,388,615	71,388,615	71,388,615
Earnings per share after dilution, SEK	**-2.11**	**-1.52**	**-2.94**	**-2.94**
Operating costs	-160,180	-116,346	-219,915	-219,915
Impairment of tangible assets and intangible assets	0	0	0	0
Operating costs excluding impairments	**-160,180**	**-116,346**	**-219,915**	**-219,915**
Administrative expenses	-25,611	-22,530	-34,766	-34,766
Depreciation	-8,681	-8,653	-11,548	-11,548
Research and development costs (R&D)	**-125,888**	**-85,163**	**-173,601**	**-173,601**
R&D costs / Operating costs excluding impairments %	**79%**	**73%**	**79%**	**78.9%**
Equity	318,210	149,745	258,498	258,498
Number of shares before dilution	71,388,615	71,388,615	71,388,615	71,388,615
Equity per share before dilution, SEK	**4.46**	**2.10**	**3.62**	**3.62**
Number of shares after dilution	71,388,615	71,388,615	71,388,615	71,388,615
Equity per share after dilution, SEK	**4.46**	**2.10**	**3.62**	**3.62**
Equity	318,210	149,745	258,498	258,498
Total assets	371,743	187,590	311,128	311,128
Equity ratio, %	**86%**	**80%**	**83%**	**83%**
Other long-term holdings of securities (publicly traded corporate bonds)	53,077	0	53,016	53,016
Other short-term financial assets (publicly traded corporate bonds)	10,012	0	0	0
Other short-term financial assets (interest funds)	152,679	0	102,980	0
Cash and cash equivalents	86,602	136,964	93,890	196,870
Cash and cash equivalents including securities at end of period	**302,370**	**136,964**	**249,886**	**249,886**

Capitalization, indebtedness and other financial information

CAPITALIZATION AND INDEBTEDNESS

The tables below show the Company's capitalization and indebtedness as of 31 October 2020. The tables in this section show the Company's interest-bearing liabilities (non-interest-bearing liabilities are not included) on a Group level as per the same date. The financial information in the tables in this section regarding "Capitalization" and "Net indebtedness" that is derived from the Company's internal accounting has neither been audited nor reviewed by the Company's auditor. The information presented in this section should be read together with the section *"Selected historical financial information"* and the Company's financial reports, with accompanying notes, which have been incorporated into the Prospectus by reference.

Equity and liabilities TSEK	**31 Oct 2020**
Current liabilities (incl. current part of long-term interest-bearing liabilities)	
Against guarantee or security	–
Against security	–
Without guarantee/surety or security	–
Total current interest-bearing liabilities	**–**
Non-current interest-bearing liabilities	
Against guarantee or security	–
Against security	–
Without guarantee/surety or security	–
Total non-current interest-bearing liabilities	**–**
Equity	
Share capital	28,555
Other capital contributions	662,614
Other reserves	-552,515
Total equity	**138,654**

Net indebtedness TSEK	**31 Oct 2020**
(A) Cash	-
(B) Cash equivalents	126,200
(C) Trading securities	**-**
(D) Total cash and cash equivalents (A)+(B)+(C)	**126,200**
(E) Current receivables	**6,311**
(F) Current liabilities to banks	-
(G) Current part of non-current liabilities	-
(H) Other current liabilities	24,052
(I) Total current liabilities (F)+(G)+(H)	**24,052**
(J) Net current indebtedness (I)–(E)–(D)	**-108,459**
(K) Non-current bank loans	–
(L) Bonds issued	**–**
(M) Other non-current liabilities	**–**
(N) Non-current indebtedness (K)+(L)+(M)	**–**
(O) Financial net indebtedness (J)+(N)	**-108,459**

No significant changes have occurred regarding the Company's equity and liabilities as well as net indebtedness since 31 October 2020.

Indirect indebtedness and contingent liabilities

As of the date of the Prospectus, the Company has no contingent liabilities or other indirect indebtedness.

Working capital statement

The Board of Directors considers Alligator's existing working capital to be insufficient to finance the Company's continued development needs and the below commitments for the coming twelve-month period from the date of the Prospectus. Working capital in the Prospectus refers to the Company's ability to access cash and cash equivalents in order to fulfil its payment obligations as they fall due for payment. With regard to the Company's planned activities, a working capital deficit is expected to arise in August 2021. The deficit for the coming twelve-month period is estimated to approximately MSEK 75.

To ensure continued successful development in accordance with the Company's business plan and strategy, Alligator has decided to carry out a Rights Issue. The Rights Issue is expected to provide Alligator with proceeds of MSEK 86 before deduction of issue costs, which are estimated to approximately MSEK 10 (of which costs for guarantee commitments amount to approximately MSEK 4). Thus, the net proceeds from the Rights Issue are estimated to MSEK 76. The Board of Directors' assessment is that the working capital requirement for the coming twelve-month period will be met by available cash and cash equivalents and the net proceeds from the Rights Issue.

If the Rights Issue, despite issued subscription undertakings and guarantee commitments, is not sufficiently subscribed for, the Company may have difficulties conducting its business and execute planned developments at the planned rate. Should this occur, the Company intends to investigate alternative financing opportunities, such as additional raising of capital, grants, financing through loans, or until additional capital can be raised, operating the business at a slower pace than planned.

Significant investments after 31 December 2019

The Company has not made any significant investments after 31 December 2019, and has not made any firm commitment regarding significant investments since that time.

The latest development and current trends

During 2020 and until the date of the Prospectus, the spread of the Covid-19 pandemic has had an impact on macroeconomic conditions worldwide, and has led to turbulence and volatility on the stock market. In addition, the Covid-19 pandemic has had a major impact on healthcare, which, among other things, has led to several clinical studies being terminated, delayed or postponed to the future. Thereto, the recruitment of patients to clinical studies has been affected. In April 2020, Alligator announced a temporary halt in the recruitment of new patients to the Company's ongoing clinical Phase I studies with the drug candidates ATOR-1017 and ATOR-1015, due to Covid-19. The Covid-19 pandemic may thus force the Company to make further temporary halts in its patient recruitment for its clinical studies.

In addition to what is stated above as well as under *"Working capital statement"* and the section *"Risk factors"*, there are, as far as Alligator is aware, no trends, uncertainty factors, potential recovery claims or other claims, obligations or events which may be expected to have a significant impact on the Company's future prospects, except for the general uncertainty regarding the current global situation due to the Covid-19 pandemic as well as research and development activities and delays in clinical studies and patient recruitment to clinical studies. So far, the Company's operations have primarily included, and currently include, research and development activities, where there are no known trends regarding production, sales, inventory, costs or sales prices.

