

Infant Bacterial Therapeutics AB (publ)
Interim report January 1-September 30, 2022

Third quarter (Jul-Sep) 2022

- Net sales KSEK 0 (0)
- Operating income KSEK -7 746* (228)
- Earnings per share before and after dilution SEK -0.69 (-0.01)

Reporting period (Jan-Sep) 2022

- Net sales KSEK 0 (0)
- Operating income KSEK -25 051* (-28 485)
- Earnings per share before and after dilution SEK -2.26 (-2.56)

* Operational income includes exchange rate effects on foreign currency deposits for the purpose of securing future outflows during the third quarter amounting to KSEK 17 220 (-7 313) and during the reporting period amounting to KSEK 43 451 (13 550)

Significant events during the third quarter (Jul-Sep)

- On September 19, Maria Ekdahl took office as the new CFO.
- On September 23, the FDA approved IBT's Orphan Drug Designation application for a drug to prevent ROP (retinopathy of prematurity).

Significant events during the reporting period

- On January 10, IBT announced that the Australian Patent Office has granted a patent entitled: "A method of activating lactic acid bacteria".
- On January 19, IBT announced that The Connection Study continues after the Data Monitoring Committee (DMC) had completed its pre-scheduled safety analysis without any concerns. At the same time a futility analysis was performed. Based on DMC recommendations and futility outcome, IBT is continuing the recruitment to the study as planned.

Significant events after the reporting period

- The British Journal of Gastroenterology published in October an article based on the IBT's "Connection Study" demonstrating SFT is linked to serious disease progression including sepsis and bronchopulmonary dysplasia.

Selected financial data

ooo's	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-dec
Net sales	-	-	-	-	-
Other income	-	-	3	94	94
Operating profit/loss	-7 746	228	-25 051	-28 485	-44 578
Result after tax	-7 782	-58	-25 335	-28 773	-44 991
Total assets	396 361	421 452	396 361	421 452	408 478
Cash flow for the period	-22 864	-26 019	-61 870	-46 628	-55 532
Cash flow per share for the period (SEK)	-2,04	-2,32	-5,51	-4,15	-4,95
Cash	368 331	390 360	368 331	390 360	386 752
Earnings per share before and after dilution (SEK)	-0,69	-0,01	-2,26	-2,56	-4,01
Equity per share (SEK)	33,12	36,65	33,12	36,65	35,21
Equity ratio (%)	94%	98%	94%	98%	97%

Message from the CEO

Our IBP-9414 clinical phase III development project is progressing well, and as previously mentioned, we are pursuing several initiatives to accelerate study execution. It is particularly satisfying that the recruitment rate has increased at the European hospitals, after we deployed additional resources. We will continue to add new hospitals while concluding collaborations with hospitals that have not recruited to any significant extent. Today we have recruited 1,215 children. When we reach 1,400 children, in line with our clinical protocol, we may open a third cohort C (birth weight between 1,001 to 1,500 grams) for recruitment. This is anticipated to occur during the first quarter of 2023 based on the current recruitment rate. The recruitment rate should thus increase, and our hope is thus to finish recruiting the 2,158 planned children in 2023. IBT's existing funds are still expected to be sufficient to carry out the entire phase III study as planned.

We are very pleased to see how our study, the Connection Study, is receiving attention. In October, the British Journal of Gastroenterology demonstrated that Sustained Feeding Tolerance (SFT) is linked to serious disease progression including sepsis and bronchopulmonary dysplasia, a chronic lung disease that affects premature babies. The implication is that SFT is validated and that IBP-9414 accordingly has two independent primary endpoints in its study.

I can also report that we continuously review the safety data we obtain from the study and can sum up that the side effect reporting is in line with the expected outcome.

In terms of pre-launch preparations, negotiations are ongoing to ensure large-scale product availability of IBP-9414. Concurrent discussions are progressing with potential distribution partners who have shown interest in the right to distribute our product. We are now considering what is best in the long term.

