

## Infant Bacterial Therapeutics AB (publ)

### Interim report January 1 - September 30, 2023

#### Third quarter (Jul-Sep) 2023

- Net sales KSEK 0 (0)
- Operating income KSEK -33 718\* (-7 746)
- Earnings per share before and after dilution SEK -2.31 (-0.69)

#### Reporting period (Jan-SEP) 2023

- Net sales KSEK 0 (0)
- Operating income KSEK -88 965\* (-25 051)
- Earnings per share before and after dilution SEK -6.86 (-2.26)

\* Operational income includes exchange rate effects on foreign currency deposits to secure future outflows during the third quarter amounting to KSEK -448 (17 220) and during the reporting period amounting to KSEK 7 313 (43 451)

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

- On July 3rd, 2023, IBT announced that the product IBP-1016 for gastroschisis has been granted Orphan Drug Designation.
- On July 4, 2023, IBT announced the outcome of the rights issue. The issue provided IBT with approximately SEK 101 million before deduction of transaction costs. After the rights issue, the number of shares and votes in the company changed. The new number of shares now amounts to 13,471,420, of which 453,283 A-shares and 13,018,137 B-shares.

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

- On January 12, 2023, it was announced that IBT acquired a pharmaceutical platform that can prevent antibiotic-resistant hospital infections.
- In January 2023, IBT published new results in the British Journal of Gastroenterology validating "Sustained Feeding Tolerance" (SFT) as a relevant primary endpoint in "The Connection Study".
- In March 2023, IBT announced the opening of the final cohort for recruitment, with 1400 patients enrolled in the study. This third cohort will include infants with birth weight between 1001 grams and 1500 grams.
- On May 16, 2023, IBT decided on a rights issue and called for an Extraordinary General Meeting of shareholders.
- On June 9, 2023, the Extraordinary General Meeting resolved to approve the Board's decision to increase the share capital by issuing new shares with pre-emptive rights for the company's shareholders.
- On June 15, 2023 IBT announced that the European Patent Office has approved its patent application for *Lactobacillus reuteri*. The patent covers the drug candidate IBP-9414
- On June 21, 2023, it was announced that the Data Monitoring Committee (DMC) conducted a planned safety analysis, without objections. At the same time, a planned futility analysis was also conducted and was positive, which means that IBT is continuing the study as planned.

## Selected financial data

000's	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Net Sales	-	-	-	-	-
Other income	64	-	77	3	12
Operating profit / loss	-33 718	-7 746	-88 965	-25 051	-65 808
Result after tax	-30 888	-7 782	-82 176	-25 335	-65 451
Total assets	386 715	396 361	386 715	396 361	349 619
Cash flow for the period	66 701	-22 864	24 053	-61 870	-83 911
Cash flow per share for the period (SEK)	4.99	-2.04	2.01	-5.51	-7.47
Cash	367 207	368 331	367 207	368 331	335 840
Earnings per share before and after dilution (SEK)	-2.31	-0.69	-6.86	-2.26	-5.83
Equity per share (SEK)	25.69	33.12	25.69	33.12	29.55
Equity ratio (%)	89%	94%	89%	94%	95%

## Message from the CEO

The third quarter has been very eventful for IBT.

In July IBT received a capital injection of 101 MSEK from our shareholders. The funds will be used for preparations leading up to the launch of our most advanced product, IBP-9414, which is currently in the final stages of Phase III. In addition, the funds will also be used to initiate the development work of our other development projects which are in the earliest phase of pharmaceutical development. We have initiated these activities and enhanced our US team with two individuals, one within the framework of commercial readiness with a focus on our well-established KOL-network. The other person is focused on the early development projects. One of the early projects we have advanced during Q3 is our ROP (IBP-1118) which aims to prevent ROP, an eye condition affecting prematurely born infants, often leading to blindness. We have completed an expert meeting in Rome which resulted in an IBT development plan for the IBP-1118 project. We will next establish a preclinical plan as well as understand the commercial aspects. Once completed the full development plan will be discussed with the authorities and then will it be time to move from words to action. IBT aims to have a full development plan covering all steps through approval prior to initiating tangible development work such as clinical studies. Our development project IBP-1222, which is conducted in collaboration with the Medical College of Wisconsin, aims to develop a medication to treat antibiotic-resistant bacteria. We anticipate that the patent protection for the IBP-1222 project will be strengthened when the European patent is soon set to take effect. Once the European patent is granted, the plan is to allocate additional resources to the project.

