Infant Bacterial Therapeutics AB (publ)

Interim report January 1-September 30, 2019

Third quarter (Apr-Jun) 2019

- Net sales 0 KSEK (0)
- Operating loss -11 007 KSEK* (-7 683)
- Earnings per share before and after dilution -0.94 SEK (-0.71)

Reporting period (Jan-Sep) 2019

- Net sales 0 KSEK (0)
- Operating loss -19 774 KSEK (-15 541)
- Earnings per share before and after dilution -1.67 SEK (-1.55)

* Operational income for the third quarter include exchange rate gains on foreign currency deposits for purpose of securing future outflows amounting to 6 499 (-286) KSEK. Operational costs amounted to 17 506 (7 397) KSEK prior to exchange rate gains (Note 2)

Significant events during the third quarter (Jul-Sep) 2019

- IBT announced on July 4 that the first patient had been recruited in the company's pivotal clinical phase III-study, The Connection Study

Significant events during the reporting period (Jan-Sep) 2019

- IBT signed its first distribution agreement on March 5, 2019, for its product IBP-9414, with MegaPharm Ltd. for the Israeli market and the Palestinian Authority's territories. The agreement gives MegaPharm exclusive rights to market and sell the product, if and when the product receives market approval. IBT's share will, after an initial shorter period, account for 70% of revenues. IBT plans to open clinical trial centers for the pivotal phase III trial in the country. MegaPharm is already participating in this work as it is essential to engage "key opinion leaders" in the marketing of the product
- On May 19, 2019, we announced that IBT had responded satisfactorily to the comments that the FDA had regarding the study design. As a consequence of the FDA's comments, an evaluation of the effects of IBP-9414 on the digestive system of premature infants in the forthcoming phase III study is now planned, as a serious medical problem for premature infants is that they cannot take up nourishment in an adequate way. The prior focus was solely prevention of NEC (necrotizing enterocolitis) that, in itself, is a terrible intestinal disease affecting premature infants and too often leads to fatal outcomes. Including another indication means having multiple independent endpoints which may increase the chances of success in the study and thus the market potential
- IBT's IND-Application (Investigational New Drug) was approved in the USA and the clinical study has also been approved in the UK, France, Hungary and Spain

Significant events after the reporting period

- Lilian Wikström Ph.D. has requested to resign from the Board of Directors of IBT with immediate effect due to the risk of conflict of interest that has arisen in her role as CEO of KI Innovations AB

Selected financial data

ooo's	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	2018 Jan-Dec
Net sales	-	-	-	-	-
Operating profit/loss	-11 007	-7 683	-19 774	-15 541	-39 417
Result after tax, SEK	-10 538	-7 985	-18 786	-16 464	-40 607
Total assets	545 348	589 820	545 348	589 820	563 371
Cash flow for the period (SEK)	-34 064	-9 809	-42 755	406 210	381 544
Cash flow per share for the period (SEK)	-3.03	-0.87	-3.81	38.17	35.36
Cash	511 888	566 786	511 888	566 786	542 170
Earnings per share before and after dilution (SEK)	-0.94	-0.71	-1.67	-1.55	-3.76
Equity per share (SEK)	47.92	51.74	47.92	51.74	49.59
Equity ratio (%)	99%	98%	99%	98%	99%

IBT in brief

Infant Bacterial Therapeutics AB ("IBT") is a public company domiciled in Stockholm. The company's class B-shares shares are listed on Nasdaq Stockholm, Mid-cap (IBT B).

Infant Bacterial Therapeutics AB (publ) pharmaceutical company with a product in clinical stage 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, for the prevention of necrotizing enterocolitis ("NEC") and improvement of so called *feeding tolerance* 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.

Message from the CEO

In our previous quarterly report we were able to announce that the first patient had been recruited in our clinical phase III-study. This study is operationally the most significant in IBT's operations and therefore I choose to provide some detailed information regarding the study. The study is randomized, double blind and placebo controlled to evaluate the safety and efficacy of IBP-9414 with respect to the prevention of necrotizing enterocolitis and other clinically important aspects of feeding preterm babies.

