Infant Bacterial Therapeutics AB (publ)

Year-end report January 1-December 31, 2021

Fourth quarter (Oct-Dec) 2021

- Net sales KSEK 0 (0)
- Operating income KSEK -16 093* (-26 702)
- Earnings per share before and after dilution SEK -1.44 (-2.38)

Reporting period (Jan-Dec) 2021

- Net sales KSEK 0 (0)
- Operating income KSEK -44 578* (-71 918*)
- Earnings per share before and after dilution SEK -4.01 (-6.41)

* Operational income includes exchange rate effects on foreign currency deposits for the purpose of securing future outflows during the fourth quarter amounting to KSEK 5,296 (-11,741) and during the reporting period (Jan-Dec) to KSEK 18 846 (-15 125).

Significant events during the fourth quarter (Oct-Dec)

- On December 6, an evaluation of IBT's Connection Study presented by Professor Josef Neu, University of Florida, at the 2021 Hot Topics in Neonatology®, that a blinded evaluation of IBT's Connection Study's second primary endpoint, "Sustained Feeding Tolerance" (SFT), correlates with clinical results. The evaluation reveals that even a modest reduction in time to SFT correlates positively to several clinically meaningful outcomes including Sepsis and Bronchopulmonary Dysplasia, a chronic lung disease that affects premature newborns.
- On December 10, Michael Owens assumed the role as CFO.
- On December 27, Infant Bacterial Therapeutics AB announced that the Patent Offices of Brazil and Hong Kong approved a patent of *Lactobacillus reuteri* covering IBP-9414. IBT is currently developing its drug candidate IBP-9414 in Phase III for the prevention of necrotizing colitis and improvement of feeding tolerance in preterm infants.

Significant events previously during the year

- On February 9, IBT announced that the Japan Patent Office issued a decision to grant a patent entitled: "A method of activating lactic acid bacteria", which protects the formulation of *Lactobacillus reuteri* including IBP-9414. The Japanese patent is valid until 2036 and IBP-9414 is intended for marketing in Japan upon market approval.
- On February 10, IBT reached the important milestone after recruitment of 300 premature infants to the ongoing clinical Phase III study of IBP-9414. A safety assessment of the data was conducted and infants with very low birthweights (Stratum A, birthweight of 500g-749g) was thereafter allowed to be recruited to the study
- The ongoing phase lll study's second primary endpoint called "sustained feeding tolerance" was validated.
- On April 15, we announced that the Chinese Patent Office issued a decision to grant a patent entitled: "A method of activating lactic acid bacteria", which protects the formulation of *Lactobacillus reuteri.* The Chinese patent is valid until 2036 and IBP-9414 is intended for marketing in China upon market approval.
- On April 29, we announced that inclusion criteria of The Connection Study have been expanded to include 500 - 1000 g birthweight in premature infants (from earlier 750g -1000 g) after the Data Monitoring Committees' planned review of safety data and completed futility-analysis regarding NEC.
- On August 25, IBT announced that recruitment of the smallest infants in the Connection Study was paused. IBT started to recruit infants in Stratum A (birth weight of 500g-749g) in The Connection Study on April 29, 2021. At that point in time, 68 infants had been recruited to the group. In accordance with the study protocol and clinical observations, enrolment of infants to Stratum A was paused awaiting a safety review by the Data Monitoring Committee (DMC). Infants that had already been randomized were allowed to continue treatment as per protocol, and infants in Stratum B (750g-1000g) were allowed to continue.
- On September 10, IBT announced that the Mexican Patent Office granted a patent entitled: "A method of activating lactic acid bacteria", which protects the formulation of *Lactobacillus reuteri* including

IBP-9414. IBT is currently developing its drug candidate IBP-9414 in Phase III. 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 promoting healthy stomach- and bowel development in this population.

- On September 22, IBT announced that the company opened the study recruitment in Stratum A (birthweight of 500 – 749 g) after the independent DMC had completed an additional safety review, in which the DMC had no objections to continue the study.
- On September 30, IBT announced that the company has reached another important milestone after recruitment of 600 premature infants in the ongoing Clinical Phase III study of IBP-9414. According to the study protocol, a safety and futility analysis will now be performed during which the recruitment will continue.