While we keep our focus on IBP-9414, it is also our intention to build on the unique expertise that IBT has generated. In September, the FDA announced that IBT received Orphan Drug Designation for our ROP (retinopathy of prematurity) project, which aims to investigate the possibilities of developing a drug to prevent ROP. The disease affects 50-70% of premature babies who weigh less than 1,500 grams at birth. Many children can be cured without permanent visual impairment, but unfortunately, ROP too often results in children becoming blind. Current treatments do not meet the medical need as severe cases have increased significantly in recent years. It is important to stress that we continue to explore the ROP project which we have named IBP-1118 prior to initiating costly drug development. We must first confirm the required regulatory pathway to obtain market approval. IBP-1118 has thus not been allocated any significant resources as IBT's funds are earmarked to conclude the drug development of IBP-9414.

We also had the pleasure of welcoming Maria Ekdahl, who was appointed as the new Chief Financial Officer (CFO). In conclusion, I would like to take the opportunity to thank all the employees and experts around the world who with great commitment help us get closer to our vision through the development of probiotic drugs, especially with IBP-9414 which can play a very big role for the premature babies.

Stockholm, November 10, 2022

Staffan Strömberg
CEO

IBT in brief

Infant Bacterial Therapeutics AB (“IBT”) is a public company domiciled in Stockholm. The company’s Class B shares are since September 10, 2018, listed on Nasdaq Stockholm (IBT B).

Infant Bacterial Therapeutics AB (publ) (“IBT”) is a pharmaceutical company with a product in clinical phase III with a vision to develop drugs influencing the infant microbiome, and thereby prevent or treat rare diseases affecting infants.

IBT is currently developing the drug candidate IBP-9414. The ambition for IBP-9414 is to become the world’s first approved probiotical drug with the goal to prevent life threatening diseases in premature infants including NEC and sepsis by conducting sound stomach-and bowel development in premature infants. IBP-9414 contains the active compound *Lactobacillus reuteri*, which is a human bacterial strain naturally present in breast milk. The product portfolio also includes another project, IBP-1016, for the treatment of gastroschisis, a severe and rare disease affecting infants and IBP-1118 to prevent ROP (retinopathy of prematurity), a growing and serious condition that often leads to blindness among prematurely born babies. By developing these drugs, IBT has the potential to fulfill unmet needs for diseases where there are currently no prevention or treatment therapies available.

Description of IBT’s development project IBP-9414

The development plan for IBP-9414 is to conduct a clinical program consisting of two clinical trials, the completed safety and tolerability study, followed by the ongoing pivotal phase III study, “The Connection Study”. The safety and tolerability study was concluded as planned during the fourth quarter of 2017. The following pivotal phase III study, The Connection Study, was initiated on July 4, 2019.

The first study was a multicenter, randomized, double blind, parallel-group, dose escalation placebo-controlled study to investigate the safety and tolerability of IBP-9414 administered in preterm infants. This study included 120 preterm infants (prior to gestation week 32 with birth-weight ranging from 500 to 2 000 grams) randomized for treatment with IBP-9414 or placebo. The initial dose of the product was administered within 48 hours after birth and continued daily for a 14-day period and evaluated at intervals for up to six months post administration. The primary goal of this study was to evaluate safety and tolerability. The study was completed according to plan in the fourth quarter 2017 demonstrated that IBP-9414 was safe and tolerated by premature infants with birth-weight ranging from 500 to 2 000 grams, that they were well exposed to the study medicine, and that there were no indications of cross contamination of IBP-9414 in the preterm infants treated with placebo.

The ongoing pivotal phase III study will be designed to show and document the effect of IBP-9414 compared to placebo for the prevention of NEC and improvement of so-called *feeding tolerance* in premature infants with birth weights of 1 500g or less.

Risks and uncertainties

The value of the Company is largely dependent on success in the Company’s development of IBP-9414, the successful completion of clinical trials and the grant of marketing authorization by the US Food and Drug Administration (“FDA”) and/or the European Medicines Agency (“EMA”). IBT has not yet concluded any clinical development of any pharmaceutical and there is a risk that IBP-9414 will

not demonstrate the required effect. If the development on IBP-9414 is unsuccessful, IBT may try to focus on other projects but there is a risk that such projects will not be successful.

