Infant Bacterial Therapeutics AB (publ)

Interim report January 1-September 30, 2021

Third quarter (Jul-Sep) 2021

- Net sales KSEK 0 (0)
- Operating income KSEK 228* (-18,586*)
- Earnings per share before and after dilution SEK -0.01 (-1.66)

Reporting period (Jan-Sep) 2021

- Net sales KSEK 0 (0)
- Operating income KSEK -28,485* (-45,294*)
- Earnings per share before and after dilution SEK -2.56 (-4.04)

* Operational income includes exchange rate effects on foreign currency deposits for the purpose of securing future outflows during the third quarter amounting to KSEK 7,313 (-3,872) and during the reporting period to KSEK 13,550 (3,384).

Significant events during the third quarter (Jul-Sep)

- Marie-Louise Alamaa assumed the position as new CFO on August 16
- 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 has 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 the next 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 during Jan-Jun

- On February 9, IBT announced that the Japan Patent Office has 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-749gwas thereafter allowed to be recruited to the study
- IBT has during Q2, 2021 finished the analysis of the pilot study that IBT had agreed with FDA to perform after recruitment of 300 infants in The Connection Study. The result from the pilot study was that the second primary endpoint called "sustained feeding tolerance" was validated.
- On April 15, we announced that the Chinese Patent Office has 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 performing futility-analysis regarding NEC.

- In response to the pandemic, IBT is closely monitoring developments and is actively taking measures to minimize or limit effects thereof on the company's operations. IBT adheres to guidelines from Folkhälsomyndigheten, WHO and ECDC (European center for prevention and control of disease). The recruitment pace in IBT's pivotal study, "The Connection Study" is affected by COVID-19. The bulk of the costs for conducting the study are generated in connection with recruitment of patients, and thus the assessment is that IBT has sufficient funds to conclude the study even if this occurs at a later point in time than originally planned.

Significant events after the reporting period

No significant events have occurred after the reporting period.

Selected financial data

KSEK	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Net sales	-	-	-	-	-
Other income	-	79	94	233	312
Operating profit/loss	228	-18,586	-28,485	-45,294	-71,918
Result after tax	-58	-18,600	-28,773	-45,359	-72,007
Total assets	421,452	480,304	421,452	480,304	450,318
Cash flow for the period	-26,019	-6,693	-46,628	-28,761	-56,625
Cash flow per share for the period (SEK)	-2.32	-0.60	-4.15	-2.56	-5.04
Cash	390,360	463,043	390,360	463,043	423,438
Earnings per share before and after dilution (SEK)	-0.01	-1.66	-2.56	-4.04	-6.41
Equity per share (SEK)	36.65	41.43	36.65	41.43	39.21
Equity ratio (%)	98%	97%	98%	97%	98%

Message from the CEO

As is well known, IBT is conducting a large phase III study ("The Connection Study"), the final study in our clinical development program with our drug candidate IBP-9414, which contains *Lactobacillus reuteri* as the active substance. The active substance is a naturally occurring bacterial strain found in women's breast milk. The goal of our development is to offer physicians a unique treatment option which is partly intended to prevent very serious medical complications, such as NEC (necrotizing enterocolitis) and sepsis (blood poisoning), which occur when a child is born prematurely. In addition, our product is expected to improve the development of the stomach and intestines, which in turn leads to improved intestinal function and nutrient uptake.

In accordance with the study protocol, patient recruitment was paused on August 25 of infants in stratum A (the smallest infants with birthweights between 500-749g at birth) in anticipation of a safety review conducted by the Data Monitoring Committee (DMC). Recruitment was reinitiated September 22 following DMC's completion of safety review. The DMC concluded that the signal which triggered the temporary recruitment pause did not represent a cause of concern and that there was no prospective medical reason to restrict recruitment of the smallest infants in the study. We reached a milestone of 600 recruited patients in September despite the temporary recruitment pause. During 2021 we also validated the second primary endpoint in "The Connection Study". These two important events representing good momentum in our study and we are committed to continue to move forward with our study with accelerating speed.

The follow-on effects of COVID-19 for our study have started to subside although the virus represent a continued future uncertainty. We take note that the US recruitment pace in the US is significantly ahead of that in Europe and Israel. To date approximately 80% of recruited infants are born in the US. We have identified and mitigated several underlying causes for this trend which will hopefully increase the European pace such that it approaches the US momentum. The next planned DMC review is expected in Q4 2021, based on data from the first 600 randomized infants. This planned review will unlikely yield new

conclusions given that the DMC recently completed its analysis on most of the same data in connection to the September recruitment pause.

We are as of today engaged with hospitals across 10 countries: the US, the UK, France, Spain, Poland, Hungary, Israel, Serbia, Romania and Bulgaria. There are currently 83 activated hospitals ready to include patients. An important KPI is track how many hospitals are actively recruiting patients. As of the end of March 2021, 51 hospitals had recruited at least one patient. Today that corresponding figure is 66 hospitals. We dedicate significant priority to further enhance this positive trend and expect to conclude the study during the end of 2022. IBT's funding is expected to be sufficient for the completion of the study.

