

The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

Notice of annual shareholders' meeting in Alligator Bioscience AB (publ)

The shareholders of Alligator Bioscience AB, Reg. No. 556597-8201, are hereby invited to attend the annual shareholders' meeting to be held on Thursday 26 April 2018, at 4.00 pm, at building 302, Medicon Village, Scheelevägen 2 in Lund.

RIGHT TO PARTICIPATE

Shareholders that wants to participate must be recorded in the company's share register kept by Euroclear Sweden AB as of Friday 20 April 2018 and, further, have given notice of their intent to participate to the company, which notice have been received by the company no later than Friday 20 April 2018, by mail to address, Alligator Bioscience AB, att Lotten Almén, Medicon Village, SE-223 81 Lund, Sweden, by phone to +46 46-286 42 80, or by e-mail to anmalan@alligatorbioscience.com. The notice should specify the shareholder's name, personal identity number or company registration number, telephone number during work hours and the number of shares held by the shareholder and, when applicable, information on the number of advisors (2 at the most).

TRUSTEE REGISTERED SHARES

Shareholders, whose shares are trustee-registered must, in order to participate in the shareholders' meeting, temporarily register their shares in their own name in the share register kept by Euroclear Sweden AB. Such re-registration of ownership must be implemented no later than as of Friday 20 April 2018. The shareholders must well in advance before this date request their trustees thereof.

PROXY

Shareholders participating by proxy must issue a dated and signed proxy. Should the proxy be issued by a legal entity, a certified copy of the valid registration certificate (Sw. registreringsbevis) of the legal entity (or corresponding document) must be attached the proxy. Proxies should be in writing and submitted at the latest at the shareholders' meeting, but should preferably be sent before the shareholders' meeting. The validity term of the proxy may be at the longest five years if this is specifically stated. In case no validity term is stated, the proxy is valid for at the longest one year. Proxy forms are available at the company website (www.alligatorbioscience.se) and at the company (see address above), and will also be sent to the shareholders that requests it and that states their address.

PROPOSED AGENDA

1. Opening of the meeting
2. Election of Chairman of the meeting
3. Preparation and approval of the register of voters
4. Election of two persons to confirm the minutes
5. Approval of the agenda
6. Determination as to whether the meeting has been duly convened
7. Address by the CEO
8. Presentation of the Annual Report and Audit Report and the Consolidated Annual Report and Consolidated Audit Report

9. Resolution on
 - a) adoption on the profit and loss statement and balance sheet, as well as the consolidated profit and loss statement and the consolidated balance sheet;
 - b) distribution of the company's profit according to the adopted balance sheet; and
 - c) discharge from liability of the members of the board and the CEO
10. Determination of the number of board members as well as auditors and deputy auditors
11. Determination of remuneration for the board members and the auditors
12. Election of board members and Chairman of the board, auditors and deputy auditors
13. Instruction and charter for the Nomination Committee
14. Determination of Remuneration Policy for senior executives
15. Resolution on authorization regarding new share issues
16. Resolution on (a) employee option program; and (b) directed issue of warrants as well as approval of transfer of warrants
17. Closing of the meeting

PROPOSED RESOLUTIONS

Item 2: Election of Chairman of the meeting

The Nomination Committee, consisting of Kirsten Drejer (Chairman) representing Sunstone Life Science Ventures Fund II K/S, Berit Levy, representing Lars Spånberg and Jonas Sjögren, representing Jonas Sjögren, and the Chairman of the board, Peter Benson, proposes that lawyer Ola Grahn is elected as Chairman of the meeting.

Item 9 b: Resolution on distribution of the company's result

The board proposes that no dividends are paid and that the available funds of SEK 588,250,533 are carried forward to a new account.

Item 10-12: Determination of the number of board members as well as auditors and deputy auditors, Determination of remuneration for the board members and the auditors and Election of board members and Chairman of the board, auditors and deputy auditors

The Nomination Committee proposes that the board shall consist of six board members, that Peter Benson, Carl Borrebaeck, Ulrika Danielsson, Anders Ekblom, Kenth Petersson and Jonas Sjögren are re-elected as ordinary board members, and that Peter Benson is re-elected as Chairman of the board.