Significant events after the reporting period

- On January 10, IBT announced that the Australian Patent Office 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) completed its pre-scheduled safety analysis without any concerns. A futility analysis was concurrently completed. Based on DMC recommendations and futility outcome, IBT is continuing the recruitment to the study as planned.

Selected financial data

ooo's	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Net sales	-	-	61	-
Other income	-	79	33	312
Operating profit/loss	-16 093	-26 702	-44 578	-71 918
Result after tax	-16 218	-26 726	-44 991	-72 007
Total assets	408 478	450 318	408 478	450 318
Cash flow for the period	-8 904	-27 864	-55 532	-56 625
Cash flow per share for the period (SEK)	-0.79	-2.48	-4.95	-5.04
Cash	386 752	423 438	386 752	423 438
Earnings per share before and after dilution (SEK)	-1.44	-2.38	-1.44	-6.41
Equity per share (SEK)	35.21	39.21	35.21	39.21
Equity ratio (%)	97%	98%	97%	98%

Message from the CEO

IBT's ongoing pivotal phase lll clinical trial aims to generate data to improve survival possibilities of premature infants. This is accomplished by documenting the effects of IBP-9414 regarding two specific goals: prevention of NEC and reduction of time to Sustained Feeding Tolerance (SFT). The goal in SFT is dual. We know that proper digestion enables normal development in infants, however, we have also shown that reducing the period until the infants have achieved SFT reduces the risk of severe complications, e.g. Sepsis.

Therefore, our study measures how IBP-9414 affects the period from birth until SFT is reached and how the incidence of NEC is affected. SFT is thus the second primary "endpoint", which was validated in 2021 by an agreed procedure with the FDA in which SFT correlates with fewer serious complications. This enables the study to evaluate two primary endpoints instead of one.

In this CEO commentary covering the fourth quarter 2021, I'm expanding on how Covid has affected us recently.

IBT included its initial patient in the comprehensive phase lll trial ("The Connection Study") in July 2019. The study was well received and patient recruitment initiated right away at the hospitals which were open for participation in the study. The first 15 hospitals were quickly integrated as the infrastructure was in place as the majority of these had participated in our successfully concluded phase ll clinical trial during 2016 and 2017.

Following this promising start, we encountered recruitment challenges which we took action on. We learned that our CRO (Clinical Research Organization, i.e. the company assisting IBT to conduct the study) required assistance to increase the recruitment of infants. Furthermore, we improved and simplified procedures while simultaneously deciding to expand the study to five more countries. One of the decisions taken in early 2020 was for the IBT staff to visit and assist hospitals to initiate patient recruitment. We soon concluded that our efforts generated results and we were again happily recruiting as expected.

We had resumed control over recruitment in our study as we received news of a virus spreading in China. Shortly thereafter, Covid was a fact, and visiting hospitals, which we knew would expedite recruitment, became impossible. Additional challenges needed to be addressed, such as ensuring GCP (Good Clinical Practice). Practical issues such as fathers not being allowed to visit hospitals hampered recruitment as the written consent by both parents is required for inclusion in our clinical trial. To effectively resolve this IBT integrated "e-consenting", or electronic consent. This was no trivial matter, as the hospital staff needed to conduct several process amendments during a period when they were stretched due to the increased burden at hospitals as a consequence of Covid. In particular, staff responsible for managing respirators took a heavy load which are the very same staff required to conduct our study. In addition, all non-critical staff, like IT-technicians not involved in direct care were sent home, increasing the difficulties in amending procedures. These are examples of the several challenges we encountered and solutions deployed by IBT, and I hereby wish to express my sincere gratitude to the staff for all they have accomplished since the spring of 2020, which has allowed us to continue our study during the pandemic.

The pace of recruitment during late fall in 2021 was progressing well, until Omicron struck. As of today, February 4, 2022 a total of 788 patients have been recruited in our study. The average pace of recruitment during Omicron amounts to approximately 50 patients per month. The decisive factor is how Omicron develops going forward, which nobody knows. The health authority is therefore assuming several scenarios. Given that approach, I provide three possible scenarios: Low; Omicron remains at current levels and consequently we continue to recruit 50 infants per month, which would result in recruitment concluding in 2024. Medium; the effects of Covid diminishes during the spring and the pace of recruitment increases, however, a new virus strain strikes during the fall, negatively affecting recruitment. I then expect us to conclude recruitment during 2023. High; Covid diminishes rapidly with the effects on society returning to a normal, pre-Covid situation, increasing our level of recruitment to above 100 infants per month in which case we conclude recruitment during the current year.