Significant events after 30 September 2020

On 15 December 2020, the Board of Directors of Alligator, pursuant to the authorization granted by the annual general meeting on 5 May 2020, resolved to carry out the Rights Issue which, upon full subscription, will lead to a capital injection of approximately MSEK 86 before deduction of issue costs, through the issuance of a maximum of 14,277,723 Shares at a subscription price of SEK 6.00 per Share.

Apart from the above, there has been no significant changes to the Company's financial position or result after 30 September 2020.

Board of Directors, senior management and auditor

BOARD OF DIRECTORS

Alligator's Board of Directors currently consists of nine board members, including the chairman of the board and one employee representative. All board members elected by the general meeting are elected for the period until the end of the next annual general meeting to be held in 2021.

Name	Position	Board member since	Independent in relation to		Holdings*
			The Company and its senior management	Major shareholders	
Peter Benson	Chairman	2011	Yes	Yes	-
Carl Borrebaeck	Board member	2001	No	Yes	1,200,833 S
Ulrika Danielsson	Board member	2016	Yes	Yes	-
Graham Dixon	Board member	2019	Yes	Yes	-
Kirsten Drejer	Board member	2019	Yes	Yes	-
Anders Ekblom	Board member	2017	Yes	Yes	31,058 S
Kenth Petersson	Board member	2001	Yes	Yes	408,000 S
Jonas Sjögren	Board member	2015	Yes	Yes	5,036,388 S
Laura von Schantz	Board member[1]	2017	No	Yes	2,626 S / 25,000 EO

* Refers to shares ("**S**") and employee options series 2018/2022 ("**EO**") issued under the Company's incentive program, held in their own name as well as by affiliated natural and legal persons as per the date of the Prospectus. For further description of the employee option program 2018/2022, see section *"Share capital and ownership structure – Share-based incentive programs"*.

1 Employee representative not elected by the general meeting.

Peter Benson

Born 1955. Chairman of the board since 2014 and board member since 2011. Member of the remuneration committee.

Peter Benson has a M.Sc. in Economics from Lund University in Sweden and an MA in Economics from the University of California, the United States. Peter Benson is currently Chairman of the board and General Partner of Sunstone Capital Life Science Ventures and has previously been, among other things, Head of Life Science Investments for Vækstfonden, President Pharmacia Hospital Care and member of Pharmacia AB's group management. Peter Benson has over the years been board member in several Life-Science companies, of which seven are publicly listed companies.

Other ongoing assignments: Chairman of the board in Ascelia Pharma AB, Ascelia Incentive AB, Good Partners Media Group AB, Sunstone Life Science Ventures A/S, Sunstone Capital A/S, CMC SPV of 3 April 2017 AB, Jollingham AB and Montela Aktiebolag. Deputy board member in JellyBean Aktiebolag. Member of the management team (executive) in Heartcore Capital (LSV) Special Limited Partner II ApS, Jollingham ApS, Sunstone LSV General Partner I ApS, Sunstone LSV General Partner II ApS, Sunstone LSV General Partner III ApS, Sunstone LSV General Partner IV ApS, Sunstone LSV Invest II ApS, Sunstone LSV Invest III ApS, Sunstone LSV Invest III Holding ApS, Sunstone LSV Special Limited Partner II ApS, Sunstone LSV Special Limited Partner III ApS, Sunstone LSV Special Limited Partner III Holding ApS and Sunstone LSV Special Limited Partner IV ApS.

Previous assignments during the last five years: Chairman of the board in Sunstone LSV Partners Holding ApS. Board member in Adenium Biotech ApS, Arcoma Aktiebolag, Atlas Therapeutics AB, Opsona Therapeutics Ltd., P/S Sunstone Biomedicinsk Venture III, Sunstone Life Science Ventures A/S, Sunstone LSV General Partner BI ApS, Sunstone LSV General Partner I ApS, Sunstone LSV GP I Holding ApS, Sunstone LSV Invest II ApS, Sunstone LSV Invest II Holding ApS, Sunstone LSV Partners & Co. Holding ApS, Sunstone LSV Special LP II Holding ApS and Zealand Pharma A/S. CEO of Sunstone Life Science Ventures A/S and Sunstone Capital A/S. Member of the management (executive) in P/S Sunstone Biomedicinsk Venture III and Sunstone Capital A/S.

Holdings: -

Independent in relation to the Company, its senior management and major shareholders.

Carl Borrebaeck

Born 1948. Board member since 2001.

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

Other ongoing assignments: Chairman of the board in Immunovia AB (publ), PainDrainer AB and Senza-Gen AB. Board member in CB Ocean Capital AB and Scandion Oncology A/S. Sole member of Immunova Handelsbolag.

Previous assignments during the last five years: Board member in Clinical Laserthermia Systems AB, PainDrainer AB, Qlucore AB and Wntresearch AB. Deputy board member in Endo Medical AB.

Holdings: 1,200,833 shares.

Non-independent in relation to the Company and its senior management, but independent in relation to major shareholders.

Ulrika Danielsson

Born 1972. Board member since 2016. Chairman of the audit committee.

Ulrika Danielsson has an MBA from the School of Business, Economics and Law at the University of Gothenburg and is the CFO of Castellum Aktiebolag since 2014. Ulrika Danielsson 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 ongoing assignments: Board assignments in subsidiaries and second-tier subsidiaries of Castellum Aktiebolag. Board member in Infranord AB, John Mattson Fastighetsföretagen AB (publ) and Slättö Förvaltning AB.

Previous assignments during the last five years: Board assignments in subsidiaries and second-tier subsidiaries of Castellum Aktiebolag.

Holdings: -

Independent in relation to the Company, its senior management and major shareholders.

Graham Dixon

Born 1961. Board member since 2019.

Graham Dixon has a PhD in Biochemistry from the University of Swansea, Great Britain and is CSO/Head of R&D at Mithra Pharmaceuticals. Graham Dixon is also a member of the Scientific Advisory Board in InteRNA NV. Graham Dixon has extensive experience from development of new drugs, with applications for both orphan drugs and mainstream disease indications. Graham Dixon's previous experiences include, among other things, CEO of Neem Biotech, Head of R&D and CSO of Onxeo, Galapagos, Sensorion Pharma and Addex Therapeutics.

Other ongoing assignments: Chairman of the board in Heparegenix GmbH.

Previous assignments during the last five years: CEO of Neem Biotech Ltd.

Holdings: -

Independent in relation to the Company, its senior management and major shareholders.

Kirsten Drejer

Born 1956. Board member since 2019. Member of the remuneration committee.

Kirsten Drejer has a PhD in pharmacology from the University of Copenhagen, Denmark. Kirsten Drejer is co-founder of Symphogen and was the CEO for more than 16 years. Kirsten Drejer's previous experiences include, among other things, senior positions within research and management in Novo Nordisk, such as Director of Diabetes Discovery and Corporate Facilitator.

