

**Infant Bacterial Therapeutics AB (publ)****Interim report January 1-June 30, 2022****Second quarter (Apr-Jun) 2022**

- Net sales KSEK 0 (0)
- Operating income KSEK 1 758\* (-29 164)
- Earnings per share before and after dilution SEK 0.15 (-2.60)

**Reporting period (Jan-Jun) 2022**

- Net sales KSEK 0 (0)
- Operating income KSEK -17 305\* (-28 712)
- Earnings per share before and after dilution SEK -1.56 (-2.56)

\* Operational income includes exchange rate effects on foreign currency deposits for the purpose of securing future outflows during the second quarter amounting to KSEK 19 979 (-5 876) and during the reporting period amounting to KSEK 26 231 (6 237)

**Significant events during the second quarter (Apr-Jun)**

- At the Annual General Meeting on May 4th 2022, Robert Molander resigned from the Board at his own request. At the same time, Robert transferred to an operational role as Chief Commercial Officer within the management team for the company.
- On June 30, IBT announced that Maria Ekdahl has been appointed as new CFO effective on September 19, 2022, pursuant to Michael Owens' retirement.

**Significant events during the reporting period (Jan-Jun)**

- On January 10, IBT announced that the Australian Patent Office has granted a patent entitled: "A method of activating lactic acid bacteria".
- On January 19, IBT announced that The Connection Study continues after the Data Monitoring Committee (DMC) had completed its pre-scheduled safety analysis without any concerns. At the same time a futility analysis was performed. Based on DMC recommendations and futility outcome, IBT is continuing the recruitment to the study as planned.

**Significant events after the reporting period**

- No other significant events have occurred after the reporting period.

**Selected financial data**

ooo's SEK	2022	2021	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	-	-	-	-	-
Other income	-	31	3	94	94
Operating profit/loss	1 758	-29 164	-17 305	-28 712	-44 578
Result after tax	1 648	-29 165	-17 553	-28 714	-44 991
Total assets	400 007	429 414	400 007	429 414	408 478
Cash flow for the period	-28 182	-10 816	-39 007	-20 609	-55 532
Cash flow per share for the period (SEK)	-2.51	-0.96	-3.47	-1.84	-4.95
Cash	373 976	409 066	373 976	409 066	386 752
Earnings per share before and after dilution (SEK)	0.15	-2.6	-1.56	-2.56	-1.44
Equity per share (SEK)	33.81	36.66	33.81	36.66	35.21
Equity ratio	95%	96%	95%	98%	97%

**Message from the CEO**

Our IBP-9414 clinical phase III development program is progressing well. We have seen an overall acceleration of recruitment rates and, as mentioned previously, have been working on numerous activities to expedite the execution of our study. It is particularly satisfying to note that the recruitment momentum is picking up at the European hospitals. Today, we have recruited 1,102 children, thus slightly more than half of the children that we will include in the study. During the summer months, we have targeted about 50 children a month and I expect that we will recruit 600 children in total during 2022. Today, the study is open to the smallest children in cohort A (birth weight between 500 grams to 749 grams) as well as the slightly larger children in cohort B (birth weight from 750 grams to 1,000 grams). Once we have recruited 1,400 children, the plan is, in accordance with our clinical protocol, to open cohort C (birth weight from 1,001 grams to 1,500 grams), which is expected to increase the recruitment rate further. Our hope is thus to complete the recruitment of the 2,158 planned children in 2023. IBT's existing capital is still expected to be sufficient to carry out the entire phase III study, as planned.

As far as the scientific side is concerned, I can report that we continuously review the safety data that we obtain from the study and can summarize that what is occurring in the study thus far is in line with the expected outcome from a safety point of view. We have also published information documenting how Sustained Feeding Tolerance is linked with clinical observations doctors make when treating premature babies, "Correlating Sustained Feeding Tolerance (SFT) to adverse outcomes during randomized administration of *L. reuteri* for the prevention of necrotizing enterocolitis (NEC) and improved feeding tolerance in preterm infants: The CONNECTION TRIAL", during the month of May at the Pediatrics Academic Society (PAS) meeting in Colorado, USA.