IBT continuously "monitors" the hospitals' work and reporting of patient data. Assessment of our work to ensure quality in the study is ongoing, and our evaluation of noted deviations is that they are not of any decisive consequence for the outcome of results in the study. In addition, we have passed several important milestones in the clinical development program:

- Capital analysis: As Omicron struck IBT conducted a cash-review. The outcome of the analysis is that IBT's liquidity is sufficient to conclude the study even if the pace of recruitment remains low (50 patients per month).
- Safety analysis: Another analysis of patient data has been conducted. The Data Monitor Committee (DMC) has reviewed unblinded data (thus the DMC can observe the clinical effects of our drug candidate in comparison to observations from placebo), from 600 patients. We have already presented the good news in a press release that there are no objections to continue recruitment of infants in the study. This is not surprising considering the outcome of previously conducted safety studies. Summarizing all conducted safety studies, we may conclude that IBP-9414 is a well-studied drug candidate which has not presented any safety issues to date. These studies include IBT's phase ll study, the DMC analysis of 300 recruited patients, an extra study by the DMC conducted in September 2021, and also the most recently concluded 600 patient analysis.

  In addition, we have an automatic control system adopting an algorithm performing predetermined calculations, which may trigger a safety analysis by the DMC. The DMC conducted such an analysis which was concluded on September 22, 2021. We have conducted 11 such analyses of which two after September 22, 2021, without any requirement of additional analysis.

- Futility analysis: We also conducted planned "futility" analyses at the 300 DMC and 600 DMC reviews. These reviews generally aim to stop clinical trials which are not deemed to have a reasonable possibility of statistically showing desired results. More specifically in relation to "The Connection Study", this translates to our continued good possibility of generating positive results.
- Two validated primary "endpoints": IBT concluded its analysis of the pilot study that the company had agreed upon with the FDA to conduct after recruitment of 300 patients during the second quarter 2021. The goal of the pilot study was to validate the second primary "endpoint" "Sustained Feeding Tolerance" (SFT). During the fourth quarter the results from this study were presented during a conference (HotTopics in Neonatology®) on December 6 in Washington, D.C. The results show that a reduction of only one day from birth until SFT is achieved significantly reduces the risk of severe medical complications such as blood poisoning.

We are also pleased that IBTs own patents providing exclusivity for IBP-9414 continuously are approved by more countries. The patent was approved in Brazil and Hong Kong during the fourth quarter, and in Australia during the first quarter of 2022.

IBT has restructured and improved its efficiency in its financial reporting responsibilities, and as part thereof we are pleased that Michael Owens has resumed his role as CFO. Michael has a background as an authorized accountant and has been active since many years as CFO in several life science companies. He has had the role of Controller of IBT since 2015.

We now enter into a stage of commercialization for IBP-9414, and I hereby wish to welcome Mr. Robert Molander as global Chief Commercial Officer. Robert has many years of experience commercializing pharmaceuticals in the US. His office location is in New Jersey, USA.

In closing, I wish to thank all our staff and experts who with great devotion progress our unique product which may be of major significance for the premature infants.

Stockholm, February 4, 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 listed on Nasdaq Stockholm, Small-cap (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 promoting 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. 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 2020 and IBT's Rights Issue Prospectus dated January 10, 2018 on the Company's homepage www.ibtherapeutics.com.

Related party transactions

Compensation 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 250 per annum, and KSEK 400 annually as operational Chairman.

Bonuses were paid during the second quarter to Staffan Strömberg amounting to KSEK 100 and to Anders Kronström KSEK 75 related to the achieved milestone of 300 dosed patients.

Bonus was paid during the fourth quarter to Staffan Strömberg amounting to KSEK 779 as variable bonus as a percentage of gross salary.

Board member Mr. Robert Molander invoiced consulting fees amounting to KSEK 955. Consulting fees refer mainly to commercialization of IBP-9414.

No other significant related party transactions have occurred.