We received our Mexican patent approval on September 10. Patents were previously secured in China and Japan, strengthening our future IP protection of IBP-9414, which is of particular importance in countries where we do not have orphan drug status designation.

In conclusion, I would like to take this opportunity to express my appreciation to our employees and experts who with great commitment drive the work forward with our unique product which may play a major role for prematurely born children.

Stockholm, October 28st, 2021

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, Mid-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 conducing 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.

Board member Mr. Robert Molander have performed consultancy services and have received consulting fees amounting to KSEK 324 during the period July -September.

No other significant related party transactions have occurred.

Financial calendar

Year-end report January-December 2021	February 4, 2022
Annual report 2021	March 2022
Interim report January-March 2022	May 4, 2022
Annual General Meeting	May 4, 2022
Interim report January-June 2022	Aug 25, 2022
Interim report January-September 2022	Nov 10, 2022

Contact person

Staffan Strömberg, CEO

Marie-Louise Alamaa, CFO

Contact information

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Publication

The Report was submitted for publication, by the CEO, at 08.00 CET on October 29, 2021.

Financial development – third quarter (Jul-Sep) 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 gains during the third quarter amounted to KSEK 7,313 (-3,872) (Note 1, 2).

Operational costs amounted to KSEK 7,085 (14,793) prior to exchange rate effects on foreign currency deposits, and after exchange rate effects to KSEK -228 (18,665).

Costs for the ongoing IBP-9414 clinical trial amounted to KSEK 3,094 (7,274) prior to exchange rate effects.

Personnel costs amounted to KSEK 2,967 (6,726).

Other external costs amounted to KSEK 1,024 (793).

Result and financial position

Operational result amounted to KSEK 228 (-18,586) and result after financial items amounted to KSEK -58 (-18,600) KSEK.

Result after tax amounted to -58 (-18,600) KSEK.

Result per share prior and after dilution amounted to -0.01 (-1.66) SEK.

Cash flow for the period amounted to KSEK –26,019 (-6,693). Cash flow per share amounted to -2.32 (-0.60) SEK.

Prepaid expenses amounted to approximately MSEK 16.6 (3.2). The increase refers to contractual prepayments paid to the company's CRO.

Accrued expenses amounted to approximately MSEK 4.2 (6.0). The decrease refers to research and development costs.

Financial development – reporting period (Jan-Sep) 2021

Costs

Costs for the ongoing IBP-9414 clinical trial are reported net of exchange rate effects on foreign currency deposits. Exchange rate gains during the reporting period amounted to KSEK 13,550 (-3,384), (Note 1, 2).

Operational costs amounted to KSEK 42,129 (42,143) prior to exchange rate gains on foreign currency deposits, and after exchange rate gains to KSEK 28,579 (45,527).

Costs for the ongoing IBP-9414 clinical trial amounted to KSEK 26,544 (24,052) prior to exchange rate gains.

Personnel costs amounted to KSEK 11,178 (15,262). 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 4,407 (2,829).

Result and financial position

Operational result amounted to KSEK -28,485 (-45,294) and result after financial items amounted to KSEK -28,773 (-43,359).

Result after tax amounted to KSEK -28,773 (-45,359).

Result per share prior and after dilution amounted to SEK -2.56 (-4.04).

Cash flow for the period amounted to KSEK -46,628 (-28,761). Cash flow per share amounted to SEK-4.15 (-2.56).

Prepaid expenses amounted to approximately MSEK 16.6 (3.2). The increase refers to contractual milestone payments paid to the company's CRO.

Accrued expenses amounted to approximately MSEK 4.2 (6.0). The increase refers to research and development costs.

The Company's cash balance on September 30, 2021, amounted to KSEK 390,360 compared to KSEK 423,438 on December 31, 2020.

The Company's shareholder's equity on September 30, 2021, amounted to KSEK 411,472 compared to KSEK 440,154 on December 31, 2020. Shareholder's equity per share on September 30, 2021, amounted to SEK 36.65 compared to SEK 39.21 on December 31, 2020.

The Company's equity ratio on September 30, 2021, amounted to 98% compared to 98% on December 31, 2020.

Operational costs in total prior to exchange rate gains decreased marginally 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.

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

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 9 (9) employees on the balance sheet date.

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 September 30, 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	-	1,186,087	10.57	8.11
FJÄRDE AP-FONDEN	-	1,120,000	9.98	7.66
SWEDBANK ROBUR NY TEKNIK BTI	-	579,172	5.16	3.96
AMF AKTIEFOND SMÅBOLAG	-	501,585	4.47	3.43
TREDJE AP-FONDEN	-	501,579	4.47	3.43
UNIONEN	-	322,196	2.87	2.20
CBNY-NORGES BANK	-	321,989	2.87	2.20
DANGOOR, DAVID	-	306,421	2.73	2.10
ÅLANDSBANKEN I ÄGARES STÄLLE	-	261,759	2.33	1.79
Total 10 largest shareholders	377,736	5,511,266	52.47	63.51
Other shareholders	-	5,337,182	47.53	36.49
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.