Financial risk management

A predominant share of IBT's development costs are commitments in foreign currencies. The currencies against which IBT has the greatest exposure are USD and EUR.

Currency risk is the risk that the value of assets and liabilities fluctuate due to changes in exchange rates. Should the SEK increase or depreciate versus the specific currency, it could have a significant impact on the Company's financial position and results. The company has deposits in foreign currencies and an increase in the SEK generates a negative currency effect (see Notes 1, 2 and 3).

Capital is deemed sufficient to conduct the planned pivotal phase III clinical study, and operational costs until application for market approval.

For further information on risks and uncertainties please refer to IBT's Annual Report 2021 and IBT's Rights Issue Prospectus dated January 10, 2018 on the Company's homepage www.ibtherapeutics.com.

Financial calendar

Year-end report 2022	February 10, 2023
Annual report 2022	March 2023
Interim report January – March 2023	May 8, 2023
Annual General Meeting	May 8, 2023
Interim report January – June 2023	August 25, 2023
Interim report January – September 2023	November, 2023

Contact persons

Staffan Strömberg, CEO

Maria Ekdahl, CFO

Contact information

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Publication

The Report was submitted for publication, by the CEO, at 08.00 on November 10, 2022.

Financial development - third quarter (July – September) 2022

Amounts are reported in KSEK (SEK in thousands). Amounts in parenthesis refer to the period in the previous year unless stated otherwise.

Costs

Costs for the ongoing IBP-9414 clinical trial are reported net of exchange rate effects on foreign currency deposits. Exchange rate effects during the third quarter amounted to KSEK 17 220 (7 313). (Note 1,2).

Operational costs amounted to KSEK 24 966 (7 085) prior to exchange rate effects on foreign currency deposits, and after exchange rate effects to KSEK 7 746 (-228).

Costs for the ongoing IBP-9414 clinical trial amounted to KSEK 20 859 (3 094) prior to exchange rate effects.

Personnel costs amounted to KSEK 2 940 (2 967).

Other external costs amounted to KSEK 1 167 (1 024).

Result and financial position

Operational result amounted to KSEK -7 746 (228) and result after financial items amounted to KSEK -7 782 (-58).

Result after tax amounted to KSEK -7 782 (-58)

Result per share prior and after dilution amounted to SEK -0.69 (-0.01).

Cash flow for the period amounted to KSEK -22 864 (-26 019). Cash flow per share amounted to SEK -2.04 (-2.32)

Financial development – reporting period (January – September) 2022

Costs

Costs for the ongoing IBP-9414 clinical trial are reported net of exchange rate effects on foreign currency deposits. Exchange rate effects during the third quarter amounted to KSEK 43 451 (13 550). (Note 1, 2).

Operational costs amounted to KSEK 68 506 (42 129) prior exchange rate effects on foreign currency deposits, and after exchange rate effects to KSEK 25 054 (28 579).

Costs for the ongoing IBP-9414 clinical trial amounted to KSEK 50 107 (26 544) prior to exchange rate effects.

Personnel costs amounted to KSEK 14 066 (11 178).

Other external costs amounted to KSEK 4 332 (4 407).

Result and financial position

Operational result amounted to KSEK -25 051 (-28 485) and result after financial items amounted to KSEK -25 335 (-28 773).

Result after tax amounted to KSEK -25 335 (-28 773).

Result per share prior and after dilution amounted to SEK -2.26 (-2.56).

Cash flow for the period amounted to KSEK -61 870 (-46 628). Cash flow per share amounted to SEK -5.51 (-4.15).

Prepaid expenses amounted to approximately KSEK 14 140 (16 647) and mainly refer to contractual milestone payments to the company's CRO and CMC manufacturers referring to non-fulfilled commitments which are reported as a receivable in the balance sheet.

Accrued expenses amounted to approximately MSEK 17 910 (4 217) are mainly driven by research-, development and personnel costs.