Regarding IBP-9414, our development program that is approaching the end of the Phase III study, we currently have 1950 patients recruited out of the planned 2158. We thus have approximately 10% left of our development program. On September 29, 2023, the FDA sent out a warning letter to hospitals in the US who treat prematurely born infants with probiotics. It has been found that probiotic products can seriously harm the health of prematurely born infants. One child developed sepsis and subsequently passed away due to the administration of probiotics, writes the FDA in its warning letter. The FDA has also issued warning letters to two American companies, Abbott and Infinant Health, both of which have marketed probiotic products with unauthorized advertising according to the FDA. In the USA and in most countries, a medicine must first be approved by a regulatory agency or equivalent before it can be placed on the market. According to the FDA's warning letter, this did not occur when Abbott and Infinant Health chose to market their products. On October 26, the FDA chose to send another warning letter to the hospitals in the USA. In the warning, it states that the FDA advises against administering probiotic products to prematurely born

infants in a hospital setting, as these products have not received FDA approval. This likely means that the use of probiotic supplements will not be used for prematurely born infants in a hospital setting. This is very good news for IBT since we initiated already in 2012 the pharmaceutical development of IBP-9414 as a New Biological Entity, which is the correct way to develop a product according to the FDA. IBT has from the beginning consulted with the FDA in the USA and the EMA in the EU pertaining to our development work. The design and implementation of IBP-9414 follow the laws and regulations applied in pharmaceutical development, for instance, all studies have been conducted under an IND (Investigational New Drug) or equivalent regulatory authorization. IBT's market position should thus have been strengthened by the fact that physicians are no longer recommended to use unapproved products moving forward. In the near term, recent developments have affected IBT's ability to recruit for our Phase III study. We noted during the first two weeks of October a significant reduction in the recruitment rate. It has since improved and is now at approximately 40-50 infants per month. Since we need to recruit an excess of 200 additional infants to reach 2158 infants, the latest development means that IBT may need to recruit during the first quarter of 2024. We are making great efforts to accelerate recruitment and continue to look forward to receiving the results in the near future and continue to aim to apply for drug approval in 2024. Our hope remains to have our important medicine on the market in 2025.

I would like to also express my appreciation to those who work for IBT. For 10 years we have carried out our work together, with a conviction that the most sensitive people on earth do best from having access to medical products where the manufacturing is of the highest quality and that both the safety and efficacy of drug candidates are well documented. At the same time, since the start, IBT has followed the literature that shows the importance of a healthy intestinal flora/microbiome and how probiotics have shown positive health effects. Now the FDA has thus proved us right, by giving the directive that for our target group a medicine should be developed instead of a dietary supplement, which of course feels satisfying. Now only a fraction of the work remains to reach the long-awaited clinical results and we are perhaps more motivated than ever. IBT is on the run towards the finish line.

Stockholm November 9, 2023

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).

IBT is a pharmaceutical company whose purpose is to develop and market drugs targeting diseases affecting prematurely born infants or caused by antibiotic-resistant bacteria.

IBT’s main focus is on its drug candidate IBP-9414, whose development program is designed to demonstrate a reduced incidence of necrotizing enterocolitis (NEC) and whether prematurely born infants achieve improved sustained feeding tolerance (SFT) when treated with the active substance *Lactobacillus reuteri*, a bacterial strain naturally found in human breast milk. IBP-9414 is currently in an ongoing registration-enabling the pivotal Phase III study and is the company’s most advanced development project.

The portfolio also includes drug candidates, IBP-1016, IBP-1118, and IBP-1122. IBP-1016 is for the treatment of gastroschisis, a life-threatening and rare condition where the child is born with externalized abdominal organs. IBP-1118 aims to prevent ROP (retinopathy of prematurity), a leading cause of blindness in premature infants, while IBP-1122 aims to eliminate vancomycin-resistant enterococci (VRE), which cause antibiotic-resistant hospital acquired infections.