Other ongoing assignments: Chairman of the board in Bioneer A/S, ResoTher Pharma ApS and Antag Therapeutics ApS. Deputy chairman of the board in Zealand Pharma A/S. Board member in Bioporto A/S. Member of the management (executive) in KD Invest ApS.

Previous assignments during the last five years: Board member in Lyhne & Company A/S, Zealand Pharma A/S, Symphogen A/S and ResoTher Pharma ApS. Member of the management (executive) in Symphogen A/S.

Holdings: -

Independent in relation to the Company, its senior management and major shareholders.

Anders Ekblom

Born 1954. Board member since 2017.
Chairman of the remuneration committee.

Anders Ekblom is a doctor, specializing in anesthesia and intensive care, dentist and Associate Professor of physiology at Karolinska Institutet. Anders Ekblom has extensive experience from global work in the pharmaceutical industry and has, among other things, been EVP Global Medicines Development at AstraZeneca and CEO of AstraZeneca Sweden.

Other ongoing assignments: Chairman of the board in Elypta AB. Deputy chairman of the board in LEO Pharma A/S. Board member in AnaMar AB, Mereo BioPharma Group Plc and NxtScience AB. Deputy board member in Bostadsrättsföreningen Sportpalatset.

Previous assignments during the last five years: Chairman of the board in TFS Trial Form Support International AB. Board member in Elypta AB, IBT Baby AB, Infant Bacterial Therapeutics AB, LEO Pharma A/S, Medivir AB, Palette Life Sciences AB, RSPR Pharma AB, SwedenBIO Service AB, Sällheten Invest AB, TFS International Clinical Development Services AB, TFS International Financial Services AB and Viscogel AB.

Holdings: 31,058 shares.

Independent in relation to the Company, its senior management and major shareholders.

Kenth Petersson

Born 1956. Board member since 2001.
Member of the remuneration committee.

Kenth Petersson has a BA from Lund University and has extensive experience of working in both the finance and biotechnology sectors, including as an analyst. Kenth Petersson has been a business angel for more than 15 years and has founded a number of biotechnology companies.

Other ongoing assignments: Chairman of the board in AlphaBeta Aktiebolag, Biocrine AB, Biocrine Regenerative Medicine Aktiebolag and Spiber Technologies AB. Board member in Genovis Aktiebolag and Science Pacific Aktiebolag.

Previous assignments during the last five years: Deputy board member in Diabetes Tools Sweden AB.

Holdings: 408,000 shares.

Independent in relation to the Company, its senior management and major shareholders.

Jonas Sjögren

Born 1966. Board member since 2015.
Member of the remuneration committee.

Jonas Sjögren is a an engineer in electrical engineering from Chalmers University of Technology, licensed medical doctor educated at the Sahlgrenska Academy (Faculty of Health Sciences at the University of Gothenburg), and has an MBA from INSEAD.

Other ongoing assignments: Chairman of the board in Alsteron AB, Exceca Allocation AB and Markov Capital AB. Board member in CMC SPV of 3 April 2017 AB, Orbit Esport AB, Storytel AB (publ) and Storytel Sweden AB. Deputy board member in Delibr AB.

Previous assignments during the last five years: Board member in OBLIQUE THERAPEUTICS AB, Orbit Esport AB and Storytel Sweden AB. Deputy board member in Battleriff Gaming AB and Red Reserve AB.

Holdings: 5,036,388 shares.

Independent in relation to the Company, its senior management and major shareholders.

Laura von Schantz

Born 1982. Board member since 2017.
Employee representative.

Laura von Schantz is an engineer in biotechnology and has a doctorate in immunotechnology from Lund University.

Other ongoing assignments: -

Previous assignments during the last five years: -

Holdings: 2,626 shares and 25,000 employee options series 2018/2022.

Non-independent in relation to the Company and its senior management, but independent in relation to major shareholders.

SENIOR MANAGEMENT

Name	Position	Member of the senior management since	Employed in the Company since	Holdings*
Per Norlén	Chief Executive Officer	2010	2010	118,000 S / 230,000 EO
Malin Carlsson	Chief Operating Officer	2020	2020	-
Gayle Mills	Chief Business Officer	2020	2020	-
Marie Svensson	Chief Financial Officer	2020	2020	6,000 S
Peter Ellmark	Vice President Discovery	2018	2008	10,000 S / 135,000 EO
Christina Furebring	Senior Vice President Projects	2001	2001	105,000 S / 135,000 EO

* Refers to shares ("**S**") and employee options series 2018/2022 ("**EO**") issued under the Company's incentive program, held in their own name as well as by affiliated natural and legal persons as per the date of the Prospectus. For further description of the employee option program 2018/2022, see section *"Share capital and ownership structure – Share-based incentive programs"*.

Per Norlén

Born 1970. Chief Executive Officer since 2015.

Per Norlén is a licensed medical doctor with a board certification in clinical pharmacology, and a PhD and associate professorship in clinical pharmacology at Lund University. Per Norlén has 25 years of research experience in pharmacology including 15 years of experience in clinical drug development. Per Norlén was previously CMO of Alligator.

Other ongoing assignments: Chairman of the board in A Bioscience Incentive AB. Board member in Atlas Therapeutics AB.

Previous assignments during the last five years: Board member in A Bioscience Incentive AB. Deputy board member in Atlas Therapeutics AB.

Holdings: 118,000 shares and 230,000 employee options series 2018/2022.

Malin Carlsson

Born 1968. Chief Operating Officer since 2020.

Malin Carlsson is a licensed medical doctor with a board certification in clinical immunology at Lund University. Malin Carlsson has 20 years of experience in clinical and experimental research within immunology and 12 years of experience of drug development in international pharmaceutical companies.

Other ongoing assignments: Board member in A Bioscience Incentive AB.

Previous assignments during the last five years: -

Holdings: -

Gayle Mills

Born 1954. Chief Business Officer since 2020.

Gayle Mills is an economist and has an MBA from Santa Clara University, the United States. Gayle Mills has many years of experience from the business development sector and extensive knowledge within biotechnology and pharmaceuticals. In her previous positions, Gayle Mills has successfully completed several major R&D collaborations and transactions and held senior positions at Roche Bioscience, Abgenix, Inc. and Symphogen A/S. Gayle Mills is currently strategic advisor for Symphogen A/S and business development consultant for Apexigen, OncoNano Medicine and Mipsalus.

Other ongoing assignments: -

Previous assignments during the last five years: -

Holdings: -

Marie Svensson

Born 1964. Chief Financial Officer since 2020.

Marie Svensson has a BA in accounting and a Master of Business Administration/Management from Lund University. Marie Svensson has over 20 years of experience from financial positions in various high-tech companies and has, among other things, been CFO of InCoax Networks and of Sol Voltaics.