The company's cash balance on September 30, 2022, amounted to 368,331 compared to KSEK 386,752 on December 31, 2021.

The company's shareholder's equity on September 30, 2022, amounted to KSEK 372,821 compared to KSEK 395,254 on December 31, 2021. Shareholder's equity per share on September 30, 2022 amounted to SEK 33.12 compared to 35.31 on December 31, 2021.

The company's equity ratio on September 30, 2022 amounted to 94% compared to 97% on December 31, 2021.

Operational costs in total prior to exchange rate gains increased during the reporting period compared to the previous year.

Costs for the ongoing clinical study increased regarding production of clinical trial material, trial insurance coverage, patient recruitment and dosing in the ongoing phase III study which was initiated in 2019.

Personnel costs have increased during the reporting period compared to the same period last year due to bonuses related to the introduction of a new share-based incentive scheme. Bonus payments amounted to approximately SEK 3.9 million.

On a rolling twelve-month period, the company had 10 (8) fulltime equivalent employees, The company had 8 (9) employees on the balance sheet date.

Other external costs are at the same level as the corresponding period last year.

During 2017 and 2018, IBT has carried out new issues amounting to approximately MSEK 528 after transaction costs. The capital is considered sufficient for the ongoing Phase III study and the company's operations until the application for marketing approval, which is expected to take place in the first half of 2024.

Tax position

IBT has accumulated operational losses since the company was established in 2012 and until year-end of 2021 amounting to approximately MSEK 305 (206). Deferred tax receivables are reported when it is likely that future taxable income will be available against which the temporary differences may be utilized. The company has not reported any temporary tax receivables in its statement of financial position.

Macroeconomic situation

The general macroeconomic situation regarding inflation and cost increases contributes to some uncertainty and it cannot be excluded that IBT will be affected by this in the future. So far, IBT has countered cost increases by buying USD and EUR in the past when the exchange rate was more favorable.

Shares

On January 1, 2022, and September 30, 2022, respectively, the total number of shares amounted to 11,226,184 shares of which 377,736 class A-shares carrying ten votes and 10,848,448 class B-shares carrying one vote.

IBT's class B share was listed on Nasdaq Stockholm on September 10, 2018. Infant Bacterial

IBT's closing share price on September 30, 2022 amounted to SEK 60,90.

Analysts covering IBT:

SEB : Christopher W. Uhde, PhD, Carl Mellerby, Mattias Vadsten

Ownership September 30, 2022

Namn	Class	Class	Share capital	Votes
	A-shares	B-shares	%	%
ANNWALL & ROTHSCHILD INVESTMENT AB	377,736	410,478	7.02	28.63
SIX SIS AG W8IMY		1,210,161	10.78	8.27
FJÄRDE AP-FONDEN		1,120,000	9.98	7.66
SWEDBANK ROBUR		547,000	4.87	3.74
AMF AKTIEFOND		501,585	4.47	3.43
TREDJE AP-FONDEN		501,579	4.47	3.43
ÅLANDSBANKEN ABP		328,070	2.92	2.24
SKANDINAVISKA ENSKILDA BANKEN		327,468	2.92	2.24
UNIONEN		322,196	2.87	2.20
DANGOOR, DAVID		306,421	2.73	2.10
Total 10 largest shareholders	377,736	5,574,958	53.03	63.94
Other shareholders		5,273,490	46.97	36.06
Total	377,736	10,848,448	100	100

Source: Euroclear Sweden

Nb: This is a translation of the Swedish interim report. If any discrepancies exist, the Swedish version shall prevail.

Board's assurance

The Board of Directors and CEO hereby certify that this report gives a true and fair presentation of the Company's operations, financial position and result of operations, and describes material risks and uncertainties facing the Company.

Stockholm, November 10, 2022

Peter Rothschild
Chairman

Anthon Jahreskog
Director

Margareta Hagman
Director

Eva Idén
Director

Kristina Sjöblom Nygren
Director

Staffan Strömberg
CEO

Review Report

Introduction

We have reviewed the interim report for Infant Bacterial Therapeutics AB (publ) for the period January 1 - September 30, 2022. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with the Annual Accounts Act.