Income statement

TSK	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Net sales	-	-	-	-	-
Other income	-	79	94	233	312
Research and development costs	228	-18,665	-28,579	-45,527	-72 230
Operating loss	**228**	**-18,586**	**-28,485**	**-45,294**	**-71 918**
Result from financial items					
Interest income and similar profit/loss items	-	58	-	173	214
Interest expense and similar profit/loss items	-286	-72	-288	-238	-303
Result after financial items	**-58**	**-18,600**	**-28,773**	**-45,359**	**-72 007**
Result for the period*	**-58**	**-18,600**	**-28,773**	**-45,359**	**-72 007**

* Result for the period equals total comprehensive income

Result per share

SEK					
Result per share, before and after dilution*	-0.01	-1.66	-2	-4.04	-6.41
Number of shares, weighted average*	11,226,184	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	11 226 184

* No dilution effects exist
**On September 30, 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

KSEK	Note	2021-09-30	2020-09-30	2020-12-31
ASSETS				
Non-current assets				
Intangible non-current assets				
Activated development costs		11,538	12,354	12,150
Shares in subsidiary		50	50	50
Total non-current assets		**11,588**	**12,404**	**12,200**
Current assets				
Current receivables				
Accounts receivable		-	99	99
Other receivables		2,857	1,528	1,856
Prepaid expenses and accrued income		16,647	3,230	12,725
Total current assets		19,504	4,857	14,680
Cash and cash equivalents	2, 3	390,360	463,043	423,438
Total current assets		**409,864**	**467,900**	**438,118**
TOTAL ASSETS		**421,452**	**480,304**	**450,318**
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		3,060	3,060	3,060
Unrestricted equity				
Share premium reserve		669,022	667,184	668,931
Accumulated losses		-231,837	-159,830	-159,830
Net loss for the year		-28,773	-45,359	-72,007
Total equity		**411,472**	**465,055**	**440,154**
Liabilities				
Current liabilities				
Accounts payable		5,180	7,339	1,232
Other current liabilities		583	1,945	2,065
Accrued expenses and prepaid income		4,217	5,965	6,867
Total current liabilities		**9,980**	**15,249**	**10,164**
TOTAL EQUITY AND LIABILITIES		**421,452**	**480,304**	**450,318**

Statement of changes in equity

KSEK	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 income for the period			-45,359	-45,359
Total comprehensive income			**-45,359**	**-45,359**
Shareholder transactions				
Warrants		17		17
Closing equity on Jun 30, 2020	**3,060**	**667,184**	**-205,189**	**465,055**

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			-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**

Statement of cash flows

KSEK	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Operating activities					
Operating profit/loss	228	-18,586	-28,485	-45,294	-71,918
Interest income received	-	58	-	173	214
Paid interest costs	-286	-72	-288	-238	-303
Adjustment for non - cash flow affecting items:					
Depreciation production process	204	204	612	612	816
Value variance currency accounts	-7,313	3,872	-13,550	3,384	15,125
Cash flow from operating activities before changes in working capital	**-7,167**	**-14,524**	**-41,711**	**-41,363**	**-56,066**
Cash flow from changes in working capital					
Increase (-)/Decrease (+) in operating receivables	-10,949	1,547	-4,824	5,212	-4,611
Increase (+)/Decrease (-) in operating liabilities	-7,906	6,284	-184	7,373	2,288
Cash flow from operating activities	**-26,022**	**-6,693**	**-46,719**	**-28,778**	**-58,389**
Financing activities					
Warrants	3	-	91	17	1,764
Cash flow from financing activities	**3**	**0**	**91**	**17**	**1,764**
Cash flow for the period	**-26,019**	**-6,693**	**-46,628**	**-28,761**	**-56,625**
Unrealized exchange rate difference in cash	7,313	-3,872	13,550	-3,384	-15,125
Cash and cash equivalents at the beginning of the period	409,066	473,608	423,438	495,188	495,188
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**390,360**	**463,043**	**390,360**	**463,043**	**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 September 30, 2021, a total of 260,000 (200,000) 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 September 30, 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 2021-09-30	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 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Cash flow per share					
Cash flow for the period, KSEK	-26,019	-6,693	-46,628	-28,761	-56,625
Average number of shares	11,226,184	11,226,184	11,226,184	11,226,184	11,226,184
Cash flow per share (SEK)	**-2.32**	**-0.60**	**-4.15**	**-2.56**	**-5.04**
Equity per share					
Equity, KSEK	411,472	465,055	411,472	465,055	440,154
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)	**36.65**	**41.43**	**36.65**	**41.43**	**39.21**
Equity ratio					
Equity, KSEK	411,472	465,055	411,472	465,055	440,154
Total equity and liabilities, KSEK	421,452	480,304	421,452	480,304	450,318
Equity ratio %	**98%**	**97%**	**98%**	**97%**	**98%**

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, October 28, 2021

Peter Rothschild Chairman	Anthon Jahreskog Director	Margareta Hagman Director	Robert Molander 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, 2021. 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, October 28, 2021

Deloitte AB

Birgitta Lööf
Authorized Public Accountant