Our assumptions regarding patient recruitment are based on experience from the concluded phase II study which IBT conducted at 15 clinics in the U.S. during 2017. We currently have approval for conducting the phase III study in France, Spain, The U.K., Hungary and the U.S. and have recruited patients in both Europe and in the U.S. As of the date of this report 37 centers of the 100 planned have been contracted and work is ongoing to contract more. We have not yet initiated recruitment in the UK, while in e.g. Spain recruitment is progressing above expectations at centers which have initiated recruitment.

Meetings held with study doctors during recent weeks have provided awareness of the difficulties of interpreting the inclusion and exclusion criteria described in the study protocol. Therefore, we revised and clarified these criteria during October rendering them more aligned with those used in our phase II study.

We are not satisfied that the study has had a slow start at certain clinical centers, but we also note that other centers are recruiting well, i.e. above expectations. We shall therefore further strengthen the clinical department at IBT in order to ensure that "*best practice*" is relayed from the centers with superior recruitment to those hospitals which have not initiated as planned. I expect the study to be concluded during 2021 based on the experience we gained from the phase II study. We will therefore further intensify our work with patient recruitment.

Stockholm
November 7, 2019

Staffan Strömberg,
Chief Executive Officer

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. This study will also include safety evaluation.

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's clinical program is in the development stage 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.

Currency risk is the risk that the value of assets and liabilities fluctuate due to changes in exchange rates. Should the SEK depreciate versus the specific currency, it could have a significant impact on the Company's financial position and results. The currencies against which IBT has the greatest exposure are USD and EUR.

The company has entered into currency hedging (see Note 2).

IBT has during 2017 and 2018 generated approximately SEK 528m after transaction costs by new share issues. The capital generated 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 2018 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 200 KSEK per annum, and 400 KSEK annually as operational Chairman.

During the third quarter accrued bonus costs for Management have been charged to income in total amounting to 889 KSEK of which refer to Mr. Anders Kronström 500 KSEK, Mr. Staffan Strömberg 239 KSEK and Mr. Eamonn Connolly 150 KSEK based on achieved milestones related to initiation of the company's pivotal phase III study. The company has entered into commitments to management related to the achievement of future milestones which on the balance sheet date in total amounted to 2 075 KSEK.

No other significant related party transactions have occurred.

Corporate events

At the annual general meeting held on May 6, 2019, board members Margareta Hagman, Lilian Henningson Wikström, Eva Idén, Anthon Jahreskog, Kristina Sjöblom Nygren and Peter Rothschild (chairman) were re-elected and board member Anders Ekblom resigned.

Financial calendar

Year-end report January-December 2019	February 11, 2020
Annual report 2019	Week 14, 2020
Interim statement January-March 2010	May 11, 2020
Annual general meeting, Stockholm	May 11, 2020

Contact persons

Staffan Strömberg, CEO

Daniel Mackey, CFO

Contact information

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Publication

This information is such that IBT AB (publ) is required to publish in accordance with the financial securities law.

The Report was submitted for publication, by the CEO, at 08.00 CET on November 7, 2019.

Financial development – third quarter (Jul-Sep) 2019

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 planned clinical IBP-9414 clinical trial are reported net of exchange rate effects on foreign currency deposits. Exchange rate gains during the third quarter amounted to 6 499 (-286) KSEK (Note 2).

Operational costs amounted to 17 506 (7 397) KSEK prior to exchange rate gains on foreign currency deposits amounting to 6 499 (-286) KSEK, and after exchange rate gains to 11 007 (7 683) KSEK. Costs for the ongoing IBP-9414 clinical trial amounted to 11 918 (1 849) KSEK prior to exchange rate gains amounted to 5 419 (2 135) KSEK after exchange rate gains.

Personnel costs amounted to 4 265 (2 955) KSEK.

Other external costs amounted to 1 154 (2 593) KSEK.

Result and financial position

Operational result amounted to -11 007 (7 683) KSEK and result after financial items amounted to -10 538 (-7 985) KSEK.
Result after tax amounted to -10 538 (-7 985) KSEK.
Result per share amounted to -0.94 (-0.71) SEK.