By developing these drugs, IBT has the opportunity to address medical needs where no available treatments currently exist.

## **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 and is ongoing.

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 and demonstrated that IBP-9414 was safe and well 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 aims to demonstrate and document the effect of IBP-9414 compared to placebo with regard to two primary endpoints: prevention of NEC and improvement of sustained feeding tolerance (SFT) in preterm infants with birth weights of 1 500 grams or less. This study will also encompass safety evaluations.

Given the urgent need for an effective preventive treatment for NEC, IBT plans to utilize the accelerated procedures provided by the FDA and EMA to expedite the process of obtaining market authorization as quickly as possible.

### **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).

The company's equity and liquid funds are deemed sufficient for the implementation of the ongoing Phase III study, and the company's operations until the application for market approval, which is expected to take place in 2024.

For further information on risks and uncertainties please refer to IBT's Annual Report 2022 and IBT's Rights Issue Prospectus dated June 13, 2023 on the Company's homepage [www.ibtherapeutics.com](http://www.ibtherapeutics.com).

### **Financial calendar**

Year-end report January – December 2023	February 8, 2024, at 08:30 CET
Interim report January – March 2024	May 7, 2024, at 16:00 CET
Interim report January – June 2024	August 28, 2024, 08:30 CET

The Annual General Meeting will be held May 8, 2024 at 16:00 – 18:00 CET in Stockholm

### **Contact person**

Staffan Strömberg, CEO

Maria Ekdahl, CFO

### **Contact information**

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**Financial development – third quarter (Jul-Sep) 2023**

Amounts are reported in KSEK (SEK in thousands). Amounts in parenthesis refer to the 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 third quarter 2023 amounted to KSEK -448 (17 220). (Note 1,2).

Operational costs amounted to KSEK 33 334 (24 966) prior to exchange rate effects on foreign currency deposits and after exchange rate effects to KSEK 33 781 (7 746).

Costs for the ongoing IBP-9414 clinical trial amounted to KSEK 28 316 (20 859) prior to exchange rate effects.

Personnel costs amounted to KSEK 3 377 (2 940).

Other external costs amounted to KSEK 1 640 (1 167).

**Result and financial position**

Operational result amounted to KSEK -33 718 (-7 746) and result after financial items amounted to KSEK -30 888 (-7 782).

Result after tax amounted to KSEK -30 888 (-7 782)

Result per share prior to and after dilution amounted to SEK -2.31 (-0.69).

Cash flow for the period amounted to KSEK 66 701 (-22 864). Cash flow per share (number of shares dated September 30 2023) amounted to SEK 4.95 (-2.04). The positive cash flow for the period is attributable to the new share issue carried out during the quarter.

**Financial development – reporting period (Jan - Sep) 2023****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 reporting period amounted to KSEK 7 313 (43 451). (Note 1, 2).

Operational costs amounted to KSEK 96 354 (68 506) prior exchange rate effects on foreign currency deposits, and after exchange rate effects to KSEK 89 042 (25 054).

Costs for the ongoing IBP-9414 clinical trial amounted to KSEK 78 458 (50 107) prior to exchange rate effects.

Personnel costs amounted to KSEK 12 717 (14 066).

Other external costs amounted to KSEK 5 180 (4 332).

**Result and financial position**

Operational result amounted to KSEK -88 965 (-25 051) and the result after financial items amounted to KSEK -82 176 (-25 335).

Result after tax amounted to KSEK -82 176 (-25 335).

Result per share prior to and after dilution amounted to SEK -6.86 (-2 26).

Cash flow for the period amounted to KSEK 24 053 (-61 870). Cash flow per share (numbers of shares dated September 30 2023) amounted to SEK 1.79 (-5.51).

### **Others**

Prepaid expenses amounted to approximately KSEK 7 115 (14 140) and relates mainly to contractual prepayments to the company's CRO, rentals and insurance.

Accrued expenses amounted to approximately MSEK 14 867 (17 910) are mainly driven by research- and development cost, personnel, and consultant costs.

The company's cash balance on September 30, 2023, amounted to KSEK 367 207 compared to KSEK 335 840 on December 31, 2022.