Stockholm, November 10, 2022

Deloitte AB

Jenny Holmgren
Authorized Public Accountant

Income statement

SEK 000	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-dec
Net Sales	-	-	-	-	-
Other Income	-	-	3	94	94
Research- and development costs	-7 746	228	-25 054	-28 579	-44 672
Operating result	-7 746	228	-25 051	-28 485	-44 578
Result from financial items					
Interest income and similar profit / loss items	-	-	-	-	-
Interest expense and similar profit / loss items	-36	-286	-284	-288	-413
Result after financial items	-7 782	-58	-25 335	-28 773	-44 991
Result for the period*	-7 782	-58	-25 335	-28 773	-44 991
<i>* Result for the period equals total comprehensive income</i>					
Result per share					
before and after dilution*	-0.69	-0.01	-2.26	-2.56	-4.01
Number of shares, weighted average*	11 226 184	11 126 184	11 226 184	11 226 184	11 226 184
Number of shares at end of period**	11 226 184	11 126 184	11 226 184	11 226 184	11 226 184
<i>* No dilution effects exist</i>					
<i>**On September 30, 2022, allocation of emitted shares amounted to 377,736 A-shares carrying 10 votes per share and 10,848,448 B-Shares carrying 1 vote per share</i>					

Balance sheet

SEK 000	Note	9/30/22	9/30/31	12/31/21
ASSETS				
Non-current assets				
<i>Intangible non-current assets</i>				
Activated development costs		10 722	11 538	11 334
Shares in subsidiary		70	50	50
Total non-current assets		10 792	11 588	11 384
Current assets				
<i>Current receivables</i>				
Accounts receivable		-	-	-
Other receivables		3 099	2 857	1 202
Prepaid expenses and accrued income		14 140	16 647	9 140
Total Current assets		17 239	19 504	10 342
Cash and cash equivalents	2,3	368 331	390 360	386 752
Total Current assets		385 569	409 865	397 094
TOTAL ASSETS		396 361	421 452	408 478
EQUITY AND LIABILITIES				
Equity				
<i>Restricted equity</i>				
Share capital		3 060	3 060	3 060
<i>Unrestricted equity</i>				
Share premium reserve		670 926	669 022	669 022
Accumulated losses		-276 829	-231 837	-231 837
Net loss for the year		-25 335	-28 773	-44 991
Total equity		371 821	411 472	395 254
Liabilities				
<i>Current liabilities</i>				
Accounts payable		6 449	5 180	4 797
Other current liabilities		180	583	779
Accrued expenses and prepaid income		17 910	4 217	7 648
Total current liabilities		24 540	9 980	13 224
TOTAL EQUITY AND LIABILITIES		396 361	421 452	408 478

Statement of changes in equity

SEK 000	Restricted equity	Unrestricted equity		
	Share capital	Share premium reserve	Accumulated losses incl. Loss for the period	Total equity
Opening equity on Jan 1, 2021	3 060	668 931	-231 837	440 154
Net income for the period			-28 773	-28 773
Total comprehensive income			-28 773	-28 773
Shareholder transactions				
Warrants		91		91
Closing equity on Sep 30, 2021	3 060	669 022	-260 610	411 472
Opening equity on Jan 1, 2021	3 060	668 931	-231 837	440 154
Net income for the year			-44 991	-44 991
Total comprehensive income			-44 991	-44 991
Shareholder transactions				
Warrants		91		91
Utgående eget kapital 2021-12-31	3 060	669 022	-276 828	395 254
Opening equity on Jan 1, 2022	3 060	669 022	-276 828	395 254
Net income for the period			-25 335	-25 335
Total comprehensive income			-25 335	-25 335
Shareholder transactions				0
Warrants		1 904		1 904
Closing equity Sep 30, 2022	3 060	670 926	-302 163	371 821