Financial calendar

Annual report 2021	March 2022
Interim report January-March 2022	May 4, 2022
Interim report January-June 2022	Aug 25, 2022
Interim report January-September 2022	Nov 10, 2022

The Annual General Meeting 2022 will be held at 3pm in Stockholm.

Contact persons

Staffan Strömberg, CEO

Michael Owens, CFO

Contact information

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Publication

The Report was submitted for publication, by the CEO, at 20.00 CET on February 4, 2022

Financial development – fourth quarter (Oct-Dec) 2021

Amounts are reported in KSEK (SEK in thousands). Amounts in parenthesis refer to the same 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 fourth quarter amounted to KSEK 5,296 (-11,741) (Note 1, 2).

Operational costs amounted to KSEK 21,389 (15,040) prior to exchange rate effects on foreign currency deposits, and after exchange rate effects to KSEK 16 093 (26 781).

Costs for the ongoing IBP-9414 clinical trial amounted to KSEK 15,557 (8,859) prior to exchange rate effects.

Personnel costs amounted to KSEK 4,612 (4,624).

Other external costs amounted to KSEK 1,220 (1,082).

Result and financial position

Operational result amounted to KSEK -16,093 (-26,726) and result after financial items amounted to KSEK -16,218 (-27,535) KSEK.

Result after tax amounted to -16,218 (-26,726) KSEK.

Result per share prior and after dilution amounted to -1.44 (-2.45) SEK.

Cash flow for the period amounted to KSEK -8,904 (-27,864). Cash flow per share amounted to -0.79 (-2.48) SEK.

Financial development – reporting period (Oct-Dec) 2021

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 reporting period amounted to KSEK 18,846 (-15,125), (Note 1, 2).

Operational costs amounted to KSEK 63,518 (57,105) prior to exchange rate effects on foreign currency deposits, and after exchange rate gains to KSEK 44,672 (72,230).

Costs for the ongoing IBP-9414 clinical trial amounted to KSEK 42,196 (32,910) prior to exchange rate gains.

Personnel costs amounted to KSEK 15,789 (19,910). Personnel costs are lower in the reporting period than during the equivalent period in the previous year due to reduced staff and payment of bonus during the third quarter 2020 in the amount of KSEK 2,849.

Other external costs amounted to KSEK 5,533 (4,285).

Result and financial position

Operational result amounted to KSEK -44,672(-72,230) and result after financial items amounted to KSEK -44,991 (-72,007).

Result after tax amounted to KSEK -44,991 (-72,007).

Result per share prior and after dilution amounted to SEK -4.01 (-6.41).

Cash flow for the period amounted to KSEK -55,532 (-56,625). Cash flow per share amounted to SEK-4.95 (-5.04).

Prepaid expenses amounted to approximately MSEK 9.1 (12.7) and mainly refer to contractual milestone payments paid to the company's CRO and CMC producers regarding yet unfulfilled contractual obligations which are reported as a receivable in the balance sheet.

Accrued expenses amounted to approximately MSEK 7.6 (6.9) and mainly refer to research and development and personnel costs.

The Company's cash balance on December 31, 2021, amounted to KSEK 386,752 compared to KSEK 423,438 on December 31, 2020.

The Company's shareholder's equity on December 31, 2021, amounted to KSEK 395,254 compared to KSEK 440,154 on December 31, 2020. Shareholder's equity per share on December 31, 2021, amounted to SEK 35.21 compared to SEK 39.21 on December 31, 2020.

The Company's equity ratio on December 31, 2021, amounted to 97% compared to 98% on December 31, 2020.

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 are lower in the reporting period than during the equivalent period in the previous year due to reduced staff and payment of bonus during the third quarter 2020 in the amount of KSEK 2,849.

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

Other external costs during the reporting period increased compared to the equivalent period during the previous year primarily as a result of consulting fees regarding market analysis.

IBT has during November 2017 and 2018 generated approximately SEK 528m after transaction costs in new share issues. Capital thus generated is deemed sufficient to conduct the planned phase III clinical study, as well as to fund the company´s activities until application for market approval.

Tax position

IBT has accumulated operational losses since the company was established in 2012 and until year-end of 2020 amounting to approximately MSEK (260) 188. 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

Shares

On January 1, 2021, and September 30, 2021, 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.