The company's shareholders equity on September 30, 2023, amounted to KSEK 346 046 compared to KSEK 331 705 on December 31, 2022. Shareholders equity per share on September 30, 2023, amounted to SEK 25.69 compared to 29.55 on December 31, 2022.

The company's equity ratio on September 30, 2023, amounted to 89% compared to 95% on December 31, 2022.

Operational costs in total before exchange rate gains increased during the reporting period compared to the previous year. The main increase is due to higher costs for CMC and clinical costs.

Costs for the ongoing clinical study increased during the reporting period compared to the previous year, while personnel costs decreased.

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

Other external costs slightly increased compared to the same period last year.

During 2017 and 2018, IBT has carried out new issues amounting to approximately MSEK 528 after transaction costs. The capital is considered sufficient for the ongoing Phase III study and the company's operations until the application for marketing approval, which is expected to take place in 2024. During June-July 2023, a rights issue was carried out amounting to approximately SEK 100 million before issue costs.

### **Tax position**

IBT has accumulated operational losses since the company was established in 2012 and until the year-end of 2022 amounting to approximately MSEK 371 (305). 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.

### **Macroeconomic situation**

The general macroeconomic situation regarding inflation and cost increases contributes to some uncertainty and it cannot be excluded that IBT will be affected by this in the future. So far, IBT has countered cost increases by buying USD and EUR in the past when the exchange rate was more favorable.

## Shares

On January 1, 2023, the total number of shares amounted to 11,226,184 shares of which 377,736 class A-shares carried ten votes and 10,848,448 class B-shares carried one vote. After the rights issue that ended in July 2023, the total number of shares amounts to 13,471,420 of which 453,283 A shares with 10 votes and 13,018,137 B shares with 1 vote.

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

IBT's closing share price on September 30, 2023, amounted to SEK 78.20.

Analysts covering IBT:

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

## Ownership September 30, 2023

Name	Class		Class Share capital		Votes	
	A-shares	B-shares	%	%		
ANNWALL & ROTHSCHILD INVESTMENT AB	453,283	721,351	8.72		29.93	
SIX SIS AG W8IMY		1 483,423	11.01		8.45	
FJÄRDE AP-FONDEN		1 344,000	9.98		7.66	
NORTHERN TRUST COMPANY		1 007,094	7.48		5.74	
AMF AKTIEFOND		601,902	4.47		3.43	
TREDJE AP-FONDEN		601,894	4.47		3.43	
UNIONEN		532,023	3.95		3.03	
SEB AB, LONDON		431,429	3.20		2.46	
ÅLANDSBANKEN ABP		403,245	2.99		2.30	
DANGOOR, DAVID		367,705	2.73		2.10	
Total 10 largest shareholders	453,283	7 494,066	59.00		68.53	
Other Shareholder		5 524,071	41.00		31.47	
<b>Total</b>	<b>453,283</b>	<b>13 018,137</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, November 9, 2023

Peter Rothschild  
Chairman

Anthon Jahreskog  
Director

Margareta Hagman  
Director

Eva Idén  
Director

Kristina Sjöblom Nygren  
Director

Staffan Strömberg  
CEO

## **Review Report**

### **Introduction**

We have reviewed the interim report for Infant Bacterial Therapeutics AB (publ) for the period January 1 - September 30, 2023. The Board of Directors and the President are responsible for the preparation and true and fair presentation of this interim report in accordance with IAS 34 and 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 IAS 34 and the Annual Accounts Act.

