

Annual General Meeting in Infant Bacterial Therapeutics AB (publ)

Infant Bacterial Therapeutics AB (publ) will hold its Annual General Meeting at 2:00 p.m. on Thursday, 4 May 2017, at Citykonferensen Ingenjörshuset, Malmskillnadsgatan 46, Stockholm.

Right to participate

In order to participate in the Annual General Meeting (AGM), shareholders must be recorded in the register of shareholders maintained by Euroclear Sweden AB no later than Thursday 27 April 2017 and must provide notice of participation to the company no later than Thursday 27 April 2017. Notification can be made by mail to Infant Bacterial Therapeutics AB (publ), Bryggargatan 10, 111 21 Stockholm, Sweden, by telephone +46 (0)8-410-145 55, or by e-mail to info@ibtherapeutics.com.

The notification should include the shareholder's name, personal or corporate identity number, address, telephone number, registered shareholding and the names of any proxies or assistants.

In order to vote in the AGM, shareholders whose shares are registered in the name of a trustee must temporarily re-register the shares in their own name. Such registration, which may be temporary, must be completed Thursday 27 April 2017.

Form of proxy

Shareholders who are represented by a proxy must submit a dated form of proxy. If the form of proxy is submitted by a legal entity, a copy of the certificate of registration or other proof of authorisation for the legal entity must be attached. A form of proxy can be requested by sending an email to info@ibtherapeutics.com. An original form of proxy and, where appropriate, a certificate of registration or other proof of authorisation should be received by the company at the above address no later than Thursday 27 April 2017.

Proposed agenda

1. Opening of the Meeting.
2. Election of the Chairman of the Meeting.
3. Drawing up and approval of the voting list.
4. Election of one or two persons to attest the minutes of the Meeting
5. Approval of the agenda.
6. Determination as to whether the Meeting has been duly convened.
7. Address by the CEO.
8. Presentation of the annual report and the audit report.
9. Resolution's regarding:
 - a) Adoption of the income statement and balance sheet,
 - b) Appropriation of the company's earnings according to the adopted balance sheet,
 - c) Discharge from liability for the Board of Directors and the President.
10. Resolution regarding the number of Board members.
11. Determination of fees to be paid to the Board of Directors and auditors.
12. Election of Board members.
 - a) Peter Rothschild
 - b) Jan Annwall
 - c) Anders Ekblom
 - d) Margareta Hagman
 - e) Eva Idén
 - f) Anthon Jahreskog
13. Election of the Board Chairman.
14. Election of Auditor
15. Resolution regarding the Nominating Committee
16. The Board's proposal for resolution regarding mandate for a directed new issuance of ordinary shares.
17. The Board's proposal for resolution regarding Employee Warrant plan.
18. Closing of the Meeting

Resolutions, etc.

The Nominating Committee's proposals regarding items 2 and 10-15 in the agenda.

The Nominating Committee consists, except for the Board Chairman, Peter Rothschild, of Per-Erik Andersson, (representing Annwall & Rothschild Investment AB, the company's largest shareholder), Sebastian Jahreskog, who via direct and indirect ownership is the second largest shareholder and Jannis Kitsakis (representing Fjärde AP-fonden).

The Nominating Committee proposes the following:

Item 2 - Election of the Chairman of the Meeting

Attorney Erik Sjöman.

Item 10 - Resolution regarding the number of Board members

Six regular Board members with no deputies.

Item 11 - Determination of fees to be paid to the Board of Directors and auditors

The Board Chairman shall receive SEK 200,000 and additional compensation of SEK 400,000 for work carried out for the company in the capacity as Executive Chairman. The other Board members not employed by the company shall receive SEK 100,000 each. Auditors' fees shall be paid according to approved account.

Item 12 - Election of Board members

Re-election of Peter Rothschild, Jan Annwall, Anders Ekblom, and Margareta Hagman.

Election of Eva Idén and Anthon Jahreskog.

Eva Idén, born 1966, has a Masters in Chemical Engineering from Chalmers University. She has experience from management roles in Astra and AstraZeneca. Eva is currently working as a management consultant in Leadership and Organisational development, and in the capacity as owner of Better & Beyond AB and partner in Inflecto AB. Eva Idén is independent of the company and its management and owns 30 shares in Infant Bacterial Therapeutics AB (publ).