Information on the board members proposed for re-election can be found in the Annual Report and at the company website (www.alligatorbioscience.se).

The Nomination Committee proposes further that the total remuneration to the board and its Committees shall be paid with SEK 2,260,000 (SEK 1,675,000 previous year). The proposal means that remuneration shall be paid with SEK 550,000 to the Chairman of the board (SEK 400,000 previous year) and with SEK 300,000 to each of the other board members who are not employed by the company (SEK 225,000 previous year). Furthermore, remuneration is proposed for committee work with SEK 125,000 to be paid in remuneration for the Chairman of the Audit Committee (SEK 100,000 previous year), SEK 30,000 to each of the other members in the Audit Committee (SEK 25,000

previous year) and SEK 25,000 to the Chairman of the Remuneration Committee (SEK 0 previous year). No remuneration is proposed to be paid for committee work to the remaining members of the Remuneration Committee.

Finally, the Nomination Committee proposes, in accordance with the recommendation from the Audit Committee, that one registered public accounting firm without deputy is appointed, and that Ernst Young AB is re-elected as auditor. Ernst & Young AB has informed that Johan Thuresson will continue to be appointed as the responsible auditor. Remuneration for the auditor is proposed to be paid in accordance with customary norms and approved invoice.

Item 13: Instruction and charter for the Nomination Committee

The Nomination Committee proposes that a Nomination Committee shall be appointed before the coming election and remuneration, and that an instruction and charter for the Nomination Committee shall be adopted in accordance with the following substantial terms. The Nomination Committee shall consist of four members, representing the three largest shareholders at the last business day of June, together with the Chairman of the board. If any of the three largest shareholders refrains to appoint a member of the Nomination Committee, or if such member resigns or relinquishes before completion of the assignment and the shareholder who appointed the member does not appoint a new member, the Chairman of the board shall encourage the next owner in size (i.e. the fourth largest shareholder), up until the tenth largest shareholder, to appoint a shareholder representative within a week from the encouragement. If, despite such encouragements, only three members have been appointed four months prior the annual shareholders' meeting, the Nomination Committee shall be able to constitute itself with three members and the Nomination Committee shall be able to resolve if the procedure to appoint the fourth member shall proceed or not.

The members of the Nomination Committee shall be announced on the company's website no later than six months before the annual shareholders' meeting. If a substantial change of ownership occurs no later than seven weeks before the annual shareholders' meeting, an additional shareholder representative shall be appointed. The Chairman of the board shall notify the one shareholder of the three largest shareholders who has not yet appointed a shareholder representative and encourage this shareholder to appoint such a representative. When the shareholder has appointed a shareholder representative, this representative shall be a member of the Nomination Committee and replace the earlier member of the Nomination Committee who no longer represents one of the three largest shareholders.

The Nomination Committee's main responsibility is to submit proposals in reference to nomination of the Chairman of the annual shareholders' meeting, election and remuneration for the members of the board, election and remuneration for the auditor, as well as to submit proposals in reference to principles for the appointment of the Nomination Committee and instructions for the Nomination Committee.

Item 14: Determination of Remuneration Policy for senior executives

The board proposes that a Remuneration Policy regarding determination of remuneration and other benefits for the CEO and other senior executives in the company shall be adopted with the following substantial terms.

The company's principle is that remuneration shall be paid on market oriented and competitive terms in order for the company to be able to recruit and retain senior executives. The remuneration for senior executives may consist of fixed salary, variable remuneration, pension, other benefits and share-based incentive programs. The CEO and other senior executives are in general entitled to other customary benefits, such as health insurance, company car and other benefits that can be considered as reasonable in reference to market practice and the benefit for the company.

The remuneration for the CEO and other senior executives shall be based on factors such as work tasks, expertise, experience, position and performance. Furthermore, the distribution between fixed salary and variable remuneration shall be related to the employee's position and work tasks. Variable remuneration is to be linked to predetermined and measurable performance criteria, formulated with the objective to promote the company's long-term value creation. The remuneration is not to be discriminating on grounds of gender, ethnic background, national origin, age, disability or other irrelevant factors.