IBT's closing share price on September 30, 2021, amounted to 81.00 SEK.

Analysts covering IBT:

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

Ownership December 31, 2021

Name	Class A-shares	Class B-shares	Share capital %	Votes %
ANNWALL & ROTHSCHILD INVESTMENT AB	377,736	410,478	7.02	28.63
SIX SIS AG, W8IMY	-	1,172,087	10.40	8.01
FJÄRDE AP-FONDEN	-	1,120,000	9.98	7.66
SWEDBANK ROBUR NY TEKNIK BTI	-	579,172	5.16	3.96
AMF FÖRSÄKRING OCH FONDER	-	501,585	4.47	3.43
TREDJE AP-FONDEN	-	501,579	4.47	3.43
CBNY-NORGES BANK	-	396,620	2.94	2.25
UNIONEN	-	322,196	2.87	2.20
DANGOOR, DAVID	-	306,421	2.73	2.10
ÅLANDSBANKEN ABP (FINLAND) SWEDISH BRANCH	-	305,495	2.72	2.09
Total 10 largest shareholders	377,736	5,548,633	52.75	63.76
Other shareholders	-	5,299,815	47.25	36.24
Total	**377,736**	**10,848,448**	**100.00**	**100.00**

Source: Euroclear Sweden

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

The board of directors do not propose any dividend payments for fiscal year 2021.

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, February 4, 2022

Peter Rothschild Chairman	Anthon Jahreskog Director	Margareta Hagman Director	Robert Molander Director

Eva Idén Director	Kristina Sjöblom Nygren Director	Staffan Strömberg CEO

This report has not been subject to review by the company's auditor.

Income statement

SEK 000	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Net sales	-	-	-	-
Other income	-	79	94	312
Research and development costs	-16 093	-26 781	-44 672	-72 230
Operating loss	**-16 093**	**-26 702**	**-44 578**	**-71 918**
Result from financial items				
Interest income and similar profit/loss items	-	41	-	214
Interest expense and similar profit/loss items	-125	-65	-413	-303
Result after financial items	**-16 218**	**-26 726**	**-44 991**	**-72 007**
Result for the period*	**-16 218**	**-26 726**	**-44 991**	**-72 007**

* Result for the period equals total comprehensive income

Result per share

SEK				
Result per share, before and after dilution*	-1.44	-2.38	-4.91	-6.41
Number of shares, weighted average*	11 226 184	11 226 184	11 226 184	11 226 184
Number of shares at end of period **	11 226 184	11 226 184	11 226 184	11 226 184

* No dilution effects exist
**On December 31, 2021, 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

Balance sheet

SEK 000	Note	2021-12-31	2020-12-31
ASSETS			
Non-current assets			
Intangible non-current assets			
Activated development costs		11 334	12 150
Shares in subsidiary		50	50
Total non-current assets		**11 384**	**12 200**
Current assets			
Current receivables			
Accounts receivable		-	99
Other receivables		1 202	1 856
Prepaid expenses and accrued income		9 140	12 725
Total current assets		10 342	14 680
Cash and cash equivalents	2, 3	386 752	423 438
Total current assets		**397 094**	**438 118**
TOTAL ASSETS		**408 478**	**450 318**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		3 060	3 060
Unrestricted equity			
Share premium reserve		669 022	668 931
Accumulated losses		-231 837	-159 830
Net loss for the year		-44 991	-72 007
Total equity		**395 254**	**440 154**
Liabilities			
Current liabilities			
Accounts payable		4 797	1 232
Other current liabilities		779	2 065
Accrued expenses and prepaid income		7 648	6 867
Total current liabilities		**13 224**	**10 164**
TOTAL EQUITY AND LIABILITIES		**408 478**	**450 318**

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, 2020	**3 060**	**667 167**	**-159 830**	**510 397**
Net loss for the year			-72 007	-72 007
Total comprehensive income			**-72 007**	**-72 007**
Shareholder transactions				
Warrants		1 764		1 764
Closing equity on Dec 31, 2020	**3 060**	**668 931**	**-231 837**	**440 154**
Opening equity on Jan 1, 2021	**3 060**	**668 931**	**-231 837**	**440 154**
Net income for the period			-44 991	-44 991
Total comprehensive income			**-44 991**	**-44 991**
Shareholder transactions				
Warrants		91		91
Closing equity on Dec 31, 2021	**3 060**	**669 022**	**-276 828**	**395 254**

