INFANT BACTERIAL THERAPEUTICS

Press Release February 14, 2017

Infant Bacterial Therapeutics AB (publ), (IBT) Interim report January 1 – December 31 2016

Message from the CEO

"During the month of June, the first patients were recruited and dosed in IBTs clinical study, IBP-9414, in the USA. The last patient was recruited on January 23, 2017 and the results of the study are expected during the autumn of 2017. During the month of December, IBT presented a further development project, IBP-1016, which is aimed to address the medical issues that arise in infants that are affected by gastroschisis, a rare and serious disease.

2017 is going to be an important year for IBT. We will continue to build our organization so that we are well prepared for future challenges. We expect to understand how agencies and experts view our new project IBP-1016 and we also expect to receive our Phase II (NCT02472769) results.

It is our long-term hope and ambition to offer the market pharmaceuticals that can save the lives of premature infants and I am optimistic about the future of IBT and our projects."

Staffan Strömberg,
Chief Executive Officer

Financial summary

SEK 000's	2016 Jul-Dec	2015 Jul-Dec	2016 Jan-Dec	2015 Jan-Dec
Total comprehensive income	162	-	162	-
Net profit/loss	-22 012	-10 942	-38 090	-20 615
Result after tax	-21 822	9 657	-38 106	-23
Total assets	110 109	82 543	110 109	82 543
Cash flow for the period	-22 598	42 894	49 375	43 357
Cash	93 786	44 411	93 786	44 411
Earnings per share, weighted average, before and after dilution (SEK)	-4,8	5,3	-8,4	0,0
Equity per share (SEK)	19,1	831,2	19,1	831,2
Equity ratio (%)	96%	91%	96%	91%

Significant events during the second half year 2016
July – December

- In November, the independent safety monitoring committee (DSMB) reviewed the ongoing phase II clinical trial in IBP-9414 (NCT02472769). Following the recommendation by the DSMB it was decided to continue the trial with the higher dose of IBT's drug candidate IBP-9414 in the final group of patients
- In December, IBT announced that it is in the early planning stages of another project, IBP-1016, to develop a drug to treat the consequences of gastroschisis, a rare life threatening and debilitating birth abnormality in infants

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Significant events during the reporting period
January-December

- The Annual General Meeting decided on repayment of conditional shareholder contributions by offsetting previously received group contributions by SEK 20.6m
- BioGaia AB (publ) distributed its entire holding (94.5 % of shares and 96 % of votes) in IBT to BioGaia's shareholders
- IBT's shares were listed on Nasdaq First North
- IBT completed a guaranteed share issue which generated approximately SEK 89m after deduction of issue costs
- In June, the first premature infants were enrolled and dosed in the Company's phase II clinical trial in IBP-9414 (NCT02472769)

Significant events after the reporting period

- In January 2017, all 120 patients were included in the Company's phase II clinical trial in IBP-9414 (NCT02472769)

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Publication

The information in this Interim Report is such which IBT is obliged to make public pursuant to the EU Market Abuse Regulation and which is to be made public according to the Nasdaq regulations for companies listed on Nasdaq First North.
The information was submitted for publication, by the CEO, at 08.00 a.m. CET on February 14, 2017.

About IBT:
Infant Bacterial Therapeutics AB (publ) ("IBT") is a pharmaceutical company with a vision to develop drugs influencing the human infant microbiome, and thereby prevent or treat rare diseases affecting premature infants. Using its extensive experience in live bacterial therapeutics and its well-developed knowledge of the action of Lactobacillus reuteri, IBT is developing its lead drug candidate IBP-9414, to prevent necrotizing enterocolitis ("NEC"), a fatal, rare disease that afflicts premature infants. IBT is further pursuing a second rare disease programme IBP-1016 for the treatment of an unmet medical need in gastroschisis, a severe disease in infants. By developing these drugs, IBT has the potential to fulfil unmet needs for diseases where there are currently no prevention or treatment therapies available.

The FDA and the European Commission have granted IBT Orphan Drug Designation, and the FDA have granted Rare Pediatric Disease Designation for IBP-9414 for the prevention of NEC.

IBT is listed on Nasdaq First North with Erik Penser Bank as Certified Adviser.
www.ibtherapeutics.com