Regarding market launch preparations, negotiations are ongoing to secure large-scale production capacity of IBP-9414 in time for commercialization. Concurrent discussions are progressing with several potential partners who have shown interest in the right to distribute our product. We are now considering what is best for the company from a long-term perspective.

During the first half of 2022, as we prepare the company for the future, we have also focused on the documentation and processes that covers ESG (Environmental, Social and Governance) aspects. Documentation describing processes within the company has been reviewed and supplemented, where necessary. When the internal ESG work was completed, we applied for membership in the UN's (United Nations) Global Compact and on 9 May 2022, IBT obtained membership status. NASDAQ has also reviewed our initiative to become more transparent regarding ESG and during the reporting period IBT officially became classified as a "NASDAQ ESG Transparency Partner".

We look forward to welcoming Maria Ekdahl who has been appointed as the new Chief Financial Officer (CFO), starting September 19, 2022, and express our sincere appreciation towards Michael Owens for his contributions during the past 10 years.

In conclusion, I would like to take this opportunity to thank all the staff and experts around the world who with great commitment help us pursue our vision through the development of pharmaceutical grade probiotics, especially with IBP-9414 which may play a very significant role for premature babies.

Stockholm, August 25, 2022

Staffan Strömberg  
CEO

## **IBT in brief**

Infant Bacterial Therapeutics AB (“IBT”) is a public company domiciled in Stockholm. The company’s Class B shares are since September 10, 2018, listed on Nasdaq Stockholm (IBT B).

Infant Bacterial Therapeutics AB (publ) (“IBT”) is a pharmaceutical company with a product in clinical phase III, 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. The ambition for IBP-9414 is to become the world’s first approved probiotic drug with the goal to prevent life threatening diseases in premature infants including NEC and sepsis by promoting sound stomach and bowel development 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 currently also includes an additional 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 preventative or treatment therapies available.

## **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 birthweight 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 and demonstrated that IBP-9414 was safe and tolerated by premature infants with birthweights 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 is 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 birthweights of 1,500 grams or less.

## **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 has not yet concluded any clinical development of any pharmaceutical 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. The currencies against which IBT has the greatest exposure are USD and EUR.

Currency risk is the risk that the value of assets and liabilities fluctuate due to changes in exchange rates. Should the SEK increase or depreciate versus the specific currency, it could have a significant impact on the Company's financial position and results. The company has deposits in foreign currencies and an increase in the SEK generates a negative currency effect (see Notes 1, 2 and 3).

Capital 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 2021 and IBT's Rights Issue Prospectus dated January 10, 2018 on the Company's homepage [www.ibtherapeutics.com](http://www.ibtherapeutics.com).

## Financial calendar

Interim report January - September 2022	November 10, 2022
Year-end report 2022	February 10, 2023
Annual report 2022	March 2023
Interim report January – March 2023	May 8, 2023
Annual General Meeting	May 8, 2023
Interim report January – June 2023	August 25, 2023

## Contact persons

Staffan Strömberg, CEO

## Contact information

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## Publication

The Report was submitted for publication, by the CEO, at 08.00 on August 25, 2022.

## Financial development – second quarter (April - June) 2022

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 ongoing IBP-9414 clinical trial are reported net of exchange rate effects on foreign currency deposits. Exchange rate effects during the second quarter amounted to KSEK 19,979 (-5,876). (Note 1, 2).

Operational costs amounted to KSEK 18,221 (23,288) prior to exchange rate effects on foreign currency deposits, and after exchange rate effects to KSEK -1,758 (29,164).

Costs for the ongoing IBP-9414 clinical trial amounted to KSEK 8,752 (16,283) prior to exchange rate effects.