Statement of cash flow

SEK000	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Operating activities					
Operating profit / loss	-7 746	228	-25 051	-28 485	-44 578
Interest income received	-	-	-	-	-
Paid interest costs	-36	-286	-284	-288	-413
Adjustment for non - cash flow affecting items:					
Depreciation production process	204	204	612	612	816
Value variance currency accounts	-17 220	-7 313	-43 451	-13 550	-18 846
Cash flow from operating activities before changes in working capital	-24 798	-7 167	-68 174	-41 711	-63 021
Cash flow from changes in working capital					
Increase (-) / Decrease (+) in operating receivables	-2 204	-10 949	-6 896	-4 824	4 338
Increase (-) / Decrease (+) in operating liabilities	4 138	-7 906	11 316	-184	3 060
Cash flow from operating activities	-22 864	-26 022	-63 754	-46 719	-55 623
Financing activities					
Shareholder contribution IBT Baby AB	-	-	-20	-	-
Warrents	-	3	1 904	91	91
Cash flow from financing activities	0	3	1 884	91	91
Cash flow for the period	-22 864	-26 019	-61 870	-46 628	-55 532
Unrealized exchange rate difference in cash	17 220	7 313	43 451	13 550	18 846
Cash and cash equivalents at the beginning of the period	373 976	409 066	386 752	423 438	423 438
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	368 332	390 360	368 333	390 360	386 752

Note 1 Accounting principles

The interim report has been prepared in accordance with IAS 34 interim reporting, and the Annual Accounts act, Årsredovisningslagen. The company's reporting has been prepared in accordance with the Annual Accounts act, Årsredovisningslagen and as stipulated by RFR 2 Reporting for legal entities. Disclosures in accordance with IAS 34 are presented in Notes as well as in other sections in the interim report.

IBT has adopted the same accounting principles and calculation methods as those described in the 2021 annual report. New principles are not expected to impact the company's financial reports.

IBT has no transaction to report under other comprehensive income and thus presents information thereon under the income statement.

IBT has deposits in foreign currencies. Effects of foreign currency exchange rates are reported in the company's financial statements at market value in the income statements item research-and development costs (Notes 2 and 3)

Amounts are reported in KSEK (SEK in thousands). Amounts in parenthesis refer to the same period in the previous year unless stated otherwise.

Note 2 Financial instruments

Fair value of other receivables, cash, accounts payable and other liabilities are estimated to equal book value (accumulated cost) due to the short duration.

Financial assets and liabilities valued at fair value hierarchy 1 in the income statement. Income effects are reported in the income statement item research-and development costs.

Note 3 Liquidity

The company's liquidity consists solely of cash deposits held at Danske Bank and SEB. Total liquidity on the balance sheet date on September 30, 2022 amounted to MSEK 368.3 (390.3) of which USD amounted to MSEK 206.3 (195.4) and EUR amounted to MSEK 28.7 (50.1).

Note 4 Share based incentive programs

IBT had on the balance sheet date, September 30 2022, two outstanding warrant programs.

Warrants 2017/2022

The warrants have expired during the second quarter 2022 with no subscriptions as the strike price was in excess of the current market share price.

Warrants 2020/2024

As below and as described in the 2021 annual report

Warrant holders 2020/2024	Number allotted	Number issued	Number allotted	Number allotted
	2022-09-30	2022-09-30	2021-09-30	2021-12-31
Staffan Strömberg , CEO	50 000	50 000	50 000	50 000
Anders Kronström	40 000	40 000	40 000	40 000
Other employees	154 073	154 073	144 073	154 073
Total	244 073	244 073	234 073	244 073

Warrants 2022/2025

On May 4, 2022, the Annual General Meeting decided on an incentive program by designated issue of warrants to the subsidiary IBT Baby AB. The maximum number of warrants to be issued are 305 400.

In June, 2022, 272 000 warrants were allotted at market terms at a price determined by calculating the market price at the time of issue using the Black & Scholes method of valuation.

The holder of warrants may during the period from June 1, 2025 through September 30, 2025, for each warrant subscribe for one point one (1) new class B share in the company at a subscription price per share amounting to SEK 129,56. On the balance sheet date, June 30, 2022 a total of 272 000 warrants had been allotted. The remaining 32 500 warrants have not been issued.