The CEO and other senior executives shall be offered a fixed salary that is market oriented and based on the individual's responsibility, expertise and performance. In addition to fixed salary, the CEO and other senior executives are generally entitled to an annual bonus of a maximum of 25 per cent of the annual fixed salary.

In addition to what is agreed in collective agreements or other agreements, the CEO and other senior executives may be entitled to arrange individual pension schemes, provided that the total cost for the company is unchanged.

A mutual notice period of six months is applied for the CEO and for other senior executives a notice period not exceeding six months shall be applied. Severance payment, apart from salary during the notice period, only exists for the CEO who is entitled to a severance payment of six monthly salaries provided that the company has terminated the CEO's employment.

To the extent that a board member performs consultancy work on behalf of the Company, in addition to the assignment as board member, consultancy fees and other remuneration for such consultancy work should be payable. Such remuneration shall be paid on market terms and the remuneration as well as other terms shall be resolved upon by the board.

The board shall be entitled to deviate from these guidelines in individual cases if there are special reasons for doing so.

The board shall every year consider whether or not a share-based incentive program shall be proposed to the annual shareholders' meeting. Issues and transfers of securities which have been resolved by the shareholders' meeting in accordance with the provisions in chapter 16 of the Swedish Companies Act shall not be comprised by these guidelines to the extent a shareholders' meeting has resolved, or will resolve, on such a resolution.

Item 15: Resolution on authorization regarding new share issues

The board proposes that the annual shareholders' meeting resolves to authorize the board, up until the next annual shareholders' 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 issue shares. The reason for 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 shall not exceed 7,932,000 shares, which corresponds to a dilution of approximately 10 percent calculated on the current number of shares. In case the authorization is used for an issue with deviation from the shareholders' preferential rights, the issue shall be made on market terms.

Item 16: Resolution on (a) employee option program; and (b) directed issue of warrants as well as approval of transfer of warrants

The board proposes that the annual shareholders' meeting resolves to adopt an employee option program for employees in the company (the "Employee Option Program 2018/2022") in accordance with Section A below.

In order to secure the company's obligations under the Employee Option Program 2018/2022, the board also proposes that the annual shareholders' meeting resolves on a directed issue of warrants, as well as an approval of transfer of warrants in accordance with Section B below.

A. The board's proposal for resolution on Employee Option Program 2018/2022

The board proposes that the annual shareholders' meeting resolves to implement the Employee Option Program 2018/2022 in accordance with the following substantial guidelines:

The Employee Option Program 2018/2022 shall consist of a maximum of 2,300,000 employee options.

Each employee option confers the holder a right to acquire one new share in the company against cash consideration at a utilization price of SEK 75. The utilization price and the number of shares that each employee option confers right to may be subject to recalculation in the event of a bonus issue, split, rights issue etc., wherein the recalculation terms in the complete terms and conditions of the warrants shall be applied.

The Employee Option Program 2018/2022 shall be offered to employees who are employed by the company as of 1 May 2018. The offer shall be submitted in accordance with the following guidelines:

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|-----|---|--|
| (a) | CEO | a maximum of 250,000 employee options |
| (b) | Other senior executives
(5 individuals) | a maximum of 150,000 employee options per individual |
| (c) | Other employees
(approximately 45 individuals) | a maximum of 50,000 employee options per individual |

Notice of participation in the Employee Option Program 2018/2022 shall have been received by the company on 15 May 2018 at the latest, and the board shall be entitled to prolong this time period. The allotment of employee options to participants shall be made promptly after the expiration of the notification period.

The allotted employee options will be vested over a three-year period in accordance with the following:

- (a) 25 percent of the allotted employee options will be vested on 1 May 2019;
- (b) 25 percent of the allotted employee options will be vested on 1 May 2020; and
- (c) 50 percent of the allotted employee options will be vested on 1 May 2021.