Personnel costs amounted to KSEK 8,129 (4,420). Personnel costs increased during the reporting period compared to the equivalent period in the previous year due to payment of bonuses related to the new share-based incentive program.

Other external costs amounted to KSEK 1,340 (2,585).

### Result and financial position

Operational result amounted to KSEK 1,758 (-29,164) and result after financial items amounted to KSEK 1,648 (-29,165) KSEK.

Result after tax amounted to 1,648 (-29,165) KSEK.

Result per share prior and after dilution amounted to 0.15 (-2.60) SEK.

Cash flow for the period amounted to KSEK -28,182 (-10,816). Cash flow per share amounted to -2.51 (-0.96) SEK. Cash flow per share excluding proceeds from warrants amounted to -2.68 (-0.96) SEK.

## Financial development – reporting period (January - June) 2022

### Costs

Costs for the ongoing IBP-9414 clinical trial are reported net of exchange rate effects on foreign currency deposits. Exchange rate effects during the fourth quarter amounted to KSEK 26,231 (6,237.) (Note 1, 2).

Operational costs amounted to KSEK 43,539 (34,843) prior to exchange rate effects on foreign currency deposits, and after exchange rate effects to KSEK 17,308 (28,606).

Costs for the ongoing IBP-9414 clinical trial amounted to KSEK 29,248 (23,858) prior to exchange rate effects.

Personnel costs amounted to KSEK 11,126 (8,210). Personnel costs have increased during the reporting period compared to the equivalent period in the previous year due to bonuses related to the new share-based incentive program.

Other external costs amounted to KSEK 3,165 (3,289).

### Result and financial position

Operational result amounted to KSEK -17,305 (-28,712) and result after financial items amounted to KSEK -17,553 (-28,714).

Result after tax amounted to -17,553 (-28,714) KSEK.

Result per share prior and after dilution amounted to -1.56 (-2.56) SEK.

Cash flow for the period amounted to KSEK -39,007 (-20,609). Cash flow per share amounted to -3.47 (-1.84) SEK. Cash flow per share excluding proceeds from warrants amounted to -3.64 (-1.84) SEK.

Prepaid expenses amounted to approximately MSEK 10,890 (6,704) and mainly refer to contractual milestone payments to the company's CRO and CMC manufacturers referring to non-fulfilled commitments which are reported as a receivable in the balance sheet.

Accrued expenses amounted to approximately MSEK 13,678 (11,576) mainly referring to research- and development and personnel costs.

The Company's cash balance on June 30, 2022, amounted to KSEK 373,976 compared to KSEK 386,752 on December 31, 2021.

The Company's shareholder's equity on June 30, 2022, amounted to KSEK 379,605 compared to KSEK 395,254 on December 31, 2021. Shareholder's equity per share on June 30, 2022, amounted to SEK 33.81 compared to SEK 35.21 on December 31, 2021.

The Company's equity ratio on June 30, 2022, amounted to 95% compared to 97% on December 31, 2021.

Operational costs in total prior to exchange rate gains increased during the reporting period compared to the previous year.

Costs for the ongoing clinical study increased regarding production of clinical trial material, trial insurance coverage, patient recruitment and dosing in the ongoing phase III study which was initiated in 2019.

Personnel costs increased during the reporting period than during the equivalent period in the previous year due to bonuses related to the new share-based incentive program. Bonuses amounted to approximately MSEK 3.9.

On a rolling twelve-month period, the company had 8 (9) full time equivalent employees. The company had 8 (8) employees on the balance sheet date.

Other external costs during the reporting period decreased compared to the equivalent period during the previous year which included consulting fees regarding market analysis.

IBT has during November 2017 and 2018 raised approximately MSEK 528. after transaction costs in new share issues. Capital raised 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 2021 amounting to approximately MSEK 305 (260). 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, 2022, and June 30, 2022, respectively, the total number of shares amounted to 11,226,184 shares of which 377,736 class A-shares carrying ten votes and 10,848,448 class B-shares carrying one vote.