Anthon Jahreskog, born 1980, received his Master's degree in Financial Management from the University of Cape Town. He is currently working as a business strategist and advisor in various industries. Until July 2015 was the Chief Operating Officer, Fund Linked Products, Credit Suisse Investment Bank, London. Anthon has several years of experience in the international financial market and his core expertise is in finance, strategic business planning, cost efficiency and analysis. Anthon Jahreskog is independent of the company and its management but not in relation to major shareholders. Anthon Jahreskog is a member of the Board of Directors of BioGaia AB (publ) and Board Member of SparkHub Ltd. Furthermore, Anthon Jahreskog is owner and member of the Board of Directors of Hamilton Park Consulting Ltd. Anthon Jahreskog is independent of the Company and does not own shares in Infant Bacterial Therapeutics AB (publ).

A detailed description of the members of the Board proposed for re-election is provided in the 2016 annual report and on the company's website ibtherapeutics.com.

Item 13 - Election of the Board Chairman

Re-election of Peter Rothschild

Item 14 - Election of Auditor

Re-election of Deloitte AB.

Item 15 - Resolution regarding the Nominating Committee

The Board Chairman shall convene the three largest shareholders in the company, in terms of voting power, each of which shall have the right to appoint a member to form the Nominating Committee together with the Board Chairman. In determining the composition of the Nominating Committee, the largest shareholders in terms of voting power shall be based on the ownership conditions at 30 June 2017. The Nominating Committee shall be chaired by the member representing the largest shareholder on this date. If any of the three largest shareholders should waive this right, the shareholder next in order of

voting power shall be given the opportunity to appoint a member to the Nominating Committee. The names of the shareholder representatives shall be announced as soon as they are appointed, although no later than six months prior to the 2018 Annual General Meeting. The mandate period of the Nominating Committee shall extend until such time as the new Nominating Committee has been appointed.

In the case that the shareholder that the member represents should no longer be one of the three largest shareholders in terms of voting power, the Nominating Committee, if it finds it appropriate, could dismiss that member and give a representative of the shareholder that is next in terms of voting power the opportunity of being elected. In the case that a designated member of the committee for any other reason leaves the Nominating Committee, the shareholder who has appointed the member, shall be entitled to appoint a new representative to the committee. If such shareholder declines to appoint a new representative, the Nominating Committee should, if it finds it appropriate, considering the remaining term of office, ask the shareholder that is next in terms of voting power if it wishes to appoint a representative to the Nominating Committee.

The Nominating Committee shall prepare proposals on the following matters to be put before the 2018 AGM for decision:

- a) proposal for election of a Chairman of the AGM
- b) proposal for election of Board members
- c) proposal for election of the Board Chairman
- d) proposal for determination of Board fees
- e) proposal for election of auditor
- f) proposal for determination of auditor's fees
- g) proposal for a resolution regarding the Nominating Committee ahead of the 2019 AGM.

The Board's proposals for resolution regarding items 9b, 16 and 17 on the agenda.

Item 9 b – Appropriation regarding the company's earnings

The Board of Directors and CEO propose that no dividend shall be paid for fiscal year 2016.

Item 16 - The Board's proposal for resolution regarding mandate for a directed new issuance of shares

The Board of Directors proposes that the AGM approve that the Board of Directors have a mandate to, on one or more occasion until the next AGM, issue new B-class shares. The Board of Directors will be able to decide on a new issuance of shares with deviation from the shareholders' pre-emption rights. This authorisation is to include the right to issue shares with cash payment, payment by contribution in kind or payment by way of set-off, and otherwise subject to conditions as set out in Chapter 2, Section 5, second paragraph 1–3 and 5 of the Swedish Companies Act.

The decision by the Board of Directors in relation to a new share issue that deviates from shareholders' pre-emption rights (directed issue) shall not exceed a twenty percent increase in share capital in relation to the share capital when the mandate for new issue is first utilised by the Board of Directors.

The share issue under this authorization shall be on market terms. The Board shall have the right to determine the conditions of the issue under this authorization as well as mandate to determine who has the right to subscribe for shares. The purpose of the authorization is to provide the Board with flexibility in efforts to ensure that the company in an appropriate manner, has additional capital to finance the company's ongoing clinical activities, and to enable a broadening of the owner base of the company.