Stockholm, November 9, 2023

Deloitte AB

Jenny Holmgren  
Authorized Public Accountant

## Income statement

SEK 000	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Net Sales	-	-	-	-	-
Other income	64	-	77	3	12
Research-and development costs	-31 068	-7 746	-82 687	-25 054	-65 820
Administration cost	-2 714	-	-6 354	-	-
<b>Operating result</b>	<b>-33 718</b>	<b>-7 746</b>	<b>-88 965</b>	<b>-25 051</b>	<b>-65 808</b>
<b>Result from financial items</b>					
Interest income and similar profit/loss items	2 829	-	6 789	-	650
Interest expense and similar profit/loss items	-	-36	-	-284	-293
<b>Result after financial items</b>	<b>-30 888</b>	<b>-7 782</b>	<b>-82 176</b>	<b>-25 335</b>	<b>-65 451</b>
<b>RESULT FOR THE PERIOD*</b>	<b>-30 888</b>	<b>-7 782</b>	<b>-82 176</b>	<b>-25 335</b>	<b>-65 451</b>
*Result for the period equals total					
<b>Result per share</b>					
before and after dilution*	-2.31	-0.69	-6.86	-2.26	-5.83
Number of shares at beginning of period**	11 226 184	11 226 184	11 226 184	11 226 184	11 226 184
Number of shares, weighted average	13 373 801	11 226 184	11 977 442	11 226 184	11 226 184
Number of shares at end of period***	13 471 420	11 226 184	13 471 420	11 226 184	11 226 184
* Through a new share issue, the number of shares in the company was increased on July 4, 2023, with 75 547 shares of class A and 2 169 689 shares of class B.					
** As of July 1, 2023, the distribution of issued shares was 377,736 of class A shares with voting rights of 10 and 10,848,448 of class B shares with a voting value of 1.					
*** As of September 30, 2023, the distribution of issued shares is 453,283 of class A shares with voting rights of 10 and 13,018,137 of class B shares with a voting value of 1.					

**Balance sheet**

SEK 000	Not	9/30/23	9/30/22	12/31/22
<b>Assets</b>				
<b>Non-current assets</b>				
<i>Intangible non-current assets</i>				
Activated development costs		9 906	10 722	10 518
Shares in subsidiary		70	70	70
<b>Total non-current assets</b>		<b>9 976</b>	<b>10 792</b>	<b>10 588</b>
<b>Current assets</b>				
<i>Current receivables</i>				
Other receivable		2 417	3 099	1 474
Prepaid expenses and accrued income		7 115	14 140	1 716
<b>Total current assets</b>		<b>9 532</b>	<b>17 239</b>	<b>3 191</b>
Cash and cash equivalents	2,3	367 207	368 331	335 840
<b>Total current assets</b>		<b>376 739</b>	<b>385 569</b>	<b>339 031</b>
<b>TOTAL ASSETS</b>		<b>386 715</b>	<b>396 361</b>	<b>349 619</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
<i>Restricted equity</i>				
Share capital		3 672	3 060	3 060
<i>Unrestricted equity</i>				
Share premium reserve		766 829	670 926	670 926
Accumulated losses		-342 280	-276 828	-276 829
Net loss for the year		-82 175	-25 335	-65 451
<b>Total equity</b>		<b>346 046</b>	<b>371 823</b>	<b>331 705</b>
<b>Liabilities</b>				
<i>Current liabilities</i>				
Accounts payable		25 543	6 449	8 746
Other current liabilities		259	180	500
Accrued expenses and prepaid income		14 867	17 910	8 667
<b>Total current liabilities</b>		<b>40 669</b>	<b>24 540</b>	<b>17 913</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>386 715</b>	<b>396 361</b>	<b>349 619</b>

**Statement of changes in equity**

SEK 000	Restricted equity		Unrestricted equity	
	Share capital	Share premium reserve	Accumulated losses inkl. loss for the period	Total equity
<b>Opening equity on Jan 1, 2022</b>	<b>3 060</b>	<b>669 022</b>	<b>-276 828</b>	<b>395 254</b>
Result for the period			-25 335	-25 335
<b>Total comprehensive income</b>			<b>-25 335</b>	<b>-25 335</b>
Warrants		1 904		1 904
<b>Closing equity on Sep 30, 2022</b>	<b>3 060</b>	<b>670 926</b>	<b>-302 163</b>	<b>371 823</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>
Result for the period			-65 451	-65 451
<b>Total comprehensive income</b>			<b>-65 451</b>	<b>-65 451</b>
<b>Shareholder transactions</b>				
Warrants		1 904		1 904
<b>Closing equity on Dec 31, 2022</b>	<b>3 060</b>	<b>670 926</b>	<b>-342 279</b>	<b>331 705</b>
<b>Opening equity on Jan 1, 2023</b>	<b>3 060</b>	<b>670 926</b>	<b>-342 279</b>	<b>331 705</b>
Result for the period			-82 176	-82 176
<b>Total comprehensive income</b>			<b>-82 176</b>	<b>-82 176</b>
<b>Shareholder transactions</b>				
New Issue	612	100 424		101 036
Issuing cost		-5 030		-5 030
Warrants		510		510
<b>Closing equity on Sep 30, 2023</b>	<b>3 672</b>	<b>766 829</b>	<b>-424 455</b>	<b>346 046</b>