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

IBT's closing share price on June 30, 2022, amounted to 62,00 SEK.

Analysts covering IBT:

SEB, Christopher W. Uhde, PhD, Carl Mellerby, Mattias Vadsten

### Ownership June 30, 2022

Name	Class		Share capital %	Votes %
	A-shares	B-shares		
ANNWALL & ROTHSCHILD INVESTMENT AB	377,736	410,478	7.02	28.63
SIX SIS AG, W8IMY	-	1,210,161	10.78	8.27
FJÄRDE AP-FONDEN	-	1,120,000	9.98	7.66
SWEDBANK ROBUR FONDER	-	555,570	4.95	3.8
AMF FÖRSÄKRING OCH FONDER	-	555,570	4.95	3.8
TREDJE AP-FONDEN	-	501,585	4.47	3.43
ÅLANDSBANKEN ABP (FINLAND) SWEDISH BRANCH	-	327,328	2.92	2.24
SKANDINAVISKA ENSKILDA BANKEN AB, W8IMY	-	325,104	2.9	2.22
UNIONEN	-	322,196	2.87	2.2
DANGOOR, DAVID	-	306,421	2.73	2.1
Total 10 largest shareholders	377,736	5,580,422	53.07	63.98
Other shareholders	-	5,268,026	46.93	36.02
<b>Total</b>	<b>377,736</b>	<b>10,848,448</b>	<b>100</b>	<b>100</b>

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, August 25, 2022

Peter Rothschild  
Chairman

Anthon Jahreskog  
Director

Margareta Hagman  
Director

Eva Idén  
Director

Kristina Sjöblom Nygren  
Director

Staffan Strömberg  
CEO

This report has not been subject to review by the company's auditor.

### Income statement

SEK 000	2022	2021	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	-	-	-	-	-
Other income		31	3	94	94
Research and development costs	1 758	-29 195	-17 308	-28 806	-44 672
<b>Operating loss</b>	<b>1 758</b>	<b>-29 164</b>	<b>-17 305</b>	<b>-28 712</b>	<b>-44 578</b>

### Result from financial items

Interest income and similar profit/loss items	-	-	-	-	-
Interest expense and similar profit/loss items	-110	-1	-248	-2	-413
<b>Result after financial items</b>	<b>1 648</b>	<b>-29 165</b>	<b>-17 553</b>	<b>-28 714</b>	<b>-44 991</b>

<b>Result for the period*</b>	<b>1 648</b>	<b>-29 165</b>	<b>-17 553</b>	<b>-28 714</b>	<b>-44 991</b>
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\* Result for the period equals total comprehensive income

### Result per share

	SEK				
Result per share, before and after dilution*	0.15	-2.6	-1.56	-2.56	-4.91
Number of shares, weighted average*	11 226	11 226	11 226	11 226	11 226
	184	184	184	184	184
Number of shares at end of period **	11 226	11 226	11 226	11 226	11 226
	184	184	184	184	184

\* No dilution effects exist

\*\*On June 30, 2022, allocation of emitted shares amounted to 377,736 A-shares carrying 10 votes per share and 10,848,448 B-shares carrying 1 vote per share