Statement of cash flows

SEK 000	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Operating activities				
Operating profit/loss	-16 093	-26 702	-44 578	-71 918
Interest income received	-	41	-	214
Paid interest costs	-125	-65	-413	-303
Adjustment for non - cash flow affecting items:				
Depreciation production process	204	204	816	816
Value variance currency accounts	-5 296	11 741	-18 846	15 125
Cash flow from operating activities before changes in working capital	**-21 310**	**-14 781**	**-63 021**	**-56 066**
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	9 162	-9 745	4 338	-4 611
Increase (+)/Decrease (-) in operating liabilities	3 244	-5 085	3 060	2 288
Cash flow from operating activities	**-8 904**	**-29 611**	**-55 623**	**-58 389**
Financing activities				
Warrants	-	1 747	91	1 764
Cash flow from financing activities	**0**	**1 747**	**91**	**1 764**
Cash flow for the period	**-8 904**	**-27 864**	**-55 532**	**-56 625**
Unrealized exchange rate difference in cash	5 296	-11 741	18 846	-15 125
Cash and cash equivalents at the beginning of the period	390 360	463 043	423 438	495 188
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**386 752**	**423 438**	**386 752**	**423 438**

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 2020 annual report. New principles are not expected to impact the company's financial reports.

IBT has no transactions 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 September 30, 2021, amounted to MSEK 390.4 (463.0) of which USD amounted to MSEK 195.4(109.3) and EUR amounted to MSEK 50.1 (62.8).

Note 4 Share based incentive programs

IBT has two share based incentive programs. The warrants in the two incentive programs do currently not generate any dilution effects.

WARRANTS 2017/2022

On the balance sheet date December 31, 2021, a total of 260,000 (260,000) warrants had been allotted. The remaining 20,000 warrants are reserved for future employees.

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 2.26 percent of shares, and 1.75 percent of votes.

WARRANTS 2020/2024

On the balance sheet date December 31, 2021, a total of 244,073 (185,027) warrants had been allotted. The remaining 130,927 warrants are reserved for future employees.

During the first quarter 2021 a total of 49,046 warrants were issued. Total market price for the issued 49,046 warrants during the first quarter amounted to KSEK 8.7. During the third quarter 2021 a total of 10,000 warrants were issued. Total market price for the issued 10,000 warrants during the third quarter amounted to KSEK 3.

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 2.32 percent of shares, and 1.79 percent of votes.

Ownership of warrants 2020/2024	Number allotted 2021-12-31	Number issued 2020-12-31
Staffan Strömberg, CEO	50,000	50,000
Anders Kronström, COO	40,000	40,000
Other employees	154,073	95,027
Total	**244,073**	**185,027**

Total number of allotted warrants

Allotted warrants, year	Issued warrants	Strike price*	Value per allotted warrant	Volatility, %**	Risk-free interest, %	Value per share	Expiry, year
2017 (2017-2022)	200,000	272	4,42	40	-0,2	85	2022
2020 (2017/2022)	50,000	272	0,35	40	-0,3	75	2022
2021 (2017/2022)	10,000	272	2,66	40	-0,3	127	2022
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	181	2024
Total	**504,073**	**-**	**-**	**-**	**-**	**-**	**-**

*Recomputed from SEK 300 after directed share issue in November 2017

**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 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 2020.

Deduction of certain key figures

	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Cash flow per share				
Cash flow for the period, 000's	-8 904	-27 864	-55 532	-56 625
Average number of shares	11 226 184	11 226 184	11 226 184	11 226 184
Cash flow per share (SEK)	**-0.79**	**-2.48**	**-4.95**	**-5.04**
Equity per share				
Equity, 000's	395 254	440 154	395 254	440 154
Number of shares at end of period	11 226 184	11 226 184	11 226 184	11 226 184
Equity per share (SEK)	**35.21**	**39.21**	**35.21**	**39.21**
Equity ratio				
Equity, 000's	395 254	440 154	395 254	440 154
Total equity and liabilities, 000's	408 478	450 318	408 478	450 318
Equity ratio %	**97%**	**98%**	**97%**	**98%**