Item 17 – Incentive program

The Board of Directors proposes that the AGM approve an incentive plan via i) direct placement of warrants to a subsidiary company especially established for this purpose ("Subsidiary"), and ii) authorization of transfer of warrants from the Subsidiary to participants in the program, in accordance with the following terms.

The Board believes that it is important and in the interest of all shareholders that the employees, who are deemed to be important for the company's further development, have a long-term interest in the

appreciation of the shares in the company. A personal long-term ownership commitment can be expected to contribute to an increased interest in the company's operations and earnings and raise participants' motivation and alignment of interests with the company and its shareholders.

Based on the existing number of shares, the dilution resulting from the proposed incentive program, assuming that all warrants are exercised for subscription of new Class B shares, will account for circa 4.84 percent of the shares and approximately 3.60 percent of the votes.

Directed issue of warrants to the Subsidiary

A maximum of 280 000 warrants will be issued. The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, be by the company's wholly owned Subsidiary.

The reason for the deviation from shareholders' preferential rights is that the issue is part of the implementation of the incentive program, with which the company's employees are given the opportunity to share in the positive development of the company. The existence of such a program is expected to increase the ability to attract and retain qualified employees.

Subscription of warrants shall be made through the subscription list by 18 May 2017. The Board of Directors shall be entitled to extend the subscription period. The warrants are issued free of charge.

Each warrant will entitle the holder to subscribe for one new share in the Company at an issue price of 300 SEK. Subscription of B shares with subscription warrants shall be made in accordance with the terms of the warrants as of April 3, 2022 and May 3, 2022.

If all warrants are exercised for subscription of B-shares, the registered share capital will increase by approximately 76 313.16 SEK (given current ratio and provided that no conversion is done according to the option terms).

B shares issued as a result of the subscription shall entitle to dividends on the dividend record date occurring after the share capital is registered with the "Bolagsverket" and B-shares have been recorded in the share register kept by Euroclear Sweden AB.

Approval of transfer of warrants from the Subsidiary to participants in the incentive program

The Board proposes that the Meeting resolves to approve that the Subsidiary transfers a maximum of 200,000 warrants to the company's current CEO, senior executives and employees, or to those persons wholly owned companies, according to the following principles. The transfer can also be made to future employees.

Category A - CEO: no more than 70,000 warrants.

Category B – other senior executives: 100 000 warrants to the group as a whole and not more than 50,000 warrants per person in the group.

Category C - other employees: a maximum of 30 000 warrants to the group as a whole and not more than 10,000 warrants per person in the group.

The transfer should also be made to prospective employees, or those people wholly owned companies, and more than 80 000 warrants to be used for this purpose. The principles laid down for different categories above shall also apply in relation to such transfers.

The warrants shall be transferred on market terms at a price established on the basis of an estimated market value of the warrants at the time of the transfer of the Black & Scholes valuation model (option premium). The calculation of the option premium shall be performed by an independent valuation expert.

In addition, a so-called pre-emption agreement will be made under which the holder shall be obliged to offer the company to acquire the warrants, or a portion of them, under certain conditions.

A valid resolution requires approval of shareholders representing at least nine tenths of both the votes cast and the shares represented at the meeting.

Number of shares / votes and documentation, etc.

The total number of shares amounts to 5,503,638, of which 222 198 A shares and 5,281,440 B shares, with a total number of votes 7,503,420.

At the AGM, if any shareholder should so request and the Board assesses that this can be done without significant damage to the company, the Board of Directors and the President shall provide information about conditions that could affect the assessment of items on the agenda and conditions that could affect the assessment of the company's or a subsidiary's financial situation and the company's relationship to other group companies.

The Annual Report and other key documents will be available at the company and on www.ibtherapeutics.com later than three weeks before the meeting and will be sent free of charge to shareholders who so request and state their address.

This is a translation of the Swedish version of the Notice to attend the Annual General Meeting of Infant Bacterial Therapeutics AB (publ). When in doubt, the Swedish wording shall prevail.

Stockholm April 2017

The Board of Directors of Infant Bacterial Therapeutics AB (publ).