**Statement of cash flow**

SEK 000	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
<b>Operating activities</b>					
Operating profit / loss	-33 718	-7 746	-88 965	-25 051	-65 808
Interest income received	2 829	-	6 789	-	650
Paid interest cost	-	-36	-	-284	-293
Adjustment for non - cash flow affecting items:					
depreciation produktion process	204	204	612	612	816
Value variance currency accounts	448	-17 220	-7 313	-43 451	-33 000
<b>Cash flow from operating activities before changes in working capital</b>	<b>-30 236</b>	<b>-24 798</b>	<b>-88 877</b>	<b>-68 174</b>	<b>-97 635</b>
<b>Cash flow from changes in working capital</b>					
Increase(-)/Decrease(+) in operating receivables	-3 275	-2 204	-6 341	-6 896	7 151
Increase(+)/Decrease(-) in operating liabilities	4 207	4 138	22 756	11 316	4 689
<b>Cash flow from operating activities</b>	<b>-29 305</b>	<b>-22 864</b>	<b>-72 462</b>	<b>-63 754</b>	<b>-85 795</b>
<b>Investment activities</b>					
Shareholder contributions IBT Baby AB	-	-	-	-20	-20
<b>Financing activities</b>					
New issue	101 036	-	101 036	-	-
Issuing cost	-5 030	-	-5 030	-	-
Warrants	-	-	510	1 904	1 904
<b>Cash flow from financing activities</b>	<b>96 005</b>	<b>-</b>	<b>96 515</b>	<b>1 884</b>	<b>1 884</b>
<b>Cash flow for the period</b>	<b>66 701</b>	<b>-22 864</b>	<b>24 053</b>	<b>-61 870</b>	<b>-83 911</b>
Unrealized exchange rate difference in cash	-448	17 220	7 313	43 451	33 000
Cash and cash equivalents at the beginning of the period	300 953	373 976	335 840	386 752	386 752
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>367 206</b>	<b>368 331</b>	<b>367 207</b>	<b>368 331</b>	<b>335 840</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 per IAS 34 are presented in Notes and in other sections in the interim report.

IBT has adopted the same accounting principles and calculation methods as those described in the 2022 annual report. New principles are not expected to impact the company's financial reports.

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

IBT has deposits in foreign currencies. The company's expenses are allocated to the functions Research and development and administration costs. The effects of changes in exchange rates are recognized in the company's financial statements at market value through the functions. (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.

**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 September 30, 2023 amounted to MSEK 367.2 (368.3) of which USD amounted to MSEK 138.1 (206.3) and EUR amounted to MSEK 29.5 (28.7).

**Note 4 Share based incentive programs**

IBT had on the balance sheet date, September 30, 2023, three outstanding warrant programs.

### Warrants 2020/2024

As below and as described in the 2022 annual report

Warrant holders 2020/2024	Number allotted 2023-09-30	Number issued 2023-09-30	Number allotted 2022-12-31	Number issued 2022-12-31
Staffan Strömberg, VD	50 000	50 000	50 000	50 000
Anders Kronström, COO	40 000	40 000	40 000	40 000
Other employees	154 073	154 073	154 073	154 073
<b>Total</b>	<b>244 073</b>	<b>244 073</b>	<b>244 073</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 is 305 400.

In June 2022, 272 000 warrants were allotted at market terms at a price determined by calculating the 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 1.0061 new class B share in the company at a subscription price per share amounting to SEK 128.77. On the balance sheet date, September 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 2.03 percent of shares, and 1.56 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.

The total market price for the 272,000 allotted warrants during the third quarter of 2023 amounts to KSEK 1 904, which is reported directly as shareholders equity in IBT.