Other ongoing assignments: Deputy board member in Lemniscus Consulting AB.

Previous assignments during the last five years: Board member in Sol Voltaics Incentive AB.

Holdings: 6,000 shares.

Peter Ellmark

Born 1973. Vice President Discovery since 2018.

Peter Ellmark holds a PhD and an associate professorship in Immunotechnology at Lund University. Peter Ellmark has over 15 years of experience of developing antibody-based drugs for immunotherapy of cancer.

Other ongoing assignments: -

Previous assignments during the last five years: -

Holdings: 10,000 shares and 135,000 employee options series 2018/2022.

Christina Furebring

Born 1964. Senior Vice President since 2001.

Christina Furebring is an engineer and holds a PhD in immune technology from Lund University and is co-founder of the FIND® technology which is a cornerstone of Alligator's technology platform. Christina Furebring has more than 20 years of experience of work in the optimization of proteins and antibodies.

Other ongoing assignments: Board member in FureSund AB.

Previous assignments during the last five years: Deputy board member in A Bioscience Incentive AB and Atlas Therapeutics AB.

Holdings: 105,000 shares and 135,000 employee options series 2018/2022.

OTHER INFORMATION CONCERNING THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

In addition to the senior management presented above, Alligator has appointed Christina Reimer as Chief Medical Officer, CMO, who will assume her position and become a member of Alligator's senior management as of 1 February 2021.

None of the board members or senior executives has any family relationship with any other board member or senior executive of Alligator. Except as set out below, none of the board members or senior executives has during the last five years (i) been convicted in fraud-related offences, (ii) been a deputy, board member or senior executive of any company declared bankrupt, placed in receivership or liquidation (other than voluntary liquidation), (iii) been subject to accusation or sanction by any authority mandated by law or regulation (including approved professional associations) or been prohibited by a court from being part of an issuer's administrative , management or control body or from having leading or senior functions with an issuer. There are also no conflicts of interest through which the private interests of board members or senior executives would be contrary to the Company's interests.

The chairman of the board Peter Benson was board member in Opsona Therapeutics Ltd., which initiated a creditors' voluntary liquidation in January 2019. As per the date of the Prospectus, the liquidation has commenced, but has not yet been completed.

During the period from February 2013 until January 2019, CFO Marie Svensson was CFO in Sol Voltaics AB, which was declared bankrupt in March 2019. As per the date of the Prospectus, the bankruptcy has commenced, but has not yet been completed.

All board members and senior executives can be reached via the Company's address: Medicon Village, Scheelevägen 2, SE-223 81 Lund, Sweden.

Auditors

Ernst & Young Aktiebolag (P.O. Box 7850, SE-103 99 Stockholm, Sweden) has been Alligator's auditor since 2001 and was re-elected at the annual general meeting 2020 for the time until the end of the next annual general meeting to be held in 2021. Johan Thuresson is the responsible auditor since 2017. Johan Thuresson is an authorized public accountant and member of FAR, the institute for the accounting profession in Sweden.

Share capital and ownership structure

GENERAL INFORMATION

The Company was founded in 2000 under Swedish law. The Company's shares are issued in accordance with Swedish law and the provisions in the Swedish Companies Act (2005:551) and are denominated in SEK. The Company's articles of association stipulate that the share capital shall be no less than SEK 23,600,000 and no more than SEK 94,400,000, and that the number of shares shall be no less than 59,000,000 and no more than 236,000,000. The registered share capital of the Company as per 31 December 2019, 30 September 2020 and as per the date of the Prospectus, amounted to SEK 28,555,446 divided between 71,388,615 shares. The Company has only one share class. All shares are fully paid up and each share has a quota value of SEK 0.40. The currency of the Rights Issue is SEK. There are no restrictions regarding the transferability of the shares.

THE RIGHTS ISSUE

On 15 December 2020, the Board of Directors of Alligator resolved, pursuant to the authorization granted by the annual general meeting on 5 May 2020, on the Rights Issue which, upon full subscription, will lead to a capital raise of approximately MSEK 86 before deduction of issue costs, through the issue of a maximum of 14,277,723 Shares at a subscription price of SEK 6.00 per Share. If the Rights Issue is fully subscribed, the share capital will increase by SEK 5,711,089.20 to SEK 34,266,535.20, and the number of shares will increase by 14,277,723 to 85,666,338 which corresponds to a dilution of approximately 16.7 per cent in relation to the number of shares in the Company as per the date of the Prospectus. The dilution is calculated by dividing the total number of Shares that are issued in the Rights Issue with the total number of shares in the Company after the Rights Issue.

CENTRAL SECURITIES DEPOSIT

The Company's articles of association contain a so-called record day provision and the Company's shares are connected to the electronic securities system with Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden, as account operating institution. The shares are registered by person. No share certificates have been issued for the shares. The ISIN code for the Company's share is SE0000767188. The Company's shares are admitted to trading on Nasdaq Stockholm.

CERTAIN RIGHTS LINKED TO THE SHARES

Voting right

Each share entitles to one (1) vote at a general meeting of Alligator. At a general meeting, each person entitled to vote may vote for the full number of shares owned and represented without limitation in the voting rights.

Dividends and proceeds from liquidation

Each share gives equal rights to the share of the Company's assets and profits. In the event of liquidation of the Company, each shareholder has a right to surplus in relation to the number of shares held by the shareholder. Any dividends are resolved by the general meeting on a proposal from the Board of Directors. The right to dividends accrues to the person who is registered in the share register kept by Euroclear Sweden AB at the record date as determined by the general meeting. All of the Company's shares are entitled to dividends. If shareholders cannot be reached through Euroclear Sweden AB, the shareholder's claim on the Company with respect to the dividend amount will remain in force and will only be limited by statutory limitations. In the event of statutory limitation, the dividend amount will be forfeited to the Company. Neither the Swedish Companies Act nor Alligator's articles of association contain any restrictions regarding the right to dividends to shareholders outside Sweden. In addition to any limitations imposed by bank or clearing systems in the relevant jurisdictions, payment to such shareholders shall be made in the same manner as for shareholders domiciled in Sweden. Tax legislation in both Sweden and the shareholder's home country may affect the income from any dividends paid, see more under the section *"Taxation"* below. However, shareholders who have limited tax liability in Sweden will normally be subject to withholding tax.

Preferential rights to subscribe for new shares

Shareholders normally have preferential rights to subscribe for new shares, warrants or convertibles in accordance with the Swedish Companies Act, unless the general meeting or the Board of Directors, pursuant to an authorization granted by the general meeting, resolve to deviate from the shareholders' preferential rights.

