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Press release, 23 December 2016

Exercise of over-allotment option and notice of stabilisation in Alligator Bioscience

Carnegie Investment Bank AB ("Carnegie") exercises the over-allotment option regarding 1,301,107 shares in Alligator Bioscience AB (publ) ("Alligator" or the "Company") and notifies that stabilisation measures have been effected in the Company's shares on Nasdaq Stockholm. The stabilisation period has now ended and no further stabilisation transaction will be effected.

As announced on 14 November 2016, in connection with the announcement of the offer to acquire newly issued and existing shares in the Company and the listing of the Company's shares on Nasdaq Stockholm (the "Offering"), Sunstone Life Science Ventures Fund II K/S and Duba AB Carnegie have granted an over-allotment option to Carnegie. The option has consisted in a possibility for Carnegie to, in whole or in part, during 30 days from the first day of trading in the Company's shares on Nasdaq Stockholm, acquire up to 1,938,462 existing shares in the Company from Sunstone Life Science Ventures Fund II K/S and Duba AB, corresponding to a maximum of 15 per cent of the number of shares in the Offering, at a price corresponding to the price in the Offering *i.e.* 32.50 SEK, in order to cover any over-allotment in connection with the Offering. Carnegie now notifies that the over-allotment option with respect to 1,301,107 has been exercised. Consequently, 637,355 shares in Alligator which Carnegie has lent from Sunstone Life Science Ventures Fund II K/S and Duba AB in order to cover over-allotment will be re-delivered.

In addition, in its capacity as stabilization manager, Carnegie has had the possibility to effect transactions with the purpose of supporting the market price at levels above those which otherwise might prevail in the market. It has been possible to effect such stabilisation transactions on Nasdaq Stockholm, the OTC market, or otherwise, at any time during the period which started on the date of commencement of trading in the shares on Nasdaq Stockholm (23 November 2016) and ended no later than 30 calendar days thereafter (23 December 2016) (the "Stabilisation Period"). Nevertheless, Carnegie has not been required to undertake any stabilisation and it has been possible to discontinue any stabilisation at any time without prior notice. No transactions have been effected to support the market price of the shares at levels above the price in the Offering.

Specified below is stabilisation information regarding stabilisation which Carnegie has undertaken on indicated dates during the last seven trading days in accordance with article

5(4) in the Market Abuse Regulation 596/2014. The contact person at Carnegies is Tony Elofsson (tel: 08- 5886 88 00).

Stabilisation information:	
Issuer:	Alligator Bioscience AB (publ)
Securities:	Shares (ISIN SE0000767188)
Offering size:	12 923 077 shares
Offer price:	SEK 32.50 per share
Ticker:	ATORX
Stabilisation manager:	Carnegie Investment Bank AB (publ)

Stabilisation transactions:						
Date	Quantity	Price (Highest)	Price (lowest)	Price (weighted average)	Currency	Trading venue
2016-12-16	31 034	32.50	32.50	32.50	SEK	Nasdaq Stockholm
2016-12-19	262 958	32.50	31.80	32.41	SEK	Nasdaq Stockholm
2016-12-20	45 000	32.50	32.20	32.38	SEK	Nasdaq Stockholm
2016-12-21	40 000	32.50	32.00	32.12	SEK	Nasdaq Stockholm
2016-12-22	30 820	32.40	32.30	32.38	SEK	Nasdaq Stockholm
2016-12-23	14 794	32.30	32.30	32.30	SEK	Nasdaq Stockholm

The Stabilisation Period regarding the Offer has now ended and no further stabilisation transactions will be effected. Specified below is a summary of the stabilisation transactions which have been effected during the Stabilisation Period in accordance with this press release and the press releases as of 9 and 16 December 2016, respectively. All transactions during the Stabilisation Period have been effected on Nasdaq Stockholm and no stabilisation transactions have been effected on other dates than those specified below.

Interval per day

Date	SEK
2016-12-06	32.50
2016-12-07	32.20 - 32.50
2016-12-09	32.50
2016-12-16	32.50
2016-12-19	31.80 - 32.50
2016-12-20	32.30 - 32.50
2016-12-21	32.00 - 32.50
2016-12-22	32.30 - 32.40
2016-12-23	32.30

This information is information that Alligator Bioscience AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation 596/2014. The information was released for public disclosure, through the agency of the contact person below, on 23 December 2016, at 8.45 pm (CET).

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About Alligator

Alligator is a research-based biotechnology company that develops innovative immune activating antibody drugs for tumor-directed immunotherapy. The Company is headquartered in Lund, Sweden, and had 35 employees per September 30, 2016. The Company is primarily active in the early stages of drug development, from the idea stage to clinical phase IIa studies, and Alligator's product portfolio primarily consist of the product candidates ADC-1013, ATOR-1015 and ATOR-1016. In August 2015, ADC-1013 was out-licensed to Janssen Biotech, Inc., one of the Janssen Pharmaceutical Companies of Johnson & Johnson, for further development and commercialization. The company's shares are listed on Nasdaq Stockholm under the ticker "ATORX". For more information, visit <http://www.alligatorbioscience.com>.

Important information

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Copies of this announcement are not being made and may not be distributed or sent into the United States, Australia, Canada, Japan or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures. The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and accordingly may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any offering in the United States or to conduct a public offering of securities in the United States.

An offering of the securities referred to in this announcement has been made by means of the prospectus previously published by the Company. This announcement is not a prospectus for the purposes of Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the "Prospectus Directive"). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

In any EEA Member State other than Sweden, Norway, Denmark and Finland, that has implemented the Prospectus Directive, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.

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Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe,” “expect,” “anticipate,” “intends,” “estimate,” “will,” “may,” “continue,” “should” and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.