<b>Warrant holders 2022/2025</b>	<b>Number allotted 2023-09-30</b>	<b>Number issued 2023-09-30</b>	<b>Number allotted 2022-12-31</b>	<b>Number issued 2022-12-31</b>
Staffan Strömberg, VD	120 000	120 000	120 000	120 000
Anders Kronström, COO	75 000	75 000	75 000	75 000
Robert Molander, CCO	20 000	20 000	20 000	20 000
Other employees	57 000	57 000	57 000	57 000
<b>Total</b>	<b>272 000</b>	<b>272 000</b>	<b>272 000</b>	<b>272 000</b>

### **Warrants 2023/2026**

On May 8, 2023, 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 165 000.

In May 2023, 155 000 warrants were allotted at market terms at a price determined by calculating the 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, 2026, through September 30, 2026, for each warrant subscribe for 1.0061 new class B share in the company at a subscription price per share amounting to SEK 100.05. On the balance sheet date, September 30, 2023 a total of 155 000 warrants had been allotted. The remaining 10 000 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 in the company, the dilution as a result of the implemented incentive program, assuming that all allotted warrants are exercised for new subscription of B shares, will be approximately 1.16 percent of the shares and approximately 0.89 percent of the 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 options have no dividend rights. 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.

Total market price for the 155 000 allotted warrants during the third quarter 2023 amounts to KSEK 510, which is reported directly as shareholders equity in IBT.

<b>Warrant holders 2023/2026</b>	<b>Number allotted 2023-09-30</b>	<b>Number issued 2023-09-30</b>	<b>Number allotted 2022-12-31</b>	<b>Number allotted 2022-12-31</b>
Staffan Strömberg, VD	50 000	50 000	0	0
Anders Kronström, COO	25 000	25 000	0	0
Maria Ekdahl, CFO	25 000	25 000	0	0
Robert Molander, CCO	20 000	20 000	0	0
Övriga anställda	35 000	35 000	0	0
<b>Totalt</b>	<b>155 000</b>	<b>155 000</b>	<b>0</b>	<b>0</b>

IBT's three outstanding warrant programs in summary:

Issued Warrants, Year	Number allotted	Strikeprice	Value per allotted warrant	Volatilitet, % * %	Risk free interest, %	Value per share, weighted average	Expiry, year
2020 (2020/2024)	87 543	397,56	14,24	40	-0,3	170	2024
2020 (2020/2024)	97 484	397,56	4,86	40	-0,3	125	2024
2021 (2020/2024)	49 046	397,56	1,78	40	-0,3	105	2024
2021 (2020/2024)	10 000	397,56	0,29	40	-0,3	81	2024
2022 (2022/2025)	272 000	128,77	7	39	1,32	66,90	2025
2023 (2023/2026)	155 000	100,05	3,29	39	2,76	43,40	2026
<b>Totalt</b>	<b>671 073</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

Compensations 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 312 per annum, and KSEK 400 annually as operational Chairman, and KSEK 20 for his work in the remuneration committee.

During the report period Mr Robert Molander has invoiced KSEK 1 700, as fees for his position as CCO at IBT.

Otherwise, there have been no material transactions with related parties.

### 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 2022.

### Deduction of certain key figures

	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
<b>Cash flow per share</b>					
Cash flow for the period, 000's	66 701	-22 864	24 053	-61 870	-83 911
Average number of shares	13 373 801	11 226 185	11 977 442	11 226 185	11 226 186
<b>Cash flow per share (SEK)</b>	4.99	-2.04	2.01	-5.51	-7.47
<b>Equity per share</b>					
Equity, 000's	346 046	371 821	346 046	371 821	331 705
Number of shares at end of period	13 471 420	11 226 185	13 471 420	11 226 185	11 226 186
<b>Equity per share (SEK)</b>	25.69	33.12	25.69	33.12	29.55
<b>Equity ratio</b>					
Equity, 000's	346 046	371 821	346 046	371 821	331 705
Total equity and liabilities, 000's	386 715	396 361	386 715	396 361	349 619
<b>Equity ratio %</b>	89%	94%	89%	94%	95%