Taxation

The tax legislation in the investor's home country and Sweden may have an impact on any income received from the Company's securities. Taxation of any dividend, as well as capital gains and provisions on capital losses on the sale of securities, depends on the specific situation of each individual shareholder. Special tax rules apply to certain types of taxpayers, such as investment companies and insurance companies, and certain types of investments. Each securities holder should therefore consult with a tax advisor for information on the specific consequences that may arise in the individual case, including the applicability and effect of foreign tax rules and tax treaties.

Authorizations

The annual general meeting on 5 May 2020 resolved to authorize the Board of Directors, up until the next annual general meeting, at one or several occasions, with or without deviation from the shareholders' preferential rights and with or without provisions regarding contribution in kind, set-off or other conditions, to resolve to issue new shares, convertibles and/or warrants. The reason why a deviation from the shareholders' preferential rights should be possible is to enable the Company to source working capital, to be able to execute acquisitions of companies or operating assets as well as to enable new issues to industrial partners within the framework of partnerships and alliances. The total number of shares that may be issued (alternatively be issued through conversion of convertibles and/or exercise of warrants) shall not exceed 20 per cent of the Company's outstanding shares as per the date of the annual general meeting. In case the authorization is used for an issue with deviation from the shareholders' preferential rights, the issue shall be made on market conditions.

Share-based incentive programs

Employee option program 2018/2022

The annual general meeting on 26 April 2018 resolved to implement an employee option program according to which a total of 2,275,000 employee options have been allotted to the participants, free of charge. The employee options are vested in instalments until 1 May 2021. Vesting requires that the participant continues to be employed by the Company and that the participant has not terminated the employment as of the date when the relevant vesting occurs. Of the allotted employee options, 1,072,500 have been vested, an additional 755,000 employee options may be vested and 380,000 employee options have lapsed since the persons granted these employee options have left the Company. In order to enable delivery of shares under the employee option program as well as to hedge ancillary costs, primarily social security contributions, a total of 2,989,805 warrants have been issued to a wholly-owned subsidiary, of which 2,275,000 warrants have been issued to secure delivery of shares to the participants and 714,804 warrants have been issued to cover social security contributions. As a consequence of the employee options that have lapsed, a maximum of 2,401,701 warrants can be exercised in connection with the program. Each option in the program entitles to subscription of one share at an exercise price of SEK 75. The employee options are expected to be exercised one month after the quarterly reports for the first quarters of 2021 and 2022 have been announced. Upon full exercise of the warrants issued in connection with the program for subscription of shares, a total of 2,402,702 shares will be issued, which corresponds to a dilution of approximately 3.25 per cent, based on the number of outstanding shares in the Company as per the date of the Prospects. The warrants are subject to customary recalculation terms in connection with issues etc.

Trading in the shares

The Company's shares are admitted to trading on Nasdaq Stockholm under the ticker ATORX. The Shares will be subject to trading on Nasdaq Stockholm around week 7, 2021. The ISIN code of the Company's share is SE0000767188.

Dividend policy

Alligator will continue to focus on further developing and expanding the Company's project portfolio. Available financial resources and the reported results shall therefore be reinvested in the business to finance the Company's long-term strategy. The Board of Directors' intention is therefore not to propose a dividend to shareholders.

Ownership structure

The table below shows the shareholders who directly or indirectly have a shareholding in the Company corresponding to five (5) per cent or more of the number of shares and votes, according to information from Euroclear Sweden AB as per 31 October 2020 and changes thereafter known to the Company. The Company has only issued one share class and all shares have equal voting rights.

Name	Number of shares and votes	Percentage of share capital and votes
Banque Internationale à Luxembourg SA	13,386,042	18.8 %
Sunstone Life Science Ventures Fund II K/S	5,758,485	8.1 %
Other shareholders	*52,244,088*	*73.2 %*
Total	**71,388,615**	**100 %**

There are no controlling shareholders and the Company is not directly or indirectly controlled by an individual party.

To the Board of Directors' knowledge, there are no shareholders' agreements, other agreements or corresponding arrangements between the Company's shareholders intended to exercise joint control of the Company. Nor is the Company's Board of Directors aware of any additional agreements or equivalent that could lead to a change in the control over the Company. The Company has not taken any specific measures in order to guarantee that the control over the Company is not changed. However, the rules for protection of minority shareholders in the Swedish Companies Act (2005:551) constitute a protection against a majority shareholder's potential misuse of its control over a company.

NET ASSET VALUE PER SHARE

The table below shows the net asset value per share before and after the Rights Issue based on equity as of 30 September 2020. The subscription price in the Rights Issue has been set to SEK 6.00 per Share.

	Before the Rights Issue (as of 30 September 2020)	After the Rights Issue
Equity (MSEK)	149,745	235,411[1]
Number of shares	71,388,615	85,666,338
Net asset value per share (SEK)	**2.10**	**2.75**

1 Refers to the Group's equity as of 30 September 2020 increased by the proceeds of the Rights Issue before deduction of issue costs.

PUBLIC TAKEOVER BIDS

The Act (2006:451) on public takeover bids on the stock market (Sw. lagen (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden) ("**LUA**") applies to public takeover bids for the Company's shares. According to LUA, anyone making a public takeover bid must undertake to comply with the Takeover Rules for Nasdaq Stockholm (the "**Takeover Rules**"). Through the undertaking, anyone making a public takeover bid undertakes to comply with both the Takeover Rules and the Swedish Securities Council's decisions and statements on the interpretation and application of the Takeover Rules and on good practice in the stock market. The shares in the Company are not, and never have been, the subject of any public takeover bid.

Legal considerations and supplementary information

COMPANY INFORMATION AND LEGAL STRUCTURE

The Company is a Swedish public limited liability company founded in Sweden on 13 September 2000 and registered with the Swedish Patent and Registration Office (now the Swedish Companies Registration Office) on 21 September of the same year. The name of the Company and its trading name is Alligator Bioscience AB. The Company's corporate registration number is 556597-8201 and its LEI code is 549300E15VI0MB7LXV19. The Company has its registered office in the municipality of Lund, Sweden, and a general meeting will also be held in the municipality of Lund, Sweden. The Company conducts its business in accordance with the Swedish Companies Act (2005:551) and the object of the Company's business is to, directly or indirectly through subsidiaries or other associated companies, conduct research and development work and production and trade in the field of protein chemistry, and thereto related business.

Alligator Bioscience AB is the parent company in the Group where also the wholly-owned subsidiaries Atlas Therapeutics AB and A Bioscience Incentive AB are included. All of the operations are conducted in the parent company.

The Company's website is www.alligatorbioscience.se/en. The information on the website is not part of the Prospectus and has not been reviewed or approved by the Swedish Financial Supervisory Authority, unless it is incorporated in the Prospectus by reference (see section *"Documents incorporated by reference"*).

MATERIAL AGREEMENTS

Except for agreements entered into in the ordinary course of business, the Group has not entered into any material agreements during the past two years or other agreements which contain any obligation or entitlement that is material to the Group as per the date of the Prospectus.

