

Press Release August 28, 2017

Infant Bacterial Therapeutics AB (publ) Interim Management Statement, January 1 – June 30, 2017

Message from the CEO

IBT are currently in the completion stage of the phase II clinical trial (NCT02472769) and are concurrently working with preparations for a subsequent phase III clinical trial. The phase II clinical trial is a placebo controlled safety and tolerability study and part of the clinical program for IBP-9414. The final patient, of in total 120, was recruited on January 23, 2017 which means that patient follow-up is terminated and that results from the study are expected during the autumn of this year.

IBT is continuing the work to prepare for the application for admittance for trading of IBT's class B shares on the main marketplace, Nasdaq Stockholm. One step toward Nasdaq Stockholm main marketplace was IBT's application of listing on Nasdaq First North Premier, and completion of such listing change on March 14, 2017.

As previously stated, the phase III study will require additional capital. IBT is working very actively with several potential financing possibilities and partners who can contribute resources for the continuing development program.

Staffan Strömberg
CEO

Financial summary

SEK 000's	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-jun	2016 Jan-Dec
Net sales	121	-	238	-	162
Operating profit/loss	-13 826	-10 975	-22 510	-16 078	-38 090
Result after tax	-13 827	-11 119	-22 511	-16 284	-38 106
Total assets	92 224	133 127	92 224	133 127	110 109
Cash flow for the period	-8 350	78 755	-17 463	71 973	49 375
Cash	76 323	116 384	76 323	116 384	93 786
Earnings per share, weighted average, before and after dilution (SEK)	-2,51	-2,84	-4,09	-6,44	-8,42
Equity per share (SEK)	15,19	23,08	15,19	23,08	19,12
Equity ratio (%)	91%	95%	91%	95%	96%

Significant events during the second quarter 2017

- A subsidiary was established in May to manage share based incentive programs
- All personnel subscribed their allotment in a new share based incentive program
- Eva Idén and Anthon Jahreskog were elected new board members at the AGM

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Significant events during the reporting period January – June 2017

- In January 2017, all 120 patients were included in the Company's phase II clinical trial in IBP-9414 (NCT02472769)
- IBT's series B shares were listed on Nasdaq First North Premier on March 14

Significant events after the reporting period

- No significant events have occurred after the reporting period

Infant Bacterial Therapeutics AB (publ) Interim Report is now available on the company's website www.ibtherapeutics.com.

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 can afflict 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.

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

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