**Balance sheet**

SEK 000	Note	6/30/22	6/30/21	12/31/21
<b>ASSETS</b>				
<b>Non-current assets</b>				
<i>Intangible non-current assets</i>				
Activated development costs		10 926	11 742	11 334
Shares in subsidiary		70	50	50
<b>Total non-current assets</b>		<b>10 996</b>	<b>11 792</b>	<b>11 384</b>
<b>Current assets</b>				
<i>Current receivables</i>				
Accounts receivable		3	-	-
Other receivables		4 142	1 852	1 202
Prepaid expenses and accrued income		10 890	6 704	9 140
<b>Total current assets</b>		<b>15 035</b>	<b>8 556</b>	<b>10 342</b>
Cash and cash equivalents	2, 3	373 976	409 066	386 752
<b>Total current assets</b>		<b>389 011</b>	<b>417 622</b>	<b>397 094</b>
<b>TOTAL ASSETS</b>		<b>400 007</b>	<b>429 414</b>	<b>408 478</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<i>Restricted equity</i>				
Share capital		3 060	3 060	3 060
<i>Unrestricted equity</i>				
Share premium reserve		670 926	669 019	669 022
Accumulated losses		-276 828	-231 837	-231 837
Net loss for the year		-17 553	-28 714	-44 991
<b>Total equity</b>		<b>379 605</b>	<b>411 528</b>	<b>395 254</b>
<b>Liabilities</b>				
<i>Current liabilities</i>				
Accounts payable		6 535	5 985	4 797
Other current liabilities		189	325	779
Accrued expenses and prepaid income		13 678	11 576	7 648
<b>Total current liabilities</b>		<b>20 402</b>	<b>17 886</b>	<b>13 224</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>400 007</b>	<b>429 414</b>	<b>408 478</b>

**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
<b>Opening equity on Jan 1, 2021</b>	<b>3 060</b>	<b>668 931</b>	<b>-231 837</b>	<b>440 154</b>
<b>Net income for the period</b>			<b>-28 714</b>	<b>-28 714</b>
<b>Total comprehensive income</b>			<b>-28 714</b>	<b>-28 714</b>
<b>Shareholder transactions</b>				
<b>Warrants</b>		<b>88</b>		<b>88</b>
<b>Closing equity on Jun 30, 2021</b>	<b>3 060</b>	<b>669 019</b>	<b>-260 551</b>	<b>411 528</b>
<b>Opening equity on Jan 1, 2021</b>	<b>3 060</b>	<b>668 931</b>	<b>-231 837</b>	<b>440 154</b>
<b>Net loss for the year</b>			<b>-44 991</b>	<b>-44 991</b>
<b>Total comprehensive income</b>			<b>-44 991</b>	<b>-44 991</b>
<b>Shareholder transactions</b>				
<b>Warrants</b>		<b>91</b>		<b>91</b>
<b>Closing equity on Dec 31, 2021</b>	<b>3 060</b>	<b>669 022</b>	<b>-276 828</b>	<b>395 254</b>
<b>Opening equity on Jan 1, 2022</b>	<b>3 060</b>	<b>669 022</b>	<b>-276 828</b>	<b>395 254</b>
<b>Net income for the period</b>			<b>-17 553</b>	<b>-17 553</b>
<b>Total comprehensive income</b>			<b>-17 553</b>	<b>-17 553</b>
<b>Shareholder transactions</b>				
<b>Warrants</b>		<b>1 904</b>		<b>1 904</b>
<b>Closing equity on Jun 30, 2022</b>	<b>3 060</b>	<b>670 926</b>	<b>-294 381</b>	<b>379 605</b>