INTELLECTUAL PROPERTY RIGHTS

The Company has intellectual property rights which mainly consist of patents. For further information on the Company's patent portfolio, see section *"Business description – IP rights and patent portfolio"*. The patent portfolio is actively managed, and application for new patents are submitted when appropriate. The Company's patents are valid in several geographical areas, such as Europe, the United States and Japan. The duration of the remaining patent protection is dependent on when the patent protection arose, but none of the Company's patents expires before 2032. Even if the Company is dependent on its technology, it is protected in different ways, where patents are not always the primary protection. For example, the know-how that exists in terms of the employees' experience and skills constitutes an essential protection.

SUBSCRIPTION UNDERTAKINGS AND GUARANTEE COMMITMENTS

In connection with the Offering, Alligator has received subscription undertakings and guarantee commitments corresponding to 100 per cent of the Rights Issue.

The subscription undertakings entered into by existing shareholders amount to approximately MSEK 12.6, corresponding to approximately 15 per cent of the Rights Issue. No compensation is paid for the received subscription undertakings.

In addition, the Company has entered into agreements on guarantee commitments with a number of existing shareholders and a number of external investors amounting to approximately MSEK 73, corresponding to approximately 85 per cent of the Rights Issue. The procured guarantee commitments consist partly of a so-called bottom guarantee of approximately MSEK 60.2 and a so-called top guarantee of approximately MSEK 12.8. The bottom guarantee ensures, provided that subscription is made at least corresponding to the subscription undertakings, that approximately 85 per cent of the Rights Issue is subscribed and paid for. The top guarantee ensures, provided that subscription is made at least corresponding to the subscription undertakings and the bottom guarantee, that 100 per cent of the Rights Issue is subscribed and paid for. Alligator shall pay compensation for these guarantee commitments of 6 per cent of the amount guaranteed in the bottom guarantee, corresponding to MSEK 3.6, and 9 per cent of the amount guaranteed in the top guarantee, corresponding to MSEK 0.4. Roxette Photo NV guarantees its share in the top guarantee free of charge. The total underwriting compensation thus amounts to MSEK 4. The underwriting consortium has been coordinated by the Company's financial advisor Redeye, that can be reached at Mäster Samuelsgatan 42, SE-111 57 Stockholm, Sweden. All guarantee commitments were entered into during December 2020.

However, subscription undertakings and guarantee commitments are not secured by any bank guarantee, blocked funds, pledge or similar arrangement. Consequently, there is a risk that one or more parties will not fulfil their undertakings and commitments, respectively. For further description, see section *"Risk factors – Subscription undertakings and guarantee commitments are not secured"*.

The table below summarizes the subscription undertakings and guarantee commitments that the Company has received in connection with the Offering. All amounts are stated in SEK.

Name*	Subscription undertaking	Guarantee commitment, bottom guarantee	Guarantee commitment, top guarantee	Sum	Share of the Offering
Formue Nord Markedsneutral A/S[1]		15,000,000	3,450,000	18,450,000	21.5%
Roxette Photo NV[2]	1,788,582		8,210,000	9,998,582	11.7%
LMK Venture Partners AB[3]		5,500,000		5,500,000	6.4%
Wilhelm Risberg		4,500,000		4,500,000	5.3%
Modelio Equity AB[4]		4,000,000		4,000,000	4.7%
Fårö Capital AB[5]		3,000,000		3,000,000	3.5%
AB Krösamaja[6]		3,000,000		3,000,000	3.5%
Fjärde AP-fonden	2,727,816			2,727,816	3.2%
Gerhard Dal		2,500,000		2,500,000	2.9%
Oscar Molse		2,000,000		2,000,000	2.3%
Strategic Wisdom Nordic AB[7]		2,000,000		2,000,000	2.3%
Niclas Lövgren		2,000,000		2,000,000	2.3%
Råsunda Förvaltning AB[8]		1,800,000		1,800,000	2.1%
Zebub AB	1,735,560			1,735,560	2.0%
Mikael Lönn	1,730,616			1,730,616	2.0%
Stena AB	1,681,602			1,681,602	2.0%
Thomas Andersson Borstam		370,000	1,200,000	1,570,000	1.8%
Emanuel Eriksson		1,500,000		1,500,000	1.8%
Rune Löderup		1,500,000		1,500,000	1.8%
Dariush Hosseinian		1,500,000		1,500,000	1.8%
Patrick Bergström		1,200,000		1,200,000	1.4%
Länsberg Förvaltning AB[9]	688,800	300,000		988,800	1.2%
Pearla Gem Ltd (Johanna Lindner)	954,780			954,780	1.1%
Jane Lundström		900,000		900,000	1.1%
Christian Månsson		900,000		900,000	1.1%
Ulf Tidholm		700,000		700,000	0.8%
Göran Källebo		650,000		650,000	0.8%
Stefan Hansson		600,000		600,000	0.7%
Philip Löchen		600,000		600,000	0.7%
Raging Bull Invest AB[10]		500,000		500,000	0.6%
Kenth Petersson	489,600			489,600	0.6%
Jan Lundström	457,200			457,200	0.5%
Birger Jarl 2 AB[11]		450,000		450,000	0.5%
John Bäck		450,000		450,000	0.5%
Biehl Invest AB[12]		375,000		375,000	0.4%

Name*	Subscription undertaking	Guarantee commitment, bottom guarantee	Guarantee commitment, top guarantee	Sum	Share of the Offering
Feat Invest AB[13]		375,000		375,000	0.4%
Lars-Johan Waclaw		300,000		300,000	0.4%
Martin Roos		300,000		300,000	0.4%
Henric Amilton		300,000		300,000	0.4%
Peter Mörsell		300,000		300,000	0.4%
Mikael Rosenkrantz		300,000		300,000	0.4%
Jan Pettersson		250,000		250,000	0.3%
Johan Lundquist		250,000		250,000	0.3%
Thomas Andersson Borstam	249,000			249,000	0.3%
Per Norlén	141,600			141,600	0.2%
Total	**12,645,156**	**60,170,000**	**12,860,000**	**85,675,156**	**100%**

* Natural persons who have entered into agreements on guarantee commitments can be reached via Redeye or the Company's address, Medicon Village, Scheelevägen 2, SE-223 81 Lund, Sweden.

