Message from the CEO

The third quarter was dominated by extensive preparatory work relating to the planned phase III study, called “The Connection Study”. In addition to choosing the CRO (Premier Research) we have strengthened our own organization to be able to handle the large study of more than 2,000 pre-term infants. The preparations are considerable, as this work is characterized by coordination of the development program with the EMA and the FDA with the aim to achieve an identical basis for registration of IBP-9414 within both the EU and the USA. Our experience from the completed phase II study has contributed valuable insight that we utilize when designing the protocol for the phase III study. IBTs organization is continuously developing to comply with the demands relating to the Connection Study. The plan, as stated previously, is to initiate the phase III study during the fourth quarter of this year.

IBT is working together with the FDA in the Critical Path Initiative (CPI), which aims to reform pharmaceutical development. In September IBT, in addition to IBTs Principal Investigator, Dr. Josef Neu, participated at the FDAs Microbiome Symposium (Science and Regulation of Live Microbiome-Based Products). Dr. Neu, a member of IBTs Advisory Board, held a lecture on NEC and treatment of NEC. We also plan to participate in several international investor conferences, among others the Nordic-American Life Science Conference in New York in November to further promote awareness of IBT.

In addition, we are continuously in contact with several companies to identify the right partners for marketing and distribution of the pharmaceutical.

During the quarter IBT concluded the planned listing change and the Company’s B shares were admitted to trading on Nasdaq Stockholm’s mid-cap list on September 10.

Stockholm November 14, 2018

Staffan Strömberg,
Chief Executive Officer

Selected financial data

<table>
<thead>
<tr>
<th>000's</th>
<th>2018 Jul-Sep</th>
<th>2018 Jan-Sep</th>
<th>2017 Jul-Sep</th>
<th>2017 Jan-Sep</th>
<th>2017 Jan-Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>238</td>
<td>238</td>
</tr>
<tr>
<td>Operating profit/loss</td>
<td>-7,683</td>
<td>-15,541</td>
<td>-27,082</td>
<td>-36,141</td>
<td></td>
</tr>
<tr>
<td>Result after tax, SEK</td>
<td>-7,965</td>
<td>-16,464</td>
<td>-27,097</td>
<td>-36,156</td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>589,820</td>
<td>589,820</td>
<td>83,006</td>
<td>83,006</td>
<td>175,024</td>
</tr>
<tr>
<td>Cash flow for the period (SEK)</td>
<td>-10,014</td>
<td>-9,147</td>
<td>408,512</td>
<td>-26,610</td>
<td>64,488</td>
</tr>
<tr>
<td>Cash flow per share for the period (SEK)</td>
<td>-0.89</td>
<td>-1.66</td>
<td>39.46</td>
<td>-4.83</td>
<td>11.53</td>
</tr>
<tr>
<td>Cash</td>
<td>566,786</td>
<td>566,786</td>
<td>67,176</td>
<td>67,176</td>
<td>158,274</td>
</tr>
<tr>
<td>Earnings per share before and after dilution (SEK)</td>
<td>-0.71</td>
<td>-0.78</td>
<td>-1.55</td>
<td>-4.61</td>
<td>-6.05</td>
</tr>
<tr>
<td>Equity per share (SEK)</td>
<td>51.74</td>
<td>51.74</td>
<td>14.36</td>
<td>14.36</td>
<td>25.5</td>
</tr>
<tr>
<td>Equity ratio (%)</td>
<td>98%</td>
<td>98%</td>
<td>95%</td>
<td>95%</td>
<td>96%</td>
</tr>
</tbody>
</table>

* Operational costs for the third quarter include exchange rate loss on forward currency contracts and currency deposits amounting to -286 (0) KSEK, operational costs amounted to 7 397 (4 571) KSEK prior to exchange rate loss. Operational costs...
Press Release November 14, 2018

for the nine-month period include exchange rate gains on forward currency contracts and forward currency deposits amounting to 10 453 (0) KSEK, operational costs amounted to 25 994 (27 320) KSEK prior to exchange rate gains (Note 2)

**Significant events during the third quarter (Jul-Sep) 2018**

- IBT series B shares are traded on Nasdaq Stockholm, Mid Cap, since September 10, 2018 (IBT B)

**Significant events during the reporting period (Jan-Sep) 2018**

- On January 8, 2018, the EGM decided on a new share issue amounting to SEK 439.1m prior to transaction costs and on January 31 the share issue was fully subscribed
- On May 15, 2018, the annual general meeting elected Kristina Sjöblom Nygren and Lilian Henningson Wikström as new board members, and Jan Annwall resigned from the board
- In June 2018, IBT contracted Premier Research International LLC, the company’s CRO during the phase II clinical trial, to also conduct the company’s phase III clinical trial

**Significant events after the reporting period**

- No significant events have occurred after the reporting period

**About Infant Bacterial Therapeutics AB**

Infant Bacterial Therapeutics AB (publ) (“IBT”) is a clinical stage pharmaceutical company with a vision to develop drugs influencing the infant microbiome, and thereby prevent or treat rare diseases affecting infants.

IBT is developing drug candidate IBP-9414 to prevent necrotizing enterocolitis (NEC), a devastating and often fatal disease in premature infants. IBP-9414 contains the active substance *Lactobacillus reuteri*, which is a human bacterial strain naturally present in breast milk. IBT has an additional project in its portfolio, a second rare disease program, IBP-1016, for the treatment of an unmet medical need in gastrochisis, a severe disease in 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.

Infant Bacterial Therapeutics (IBT B) shares are listed on Nasdaq Stockholm.

**For additional information, please contact**

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**Publication**

This information is information that Infant Bacterial Therapeutics AB 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 Stockholm. The information was submitted for publication, through the agency of the contact person set out above, at 8.00 CET on November 14, 2018.