**Statement of cash flows**

SEK 000	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
<b>Operating activities</b>					
Operating profit/loss	1 758	-29 164	-17 305	-28 712	-44 578
Interest income received	-	-	-	-	-
Paid interest costs	-110	-1	-248	-2	-413
Adjustment for non - cash flow affecting items:					
Depreciation production process	204	204	408	408	816
Value variance currency accounts	-19 979	5 876	-26 231	-6 237	-18 846
<b>Cash flow from operating activities before changes in working capital</b>	<b>-18 127</b>	<b>-23 085</b>	<b>-43 376</b>	<b>-34 543</b>	<b>-63 021</b>
<b>Cash flow from changes in working capital</b>					
Increase (-)/Decrease (+) in operating receivables	1 553	4 829	-4 693	6 124	4 338
Increase (+)/Decrease (-) in operating liabilities	-13 512	7 440	7 178	7 722	3 060
<b>Cash flow from operating activities</b>	<b>-30 086</b>	<b>-10 816</b>	<b>-40 891</b>	<b>-20 697</b>	<b>-55 623</b>
<b>Financing activities</b>					
Shareholder contribution IBT Baby AB	-	-	-20	-	-
Warrants	1 904	-	1 904	88	91
<b>Cash flow from financing activities</b>	<b>1 904</b>	<b>0</b>	<b>1 884</b>	<b>88</b>	<b>91</b>
<b>Cash flow for the period</b>	<b>-28 182</b>	<b>-10 816</b>	<b>-39 007</b>	<b>-20 609</b>	<b>-55 532</b>
Unrealized exchange rate difference in cash	19 979	-5 876	26 231	6 237	18 846
Cash and cash equivalents at the beginning of the period	382 179	425 758	386 752	423 438	423 438
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>373 976</b>	<b>409 066</b>	<b>373 976</b>	<b>409 066</b>	<b>386 752</b>

**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 2021 annual report. New principles are not expected to impact the company's financial reports.

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

IBT has deposits in foreign currencies. Effects of foreign currency exchange rates are reported in the company's financial statements at market value in the income statements item research-and development costs (Notes 2 and 3).

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 hierarchy 1 in the income statement. Income effects are reported in the income statement item research-and development costs.

## 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 on June 30, 2022, amounted to MSEK 374.0 (409.1) of which USD amounted to MSEK 208.3 (208.7) and EUR amounted to MSEK 39.8 (50.6).

## Note 4 Share based incentive programs:

IBT had on the balance sheet date, June 30, 2022, two outstanding warrant programs.

### Warrants 2017/2022

The warrants have expired during the second quarter 2022 with no subscriptions as the strike price was in excess of the current market share price.

### Warrants 2020/2024

As below and as described in the 2021 Annual report.

Warrant holders 2020/2024	Number allotted 2022-06-30	Number issued 2022-06-30	Number allotted 2021-06-30	Number allotted 2021-12-31
Staffan Strömberg, CEO	50 000	50 000	50 000	50 000
Anders Kronström	40 000	40 000	40 000	40 000
Other Employees	154 073	154 073	144 073	154 073
<b>Total</b>	<b>244 073</b>	<b>244 073</b>	<b>234 073</b>	<b>244 073</b>

### Warrants 2022/2025

On May 4, 2022, the Annual General Meeting decided on an incentive program by designated issue of warrants to the subsidiary IBT Baby AB. The maximum number of warrants to be issued are 305 400.

In June, 2022, 272 000 warrants were allotted at market terms at a price determined by calculating market price at the time of issue using the Black & Scholes method of valuation.

The holder of warrants may during the period from June 1, 2025 through September 30, 2025, for each warrant subscribe for one point one (1) new class B share in the company at a subscription price per share amounting to SEK 129,56. On the balance sheet date, June 30, 2022, a total of 272 000 warrants had been allotted. The remaining 32 500 warrants have not been issued.

The warrants are subject to first right of refusal stipulating that the warrants shall be sold back to IBT Baby AB should the employee, from the date of signing, terminate employment within one year by 100%, within two years by 75%, within three years by 50%, and after three years the holder may keep the warrants.

Based on the existing number of shares the dilution resulting from the adopted incentive program, provided that all warrants are utilized for subscription of class B-shares, amounts to approximately 2.37 percent of shares, and 1.83 percent of votes.

The warrants carry no dividend rights. The warrants are issued at market value and have thus, have not resulted in any benefits which require accruals for social costs in the parent company. The subscription price per share exceeds the market price of IBT's share on the balance sheet date which means that the warrants do not cause any dilution when calculating result per share.

Bonus to the eligible warrant holders has been paid during the second quarter 2022. IBT's costs relating to bonus including social costs has during the second quarter amounted to approximately MSEK 5.5. The net amount after tax has in its entirety been paid to IBT Baby AB for the allotted warrants and remitted to IBT.