The warrants are subject to first right of refusal stipulating that the warrants shall be sold back to IBT Baby AB should the employee, from the date of signing, terminate employment within one year by 100%, within two years by 75 %, within three years by 50 %, and after three years the holder may keep the warrants.

Based on the existing number of shares the dilution resulting from the adopted incentive program, provided that all warrants are utilized for subscription of class B-shares, amounts to approximately 2.37 percent of shares, and 1.83 percent of votes.

The warrants carry no dividend rights. The warrants are issued at market value and have thus, have not resulted in any benefits which require accruals for social costs in the parent company. The

subscription price per share exceeds the market price of IBT's share on the balance sheet date which means that the warrants do not cause any dilution when calculating result per share.

Total market price for the 272 000 allotted warrants during the second quarter 2022 amounts to KSEK 1 904, which is reported directly as shareholders equity in IBT.

Warrant holders 2022/2025	Number allotted 2022-09-30	Number issued 2022-09-30	Number allotted 2021-09-30	Number allotted 2021-12-31
Staffan Strömberg, CEO	120 000	120 000	0	0
Anders Kronström	75 000	75 000	0	0
Robert Molander	20 000	20 000	0	0
Other employees	57 000	57 000	0	0
Total	272 000	272 000	0	0

IBT's two outstanding warrant programs in summary:

Issued warrants, year	Number allotted	Strike price	Value per allotted warrant	Volatility %*	Risk free interest, %	Value per share, weighted average	Expiry Year
2020 (2020/2024)	87 543	400	14,24	40	-0,3	170	2024
2020(2020/2024)	97 484	400	4,86	40	-0,3	125	2024
2021 (2020/2024)	49 046	400	1,78	40	-0,3	105	2024
2021 (2020/2024)	10 000	400	0,29	40	-0,3	81	2024
2022 (2022/2025)	272000	129,56	7,00	40	1,32	66,9	2025
Total	516 073	-	-	-	-	-	-

*Expected future volatility is ascertained by comparison of historical average and median values for comparable listed companies in the same sector as IBT based on analysis in S&P Capital IQ.

Note 5 Related party transactions

Compensations to the Board of directors are paid in accordance with the annual general meeting. The Chairman of the Board, Mr Peter Rothschild, receives Board fees amounting to KSEK 300 per annum, and KSEK 400 annually as operational Chairman.

Mr Robert Molander has invoiced consultancy fees up to the month of April, KEK 915 mainly related to the commercialisation of IBP-9414. From May, Robert Molander has invoiced KSEK 1,249 as fees for his position as CMO at IBT.

Otherwise, there have been no material transactions with related parties.

Note 6 Alternative key figures

The company presents some financial measures in the interim report that are not defined in accordance with IFRS. The company believes that these measures provide valuable supplementary information to investors and the company's management as they enable evaluation of the company's presentation. Since not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should therefore not be seen as a substitute for measures defined in accordance with IFRS. The key ratios below are not defined in accordance with IFRS unless otherwise stated.

For definitions and other reasons, refer to the Annual Report 2021.

Deduction of certain key figures

	2022	2021	2022	2021	2021
Cash flow per share					
Cash flow for the period, 000's	-22 864	-26 019	-61 870	-46 628	-55 532
Average number of shares	11 226 184	11 226 184	11 226 184	11 226 184	11 226 184
Cash flow per share (SEK)	-2,04	-2,32	-5,51	-4,15	-4,95
Equity per share					
Equity, 000's	371 821	411 472	371 821	411 472	395 254
Number of shares at end of period	11 226 184	11 226 184	11 226 184	11 226 184	11 226 184
Equity per share (SEK)	33,12	36,65	33,12	36,65	35,21
Equity ratio					
Equity, 000's	371 821	411 472	371 821	411 472	395 254
Total equity and liabilities, 000's	396 361	421 452	396 361	421 452	408 470
Equity ratio %	94%	98%	94%	98%	97%