Cash flow for the period amounted to -34 064 (-10 014) KSEK. Cash flow per share amounted to -3.03 (-0.89) SEK.

Financial development – reporting period (Jan-Sep) 2019

Costs

Costs for the planned clinical IBP-9414 clinical trial are reported net of exchange rate effects on foreign currency deposits. Exchange rate gains during the reporting period amounted to 12 473 (10 453) KSEK (Note 2).

Operational costs amounted to 32 247 (25 994) KSEK prior to exchange rate gains on currency deposits amounting to 12 473 (10 453) KSEK, and after exchange rate gains to 19 774 (15 541) KSEK. Costs for the ongoing IBP-9414 clinical trial amounted to 16 608 (9 334) KSEK prior to exchange rate gains and amounted to 4 335 (-1 119) KSEK after exchange rate gains.

Personnel costs amounted to 11 982 (8 978) KSEK of which bonus amounted to 889 (340) KSEK.

Other external costs amounted to 3 457 (7 682) KSEK.

Result and financial position

Operational result amounted to -19 774 (-15 541) KSEK and result after financial items amounted to -18 786 (-16 464) KSEK.
Result after tax amounted to -18 786 (-16 464) KSEK.
Result per share amounted to -1.67 (-1.55) SEK.

Cash flow for the period amounted to -42 755 (408 512) KSEK. Cash flow per share amounted to -3.81 (39.46) SEK. Cash flow during the comparative period included a new share issue amounting to 428 953 KSEK. Cash flow during the comparative period less the new share issue amounted to -1.97 KSEK.

The Company's cash balance on September 30, 2019, amounted to 511 888 KSEK compared to 542 170 KSEK on December 31, 2018.

The Company's shareholder's equity on September 30, 2019, amounted to 537 931 KSEK compared to 556 717 KSEK on December 31, 2018. Shareholder's equity per share amounted to 47.92 compared to 49.59 SEK on December 31, 2018.

The Company's equity ratio on September 30, 2019 amounted to 99% compared to 99% on December 31, 2018.

Operational costs increased during the reporting period compared to the previous year as the company's clinical phase II trial was concluded during the first half of 2018, and that the ongoing clinical phase III was initiated during the reporting period.

Costs for the planned IBP-9414 clinical trial are reported net including exchange rate gains on foreign currency deposits during the reporting period amounting to 19 774 (15 541) KSEK (Note 2).

Other external costs during the reporting period were lower than during the same period in the previous year which then incurred costs relating to the listing change to Nasdaq Stockholm in the amount of approximately SEK 2.0m.

Personnel costs have increased during the reporting period in comparison to the equivalent period during the prior year due to staff recruitment required for conducting the clinical Phase III trial. The company has 10 employees.

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 2018 amounting to approximately SEK 142m. 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, 2019, and September 30, 2019, respectively, the total number of shares amounted to 11 226 184 shares of which 377 736 class A-shares carrying ten votes and 10 848448 class B-shares carrying one vote.

IBT's class B share was listed on Nasdaq Stockholm, Mid Cap, on September 10, 2018.

IBT's closing share price on September 30, 2019 amounted to 201 SEK.

Analysts covering IBT:

SEB, Stockholm
Chardan Capital Markets, New York, NY

Ownership September 30, 2019

Name	Series A shares	Series B shares	Share capital %	Voting rights %
ANNWALL & ROTHSCHILD INVESTMENTS AB	377 736	410 478	7.02	28.63
FJÄRDE AP FONDEN	-	1 091 615	9.72	7.46
ÖHMAN BANK S.A.	-	1 070 802	9.54	7.32
SWEDBANK ROBUR NY TEKNIK BTI	-	579 172	5.16	3.96
TREDJE AP-FONDEN	-	510 000	4.54	3.49
AMF AKTIEFOND SMÅBOLAG	-	501 585	4.47	3.43
UNIONEN	-	447 196	3.98	3.06
SKANDINAVISKA ENSKILDA BANKEN S.A., W8IMY	-	326 918	2.91	2.24
DANGOOR, DAVID	-	290 144	2.58	1.98
ANDRA AP-FONDEN	-	263 500	2.35	1.80
BANQUE PICTET & CIE SA, W8IMY	-	252 582	2.25	1.73
CBNY-NORGES BANK	-	248 388	2.21	1.70
SWEDBANK ROBUR MICROCAP	-	241 422	2.15	1.65
ÅLANDSBANKEN I ÄGARES STÄLLE	-	228 315	2.03	1.56
HANDELSBANKEN SVENSKA, SMABOLAGSFOND	-	220 000	1.96	1.50
NORDNET PENSIONSFÖRSÄKRING AB	-	212 970	1.90	1.46
RBC INVESTOR SERVICES BANK S.A.	-	210 706	1.88	1.44
CATELLA SMÅBOLAGSFOND	-	205 597	1.83	1.41
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	-	202 270	1.80	1.38
HANDELSBANKEN MICROCAP SVERIGE	-	159 707	1.42	1.09
Sub-total, 20 largest shareholders	377 736	7 673 367	71.70	78.29
Other shareholders	-	3 175 081	28.30	21.71
Total	377 736	10 848 448	100	100

Source: Euroclear Sweden

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

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, November 7, 2019

Peter Rothschild Chairman	Anthon Jahreskog Director	Margareta Hagman Director
Kristina Sjöblom Nygren Director	Eva Idén Director	Staffan Strömberg CEO

Income statement

SEK 000	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	2018 Jan-Dec
Net sales	-	-	-	-	-
Research and development costs	-11 007	-7 683	-19 774	-15 541	-39 417
Operating loss	**-11 007**	**-7 683**	**-19 774**	**-15 541**	**-39 417**
Result from financial items					
Interest income and similar profit/loss items	638	170	1 579	170	327
Interest expense and similar profit/loss items	-169	-472	-591	-1 093	-1 517
Result after financial items	**-10 538**	**-7 985**	**-18 786**	**-16 464**	**-40 607**
Result for the period *	**-10 538**	**-7 985**	**-18 786**	**-16 464**	**-40 607**

* Result for the period equals total comprehensive income

Result per share

SEK					
Result per share, before and after dilution*	-0.94	-0.71	-1.67	-1.55	-3.76
Number of shares, weighted average*	11 226 184	11 226 184	11 226 184	10 643 157	10 788 914
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, 2019, allocation of emitted shares amounted to 377 736 class A-shares carrying 10 votes per share and 10 848 448 class B-shares carrying 1 vote per share

Balance sheet

SEK 000	2019-09-30	2018-09-30	2018-12-31
ASSETS			
Non-current assets			
Intangible non-current assets			
Activated development costs	13 170	13 986	13 782
Shares in subsidiary	50	50	50
Total non-current assets	**13 220**	**14 036**	**13 832**
Current assets			
Current receivables			
Other receivables	665	8 807	7 114
Prepaid expenses and accrued income	19 575	191	255
Total current assets	20 240	8 998	7 369
Cash and cash equivalents	511 888	566 786	542 170
Total current assets	**532 128**	**575 784**	**549 539**
TOTAL ASSETS	**545 348**	**589 820**	**563 371**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	3 060	3 060	3 060
Unrestricted equity			
Share premium reserve	667 167	667 167	667 167
Accumulated losses	-113 510	-72 903	-72 903
Net loss for the period	-18 786	-16 464	-40 607
Total equity	**537 931**	**580 860**	**556 717**
Liabilities			
Current liabilities			
Accounts payable	2 809	5 543	3 507
Other current liabilities	384	304	752
Accrued expenses and prepaid income	4 224	3 113	2 395
Total current liabilities	**7 417**	**8 960**	**6 654**
TOTAL EQUITY AND LIABILITIES	**545 348**	**589 820**	**563 371**

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, 2018	**1 800**	**239 474**	**-72 903**	**168 371**
Net loss for the period			-16 464	-16 464
Total comprehensive income			**-16 464**	**-16 464**
Shareholder transactions				
Share issue	1 260	437 882		439 142
Share issue costs		-10 189		-10 189
Closing equity on Sep 30, 2018	**3 060**	**667 167**	**-89 367**	**580 860**