1 Østre Alle 102, 4. sal. 9000 Aalborg, Denmark.
2 Oudenaardseheerweg 129, 9810 Nazareth, Belgium.
3 Stortorget 6, SE-222 23 Lund, Sweden.
4 Riddargatan 35, SE-114 57 Stockholm, Sweden.
5 Stortorget 1, SE-222 23 Lund, Sweden.
6 Kofferdalsvägen 37, SE-427 35 Billdal, Sweden.
7 Norrviksvägen 13, SE-181 65 Lidingö, Sweden.
8 Gyllenstiernsgatan 15, SE-115 26 Stockholm, Sweden.
9 Kungsportsavenyen 10, SE-411 36 Göteborg, Sweden.
10 Doktorsvägen 8, SE-132 46 Saltsjö-Boo, Sweden.
11 Jungfrugatan 10, SE-114 44 Stockholm, Sweden.
12 Vinghästvägen 6, SE-167 71 Bromma, Sweden.
13 Textilgatan 31, SE-120 30 Stockholm, Sweden.

INSURANCE

The Board of Directors assesses that the Company's current insurance coverage is adequate with regard to the nature and scope of its business and operations.

TRANSACTIONS WITH RELATED PARTIES

Alligator has a consultancy agreement with the board member Carl Borrebaeck, through the company Ocean Capital AB, regarding expert assistance with evaluation of discovery projects and new antibodies. Carl Borrebaeck also has an important role in mediating and developing contacts with leading researchers and leading organizations within immunotherapy of cancer. As of 1 January 2020 and until the date of the Prospectus, a remuneration of TSEK 60 per month has been paid to Ocean Capital AB in accordance with the consultancy agreement. The pricing has been determined on market conditions. In addition to that, the Company has not carried out any transactions with related parties since 1 January 2020 and until the date of the Prospectus.

AUTHORITY PROCEEDINGS, LEGAL PROCEEDINGS AND ARBITRATION

The Company has during the last twelve months not been part of any authority proceedings, legal proceedings or arbitration (including proceedings which are pending or which, to the best of the Company's knowledge, are likely to be initiated) that are considered to have a significant impact on the Company's financial position or profitability.

STATUTORY DISCLOSURES

The following is a summary of the information disclosed by the Company during the last twelve-month period in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on Market Abuse (Market Abuse Regulation) and which, in the Company's opinion, is still relevant as of the date of the Prospectus.

Financial reports

- Year-end report for January–December 2019, which was published on 12 February 2020
- Interim report for the period 1 January – 31 March 2020, which was published on 23 April 2020

Operational developments

- On 15 December 2020, Alligator announces that the Board of Directors has decided on the Rights Issue of approximately MSEK 86 at a subscription price of SEK 6.00 per Share, guaranteed up to 85 per cent. The purpose of the Rights Issue is to ensure continued successful development in accordance with the Company's business plan and strategy, primarily by starting and proceeding Phase II studies with mitazalimab and to complete the Phase I study and start the work before a Phase II study of ATOR-1017.
- On 27 October 2020, Alligator announces additional positive interim safety data from the ongoing clinical Phase I study of the drug candidate ATOR-1017. A dose level of 100 mg has been cleared and the start of dosing at 200 mg has been approved.
- On 22 October 2020, Alligator announces the decision to focus its internal resources on the two proprietary drug candidates ATOR-1017 and mitazalimab, which are planned to move into clinical efficacy (Phase Ib/II) studies in 2021. The Company also announces that it will complete the ongoing dose-escalation study with ATOR-1015 as planned during Q4 2020, after which it will be partnered for further development.
- On 9 September 2020, Alligator announces updated timelines indicating 3-6 months delay for the planned clinical Phase Ib study with ATOR-1015. The Company furthermore concludes that ATOR-1015 is well tolerated at doses up to 600 mg, which is believed to be a clinically relevant dose range, but that some infusion related reactions (grade 3) have been reported at a dose of 750 mg, which is expected to result in further dose evaluations.
- On 27 August 2020, Alligator presents interim safety data from its ongoing clinical Phase I study of the drug candidate ATOR-1017. The Company furthermore announces that a few drug related side effects have been observed and all were mild or moderate (grade 1 or 2). A dose level of 40 mg has been cleared and continued evaluation of the higher dose level of 100 mg has been approved.
- On 25 August 2020, Alligator announces that the Company will give status updates and details on the development plans for the clinical drug candidates mitazalimab, ATOR-1017 and ATOR-1015 on a virtual R&D Day on 27 August. The Company furthermore announces that the next step in the development of mitazalimab is the submission of a Phase II clinical trial application, which is planned for December 2020.
- On 4 June 2020, Alligator and Scandion Oncology sign a preclinical collaboration agreement for the evaluation of chemotherapy in combination with immune-oncology. According to the agreement, the companies shall explore the anti-tumor efficacy of the CD40 antibody mitazalimab in combination with SCO-101 as an addition to chemotherapy in resistant preclinical tumor models, with the intent that SCO-101 will revert chemotherapy resistance and thereby further strengthen the anti-tumor effects of mitazalimab.
- On 1 June 2020, Alligator announces that the Company has received an additional MUSD 0.5 in a second installment of the upfront payment from the Chinese company Biotheus. A first installment of MSEK 0.5 was received in August 2019 in connection with Alligator entering into a licensing agreement with Biotheus with a total value of MUSD 142. The agreement concerns the Chinese rights to an immune-activating antibody from the antibody library ALLIGATOR-GOLD®, with the intention of creating up to three new bispecific molecules.
- On 29 May 2020, Alligator announces that the Company presents additional data from the ongoing clinical Phase I study with the bispecific drug candidate ATOR-1015 at the scientific conference ASCO (American Society of Clinical Oncology) Annual Meeting. The results from the evaluation of doses up to and including 600 mg show that ATOR-1015 is well tolerated, and that dose-escalation has continued to 750 mg.
- On 27 April 2020, Alligator announces that the Company presents the status of the ongoing clinical Phase I study with the bispecific drug candidate ATOR-1015 on the scientific conference AACR (American Association for Cancer Research) Annual Meeting. This far, doses of 400 mg have been evaluated in the ongoing study and the current dosing is 600 mg.
- On 7 April 2020, Alligator announces that the Company has decided to increase its focus on the clinical development portfolio, and reduce investments in non-clinical activities, including certain staff reductions. The Company furthermore announces that, after the organizational changes and cost reductions of just over MSEK 80 annually, it will be financed for another 18 months. The cost reduction measures announced, together with a potentially slower recruitment to the clinical studies, is estimated to reduce the Company's annual costs by more than 35 per cent, from approximately MSEK 230 to less than MSEK 150.
- On 1 April 2020, Alligator announces a temporary halt in the recruitment of new patients to the Company's ongoing clinical Phase I studies with the drug candidates ATOR-1015 and ATOR-1017. The Company intends to, in consultation with clinical sites and authorities, resume the recruitment of patients as soon as possible.