Vesting requires that the participant is still employed by the company and that the employee has not terminated the employment as of the date when the relevant vesting occurs. If a participant ceases to be employed or terminates the employment before a vesting date, the already vested employee options can be utilized on the ordinary date of utilization in accordance with the below, but further vesting will not take place. However, if the employee's employment expires due to termination by the company, also vested options will expire.

The employee options shall be allotted without consideration. The employee options shall not constitute securities and shall not be able to be transferred or pledged. However, in the event of death, the rights constituted by the employee options shall accrue to the beneficiaries of the holder of the employee options.

The holders can utilize allotted and vested employee options during 30 days from the day following after the announcement of the company's quarterly reports, or for full year, the year-end report, the first time after the announcement of the quarterly report for the first quarter of 2021 and the last time after the announcement of the quarterly report for the first quarter of 2022. If the company does not render any quarterly report or year-end report after the end of any calendar quarter, the allotted and vested employee options may instead be exercised during the last month of the following calendar quarter, the first time in June 2021 and the last time in June 2022.

Participation in the Employee Option Program 2018/2022 requires that such participation is in accordance with applicable laws, as well as that such participation can be executed with reasonable administrative costs and financial efforts according to the company's assessment.

The employee options shall be governed by separate agreements with each participant. The board shall be responsible for the preparation and management of the Employee Option Program 2018/2022 within the above mentioned substantial terms.

B. The board's proposal for resolution on directed issue of warrants as well as approval of transfer of warrants

In order to enable the company's delivery of shares under the Employee Option Program 2018/2022 as well as to hedge ancillary costs, primarily social security contributions, the board proposes that the annual shareholders' meeting resolves on a directed issue of warrants as well as an approval of transfer of warrants. Therefore, the board proposes that the annual shareholders' meeting resolves on an issue of a maximum of 3,022,660 warrants on the following substantial terms:

The warrants shall, with deviation from the shareholders' preferential rights, only be able to be subscribed for by a wholly owned subsidiary of the company (the "Subsidiary").

Subscription shall be made on 15 July 2018 at the latest. The board shall be entitled to prolong the subscription period. Over subscription cannot occur.

The warrants shall be issued without consideration. The reason hereto is that the warrants shall be issued to the Subsidiary as a part of the implementation of the Employee Option Program 2018/2022.

Each warrant confers right to subscribe for one new share in the company against cash consideration at a subscription price of SEK 75 per share under the time period from and including the registration of the warrants with the Swedish Companies Registration Office (*Sw. Bolagsverket*) to and including 15 July 2022. The subscription price and the number of shares that each warrant confers right to subscribe for will be subject to customary recalculation in the event of a bonus issue, split, rights issue. The shares issued upon utilization of warrants shall confer right to dividend the first time on the record date for dividends that occurs immediately following effectuation of subscription to such extent that the share has been recorded in the company's share ledger as interim share.

In case all warrants are utilized for subscription of new shares, the share capital will increase with SEK 1,209,064.

The board further proposes that the annual shareholders' meeting resolves to approve that the Subsidiary may transfer warrants to the participants in the Employee Option Program 2018/2022 without consideration in connection with utilization of the employee options in accordance with the terms set out in section A, or in another way dispose of the warrants options in order to be able to secure the company's commitments and costs in relation to the Employee Option Program 2018/2022.

Other information regarding the Employee Option Program 2018/2022

The reasons for the implementation of the Employee Option Program 2018/2022 and the deviation from the shareholders' preferential rights are to be able to create possibilities for the company to retain competent staff through the offering of a long term ownership engagement for the employees. Such ownership engagement is expected to stimulate the employees to an increased interest in the business and profit development and increase the feeling of connectedness with the company.

In case all warrants issued within the Employee Option Program 2018/2022 are utilized for subscription of new shares, a total of 3,022,660 new shares will be issued, which corresponds to a dilution of approximately 4.0 percent of the company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full utilization of the warrants issued within the Employee Option Program 2018/2022. The key figure earnings per share before taxes for the full year 2017 had thus been changed in such way that the result per share had been changed from SEK -0.89 to SEK -0.83.

Since previously, there is one warrant program (the "Warrant Program 2016/2020") and one employee option program (the "Employee Option Program 2016/2020") outstanding in the company. Both programs were adopted by the annual shareholders' meeting of 2016.