Opening equity on Jan 1, 2018	**1 800**	**239 474**	**-72 903**	**168 371**
Net loss for the period			-40 607	-40 607
Total comprehensive income			-40 607	-40 607
Shareholder transactions				
Share issue	1 260	437 882		439 142
Share issue costs		-10 189		-10 189
Closing equity on December 31, 2018	**3 060**	**667 167**	**-113 510**	**556 717**

Opening equity on Jan 1, 2019	**3 060**	**667 167**	**-113 510**	**556 717**
Net loss for the period			-18 786	-18 786
Closing equity on Sep 30, 2019	**3 060**	**667 167**	**-132 296**	**537 931**

Statement of cash flows

SEK 000	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	2018 Jan-Dec
Operating activities					
Operating profit/loss	-11 007	-7 683	-19 774	-15 541	-39 417
Interest income received	638	-	1 579	-	327
Paid interest costs	-169	-302	-591	-923	-1 517
Adjustment for non - cash flow affecting items:					
Depreciation production process	204	204	612	612	816
Value variance currency forward contracts	-6 499	-81	-12 473	-8 151	-8 752
Cash flow from operating activities before changes in working capital	**-16 833**	**-7 862**	**-30 647**	**-24 003**	**-48 543**
Cash flow from changes in working capital					
Increase (-)/Decrease (+) in operating receivables	-18 141	382	-12 871	-1 047	1 133
Increase (+)/Decrease (-) in operating liabilities	910	-1 357	763	2 307	1
Cash flow from operating activities	**-34 064**	**-8 837**	**-42 755**	**-22 743**	**-47 409**
Financing activities					
Share issue	-	-	-	439 142	439 142
Share issue costs	-	-972	-	-10 189	-10 189
Cash flow from financing activities	**0**	**-972**	**0**	**428 953**	**428 953**
Cash flow for the period	**-34 064**	**-9 809**	**-42 755**	**406 210**	**381 544**
Unrealized exchange rate difference in cash	6 499	-205	12 473	2 302	2 352
Cash and cash equivalents at the beginning of the period	539 453	576 800	542 170	158 274	158 274
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**511 888**	**566 786**	**511 888**	**566 786**	**542 170**

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 2018 annual report.

IBT has no transactions to report under other comprehensive income and thus presents information thereon under the income statement.

IBT entered into foreign exchange forward contracts during the second quarter 2018. Effects of these hedgings are reported in the company's financial statements at market value in the income statements item research-and development costs from the second quarter 2018 (Note 2).

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 in the income statement. Income effects are reported in the income statement item research-and development costs.

All purchased forward contracts amounting to USD 13.5m on April 18, 2018, had expired as of June 30, 2019.

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, 2019, amounted to SEK 511.9m (566.8m) of which USD amounted to SEK 129.3m (36.2m) and EUR amounted to SEK 66.0m (0.0m).

Liquidity in SEK is charged with Deposit Fees. Deposits of USD on fixed term time deposits generate interest income.

Deduction of certain key figures

	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	2018 Jan-Dec
Cash flow per share					
Cash flow for the period, 000's	-34 064	-9 809	-42 755	406 210	381 544
Average number of shares	11 226 184	11 226 184	11 226 184	10 351 643	10 788 914
Cash flow per share (SEK)	**-3.03**	**-0.87**	**-3.81**	**38.17**	**35.36**
Equity per share					
Equity, 000's	537 931	580 860	537 931	580 860	556 717
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)	**47.92**	**51.74**	**47.92**	**51.74**	**49.59**
Equity ratio					
Equity, 000's	537 931	580 860	537 931	580 860	556 717
Total equity and liabilities, 000's	545 348	589 820	545 348	589 820	563 371
Equity ratio %	**99%**	**98%**	**99%**	**98%**	**99%**

Review Report

Introduction
We have reviewed the interim report for Infant Bacterial Therapeutics AB (publ) for the period January 1 - September 30, 2019. 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, November 7, 2019

Deloitte AB

Birgitta Lööf
Authorized Public Accountant