ADVISORS

Redeye is financial advisor and Setterwalls Advokatbyrå AB is legal advisor to the Company in connection with the Offering. Aktieinvest is the Issuer Agent in connection with the Offering. Redeye and Aktieinvest receive a pre-agreed compensation for services provided in connection with the Offering and Setterwalls Advokatbyrå AB receives compensation for services provided on an ongoing basis. Redeye (and companies related to Redeye) has provided, and may in the future provide various financial, investment, commercial and other services to Alligator for which it has received, and may in the future receive, compensation. Other than that, Redeye, Aktieinvest and Setterwalls Advokatbyrå AB have no financial or other interests in the Rights Issue.

TRANSACTION COSTS

The Company's costs relating to the Rights Issue are estimated to approximately MSEK 10. Such costs are mainly attributable to costs for guarantee commitments as well as remuneration to financial and legal advisors in relation to the Rights Issue and costs related to marketing material and other presentations.

THE PROSPECTUS

This Prospectus has been approved by the Swedish Financial Supervisory Authority, as the competent authority according to Regulation (EU) 2017/1129. The Swedish Financial Supervisory Authority has approved this Prospectus only insofar it meets the standards of completeness, comprehensibility and consistency set out in Regulation (EU) 2017/1129. This approval of the Prospectus should not be taken as any form of endorsement, neither of the issuer or the quality of the securities referred to in this Prospectus. Investors should make their own assessment on whether it is appropriate to invest in these Securities. The Prospectus has been prepared as a simplified prospectus in accordance with article 14 in Regulation (EU) 2017/1129.

The Prospectus is available on the Company's website www.alligatorbioscience.se/en/investors/rightsissue/.

DOCUMENTS INCORPORATED BY REFERENCE

The following accounting documents are incorporated into the Prospectus by reference. The documents incorporated by reference are available electronically on the Company's website, www.alligatorbioscience.se/en/investors/rightsissue/.

- The Company's audited annual report for the financial year 2019, where reference is made to the Group's income statement on page 45, the Group's statement of financial position on pages 46-47, the Group's statement of changes in equity on page 48, the Group's statement of cash flows on page 49, notes on pages 55-81 and the audit report on pages 82-86.
- The Company's unaudited interim report for the period 1 January – 30 September 2020, including comparative figures for the corresponding period 2019, which has been reviewed by the Company's auditor, where reference is made to the Group's income statement on page 14, the Group's statement of comprehensive income on page 14, the Group's statement of financial position on page 15, the Group's statement of changes in equity on page 16, the Group's statement of cash flows on page 17, notes on pages 21-25 and financial definitions on page 26 and calculation of performance measures on page 27.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are, throughout the period of validity of the Prospectus, available electronically on the Company's website, www.alligatorbioscience.se/en/investors/rightsissue/.

- The Company's articles of association.
- The Company's certificate of registration.

Glossary

Agonist	Substance that binds to and blocks a receptor and stimulates the receptor's activity.
Antibody	Proteins used by the body's immune defenses to detect and identify foreign substances.
Antigen	Substance which triggers a reaction in the immune system, such as a bacteria or virus.
Antigenicity	The propensity to be perceived as foreign by the body's immune system.
Biomarker	A measurable or quantifiable biological parameter, which serves as an indicator for health-related assessments.
Biosimilar	A drug similar to one already approved biological reference drug, but which is not identical.
Bispecific antibodies	Antibody-based products which bind to two different targets and thus have dual functions.
Biotechnology	Research and development of products created using cells, proteins or other active biological products in technical applications.
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 pharmaceutical or biotechnology companies.
CTA (Clinical Trial Authorization)	Application to start clinical trials in humans which is submitted to a regulatory authority.
Cytostatics	Treatment to cure cancer, also called chemotherapy.
Dendritic cell	A type of cell which detects xenobiotic substances. A key role of dendritic cells is their ability to stimulate T cells in the immune system.
Discovery	This research phase usually encompasses the development and evaluation of treatment concepts, the evaluation of potential drug candidates, and early efficacy studies.
Drug candidate	A specific compound usually designated before or during the preclinical phase. The drug candidate is the compound that is then studied in humans in clinical studies.
First-in-class	A product with new and unique properties/mechanisms of action for the treatment of a certain condition, thus being the first of its kind on the market.
Incidence	Measure of the number of cases of an event, for example of an illness.
Installment	Financial consideration received in the course of a collaboration/licensing agreement when a specified objective in the project is reached.
Immuno-oncology	Field of oncology in which cancer is treated by activating the immune system.
Immunomodulatory	Substances that strengthen, stimulate, activate or modulate the immune system.
Immunotherapy	A way to persuade the body's immune system to attack cancer cells in the same way as the immune system protects against other infections.
Mechanism of action	The specific biochemical interaction through which a pharmaceutical substance gives its pharmacological effect.
Milestone payment	Financial consideration received in the course of a project/program when a specified objective is reached.

Mitazalimab	Antibody that binds CD40 receptors and has been developed for the treatment of pancreatic cancer by Alligator.
Monospecific antibodies	Antibody-based product which binds only to one target, such as a receptor.
Mortality	Measure of deaths in a given population.
Next Generation Sequencing	A new technology to generate DNA information more quickly from an organism, for example a bacterium.
NK cells	NK cells (Natural Killer) are lymphocytes with the ability to activate several different cells in the immune system, such as macrophages.
Oncology	Term for the field of medicine concerned with the diagnosis, prevention and treatment of tumor diseases.
Patent	Exclusive rights to a discovery or invention.
PD-1 (Programmed Death-1 inhibitor)	Immune-inhibiting receptor on the surface of certain cells, for example tumor cells.
Phage display	A technology to express molecules, such as antibodies, on the surface of phages.
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.
Phase I, II and III	The various stages of studies on the efficacy of a pharmaceutical in humans. See also "clinical study." Phase I usually examines the safety on healthy human subjects, Phase II examines efficacy in patients with the relevant disease and phase III is a large-scale study that verifies previously achieved results in a larger patient population. In the development of new pharmaceuticals, different doses are studied and safety is evaluated in patients with relevant disease. Phase II is often divided into Phase IIa and Phase IIb. In Phase IIa, which is open, different doses of the pharmaceutical are tested without comparison against placebo or another active drug, focusing on safety and the pharmaceutical's metabolism in the body. Phase IIb is 'blind', and evaluates the efficacy of the selected dose(s) against placebo or another active drug.
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 Mechanism	Refers to the earliest stages of drug development, often preclinical, which means that a drug interacts with the intended receptor or affects cell biochemistry in the desired direction.
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.
R&D	Refers to research and development.
Receptor	A receptor on a cell which picks up chemical signals.
Screening	A study of a large number of people to find pre-stages of a disease, or to detect a disease before any given symptoms.
T cell	A type of white blood cell which is important to the specific immune defense.
Tumor-directed treatment	A form of treatment that involves selectively attacking tumors while keeping the side effects that occur when the entire immune system is activated as low as possible.

THE COMPANY

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