In the Warrant Program 2016/2020, a total of 857,000 warrants can be utilized for a subscription price of SEK 75 per share. In case all warrants in the program are utilized for subscription of shares, a total of 857,000 new shares will be issued, which corresponds to a dilution of approximately 1.2 percent of the company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full utilization of all warrants that can be utilized under the Warrant Program 2016/2020.

In the Employee Option Program 2016/2020, a total of 1,145,543 warrants can be utilized for a subscription price of SEK 75 per share. In case all warrants that can be utilized in the program are utilized for subscription of shares, a total of 1,145,543 new shares will be issued, which corresponds to a dilution of approximately 1.6 percent of the company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full utilization of all warrants that can be utilized under the Employee Option Program 2016/2020.

In case all outstanding warrants as well as the warrants proposed to be issued upon resolution by the annual shareholders' meeting are utilized, a total of 5,025,203 shares will be issued, which corresponds to a dilution of approximately 6.6 per cent of the company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full utilization of all outstanding warrants and proposed warrants.

The board is of the opinion that Employee Option Program 2018/2022 will trigger costs in reference partly to accounting salary costs and partly to social security contributions.

Based on the assumption that 100 percent of the options in the Employee Option Program 2018/2022 will be vested, the estimated total accounting costs for the options will amount to approximately SEK 226,000 during the time period 2018-2022, based on the actual value of the options at the start of the program. The options do not have a market value since they are not transferable. However, the board has calculated a theoretical value of the options in accordance with the Black Scholes formula. The calculations have been based on an assumed share price of SEK 24.25 per share and an assumed volatility of 25.47 percent. In accordance with this valuation, the value of the options in the Employee Option Program 2018/2022 is approximately SEK 0.10 per option. The limitations of the disposal rights have not been taken into consideration in the valuation.

Upon fulfilment of the vesting conditions and by utilization of the options, the Employee Option Program 2018/2022 will entail costs in form of social security contributions. The total costs for social security contributions during the vesting period will depend on the number of options that will be vested and on the value of the benefit that the participant finally will receive, i.e. on the value of the options when utilized during 2021 – 2022. When assuming that 100 percent of the options in the Employee Option Program 2018/2022 will be vested and with an assumed share price of SEK 90 when the options are utilized, the total costs for social security contributions will amount to approximately MSEK 10.8. The company's entire costs for social security contributions are proposed to be hedged through a directed issue of warrants in accordance with Section B above.

All calculations above are preliminary only and are only intended to provide an illustration of what costs the Employee Option Program 2018/2022 may induce. Actual costs may therefore deviate from what has been stated above.

The proposal of the Employee Option Program 2018/2022 has been prepared by the board and the Remuneration Committee together with external consultants.

Particular majority requirements

For a valid resolution on the proposal pursuant to item 15, the proposal has to be supported by shareholders representing at least two-thirds of the votes cast as well as of all shares represented at the annual shareholders' meeting. For a valid resolution on the proposal pursuant to item 16, the proposal has to be supported by shareholders representing at least nine-tenths of the votes cast as well as of all shares represented at the annual shareholders' meeting.

SHAREHOLDERS' MEETING DOCUMENTS AND OTHER INFORMATION

Accounting documents, the audit report, the statement by the auditor on the compliance of the applicable guidelines for remuneration to senior executives and the complete proposals for the resolutions pursuant to item 13-16 are available at the company (address above) and at the company website (www.alligatorbioscience.se) as from no later than three weeks prior to the annual shareholders' meeting. A copy of the documents will be sent to the shareholders that request it and that states their address and will also be available at the annual shareholders' meeting.

The board and the CEO shall at the annual shareholders' meeting, if any shareholder so requests and the board believes that it can be done without significant harm to the company, provide information regarding circumstances that may affect the assessment of items on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial position and the company's relation to other companies within the group.

The total number of shares and votes in the company amounts to 71,388,615. The company does not hold any own shares.

Lund in March 2018
ALLIGATOR BIOSCIENCE AB (PUBL)
The board of directors