

Press Release February 2, 2018

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Outcome of Infant Bacterial Therapeutics' rights issue

Infant Bacterial Therapeutic AB's ("IBT") rights issue for IBT's shareholders has been fully subscribed and IBT will thereby raise approximately SEK 440 million before deduction of issue costs. The subscription period was concluded on 30 January 2018. All class A shares and 4,435,663 class B shares, corresponding to approximately 99.3 percent of the class B shares in the rights issue, were subscribed for with subscription rights. In addition, applications to subscribe for shares without subscription rights have been received, corresponding to 2,493,716 class B shares and 55.8 percent of all class B shares in the rights issue.

Allotment of new class B shares subscribed for without subscription rights will be made according to the principles outlined in the prospectus. Such subscribers who will be allotted class B shares subscribed for without subscription rights will be notified separately. Shareholders with nominee-registered holdings will receive confirmation of the allotment in accordance with the procedure of the respective nominee. Only those who are allotted shares will be notified.

Through the rights issue, IBT's share capital increases by SEK 1,259,861, from the current SEK 1,799,801 to SEK 3,059,663, through the issuance of 4,622,546 new shares, of which 155,538 class A shares and 4,467,008 class B shares. Following the rights issue, the number of shares in IBT will amount to 11,226,184 shares, of which 377,736 class A shares and 10,848,448 class B shares.

The last day of trading in paid subscribed shares (BTAs) on Nasdaq First North Premier is February 8, 2018. The new shares are expected to start trading on Nasdaq First North Premier around February 14, 2018.

Advisors

SEB Corporate Finance is acting as financial advisor, Advokatfirman Vinge is legal advisor and Zonda Partners is advisor to IBT in connection with the rights issue.

N M Rothschild & Sons Limited is acting as independent financial advisor to the IBT's board of directors in connection with the rights issue.

About Infant Bacterial Therapeutics AB

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. 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.

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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.

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

For additional information please contact

Staffan Strömberg, CEO
Infant Bacterial Therapeutics AB
Bryggargatan 10
111 21 Stockholm
Phone: +46 8 410 145 55
Email: info@ibtherapeutics.com

Important information

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares, subscription rights or other securities in Infant Bacterial Therapeutics AB (publ).

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The new shares, interim shares ("BTAs", Sw. *Betalda Tecknade Aktier*) and subscription rights have not been recommended or approved by any United States federal or state securities commission or regulatory authority. No new shares, BTAs, subscription rights or other securities issued by IBT have been or will be registered under the U.S. Securities Act of 1933, as amended, or under the securities legislation in any state of the United States. Therefore new shares, BTAs, subscription rights or other securities issued by the Company may not be offered, subscribed, used, pledged, sold, resold, allotted, delivered or transferred, directly or indirectly, to or into the United States, other than pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act and in accordance with securities laws in relevant state or other jurisdiction in the United States. There is no intention to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

The Company has not authorized any offer of the securities referred to herein to the public in any country in the European Economic Area ("EEA") other than Sweden. In other member states in the EEA, the securities may only be offered to (i) any legal entity which is a qualified investor as defined in the Directive 2003/71/EC of the European Parliament and of the Council (the "Prospectus Directive"); or (ii) any person falling within Article 3(2) of the Prospectus Directive.

This press release may contain forward-looking statements which reflect IBT's current view on future events and financial and operational development. Words such as "intend", "expect", "anticipate",

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“may”, “believe”, “plan”, “estimate” and other expressions which imply indications or predictions of future development or trends, and which are not based on historical facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements. The information, opinions and forward-looking statements included in this press release speak only as of its date and are subject to change without notice.