Total market price for the 272 000 allotted warrants during the second quarter 2022 amounted to 1 904 KSEK which is reported directly as shareholders equity in IBT.

<b>Warrant holders 2022/2025</b>	<b>Number tallotted 2022-06-30</b>	<b>Number issued 2022-06-30</b>	<b>Number allotted 2021-12-31</b>	<b>Number issued 2021-12-31</b>
Staffan Strömberg, CEO	120 000	120 000	0	0
Anders Kronström	75 000	75 000	0	0
Robert Molander	20 000	20 000	0	0
Other employees	57 000	57 000	0	0
<b>Total</b>	<b>272 000</b>	<b>272 000</b>	<b>0</b>	<b>0</b>

#### IBT's two outstanding warrant programs in summary:

<b>Issued warrants, year</b>	<b>Number allotted</b>	<b>Strike price</b>	<b>Value per allotted warrant</b>	<b>Volatiitiy, %*</b>	<b>Risk free interest, %</b>	<b>Value per share, weighted average</b>	<b>Expiry, year</b>
2020 (2020/2024)	87 543	400	14,24	40	-0,3	170	2024
2020 (2020/2024)	97 484	400	4,86	40	-0,3	125	2024
2021 (2020/2024)	49 046	400	1,78	40	-0,3	105	2024
2021 (2020/2024)	10 000	400	0,29	40	-0,3	81	2024
2022 (2022/2025)	272 000	129,56	7	40	1,32	66,90	2025
<b>Total</b>	<b>516 073</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Expected future volatility is ascertained by comparison of historical average and median values for comparable listed companies in the same sector as IBT based on analysis in S&P Capital IQ.

## Note 5 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 KSEK 300 per annum, and KSEK 400 annually as operational Chairman.

Bonuses were paid during the second quarter to Staffan Strömberg amounting to KSEK 1 953, Anders Kronström KSEK 1 221 and to Robert Molander amounting to KSEK 187 related to the share based incentive program warrants 2022/2025.

Mr. Robert Molander invoiced consulting fees amounting to KSEK 915. Consulting fees refer mainly to commercialization of IBP-9414. No other significant related party transactions have occurred.

## Note 6 Alternative key figures

The company presents some financial measures in the interim report that are not defined in accordance with IFRS. The company believes that these measures provide valuable supplementary information to investors and the company's management as they enable evaluation of the company's presentation. Since not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should therefore not be seen as a substitute for measures defined in accordance with IFRS. The key ratios below are not defined in accordance with IFRS unless otherwise stated. For definitions and other reasons, refer to the Annual Report 2021.

### Deduction of certain key figures

	2022	2021	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
<b>Cash flow per share</b>					
Cash flow for the period, 000's	-28 182	-10 816	-39 007	-20 609	-55 532
Average number of shares	11 226 184	11 226 184	11 226 184	11 226 184	11 226 184
<b>Cash flow per share (SEK)</b>	<b>-2.51</b>	<b>-0.96</b>	<b>-3.47</b>	<b>-1.84</b>	<b>-4.95</b>
<b>Equity per share</b>					
Equity, 000's	379 605	411 528	379 605	411 528	395 254
Number of shares at end of period	11 226 184	11 226 184	11 226 184	11 226 184	11 226 184
<b>Equity per share (SEK)</b>	<b>33.81</b>	<b>36.66</b>	<b>33.81</b>	<b>36.66</b>	<b>35.21</b>
<b>Equity ratio</b>					
Equity, 000's	379 605	411 528	379 605	411 528	395 254
Total equity and liabilities, 000's	400 007	429 414	400 007	429 414	408 478
<b>Equity ratio %</b>	<b>95%</b>	<b>96%</b>	<b>95%</b>	<b>96%</b>	<b>97%</b>