

Infant Bacterial Therapeutics AB (publ)
Financial Statement report January 1 – December 31, 2023
Fourth quarter (Oct-Dec) 2023

- Net sales KSEK 0 (0)
- Operating income KSEK -45 652* (-40 757)
- Earnings per share before and after dilution SEK -3.04 (-3.57)

Reporting period (Jan-Dec) 2023

- Net sales KSEK 0 (0)
- Operating income KSEK -134 617* (-65 808)
- Earnings per share before and after dilution SEK -9.95 (-5.83)

* Operational income includes exchange rate effects on foreign currency deposits to secure future outflows during the fourth quarter amounting to KSEK -9 387 (-10 451) and during the reporting period Jan- Dec amounting to KSEK -2 074 (33 000)

Significant events during the reporting period (Jan-Dec)

- 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.
- 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.

Selected financial data

000's	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net Sales	-	-	-	-
Other income	-	9	77	12
Operating profit / loss	-45 652	-40 757	-134 617	-65 808
Result after tax	-40 891	-40 116	-123 068	-65 451
Total assets	351 335	349 619	351 335	349 619
Cash flow for the period	-28 757	-22 040	-4 704	-83 911
Cash flow per share for the period (SEK)	-2.13	-1.96	-0.38	-7.47
Cash	329 064	335 840	329 064	335 840
Earnings per share before and after dilution (SEK)	-3.04	-3.57	-9.95	-5.83
Equity per share (SEK)	22.65	29.55	22.65	29.55
Equity ratio (%)	87%	95%	87%	95%

Message from the CEO

2023 was a very eventful year for IBT, as we pushed forward with the development of our clinical program IBP-9414 and achieved several milestones. During the year, we completed the final planned safety data review from the ongoing Phase III study. The fact that we now have no further protocol-related analyses remaining, combined with the current recruitment at the time of writing being 96% of infants, means that we are truly entering the final stretch towards our goal. IBT's clinical team is doing an incredible job. IBT is conducting the largest study on premature infants ever, across ten countries during a pandemic. I want to thank everyone for their creative solutions and unwavering determination to complete the study. Now is the time to look ahead, towards the next steps in the development plan, and to prepare IBT for the launch of IBP-9414 on the market.

While the clinical team continues to drive recruitment forward, work is ongoing to 'clean' all the raw patient data from the infants who have completed the study. Additionally, efforts are underway to finalize the analysis plan that will provide us with definitive results regarding the safety and efficacy of IBP-9414 compared to placebo. I look forward with great confidence to the day we gather in a room to unveil the eagerly awaited results.

IBT is also planning its future after the results with developments in the following areas: the commercial, production-related, and regulatory aspects. The commercial team has strengthened over the past quarters with additional staff to develop Payer Access and Medical Affairs. Various activities are ongoing, including the work on naming IBP-9414 and conducting additional market research.

The production of IBP-9414 is in the process of validation, leading to the commercial product being manufactured in the summer of 2024. In the second quarter, we will also launch our logistics department to begin preparations for the commercial distribution of IBP-9414.

Furthermore, IBT will expand its internal regulatory department in Q2 of this year and has already appointed the head position. This is a necessity as there are numerous documents to be handled for IBT to obtain market approval in the USA and other key markets. For example, IBT's TMF (trial master file) must be complete, which in turn means collecting a large amount of information, including approximately a couple of thousand CVs from individuals involved in the IBP-9414 study.

We aim to complete recruitment in Q1/Q2 to obtain clinical results from the Phase III study by the later part of the summer. The next significant step for IBT will be to apply for market approval, starting in the United States with an expected application submission in Q4 2024 or no later than Q1 2025. Soon thereafter, we plan to apply in other important parts of the world, such as Europe.

Finally, I want to conclude by commenting on our early-stage projects. We have appointed Professor Thomas Schnitzer as Chief Scientific Officer, focusing on leading the three other projects in IBT's development portfolio. We are very pleased that Professor Schnitzer has joined. His expertise is a brilliant addition to IBT. Thomas is a professor at Northwestern University in Chicago and will start in his new role at IBT part-time.

IBP-1016, our project on Gastroschisis, is intentionally on hold right now as we do not have the capacity to conduct two clinical studies simultaneously.

Regarding IBP-1118 for the prevention of ROP (an eye disease that causes many prematurely born infants to go blind), are the current focus on pre-clinical (TOX and DMPK) activities.

IBP-1122, which combats antibiotic-resistant bacteria in a novel way, is led by a project manager working in Chicago together with Professor Schnitzer. In February 2024, the European Patent Office announced that the patent for IBP-1122 has also been approved in the EU. This means that IBT now has good exclusivity protection for a future product in both the USA and Europe.

Thanks again to all employees and everyone else who is committed to driving IBT forward.

Stockholm February 7, 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.

Financial calendar

Annual report 2023	March 25, 2024
Interim report January – March 2024	May 7, 2024, at 16:00 CET
Interim report January – June 2024	August 28, 2024, 08:30 CET
Interim report January – September 2024	November 14, 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 – fourth quarter (Oct-Dec) 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 fourth quarter 2023 amounted to KSEK -9 387 (-10 451). (Note 1,2).

Operational costs amounted to KSEK 36 265 (30 315) prior to exchange rate effects on foreign currency deposits and after exchange rate effects to KSEK 45 652 (40 766).

Costs for the ongoing IBP-9414 clinical trial amounted to KSEK 28 604 (24 111) prior to exchange rate effects.

Personnel costs amounted to KSEK 5 063 (4 867).

Other external costs amounted to KSEK 2 598 (1 337).

Result and financial position

Operational result amounted to KSEK -45 652 (-40 757) and result after financial items amounted to KSEK -40 891 (-40 116).

Result after tax amounted to KSEK -40 891 (-40 116)

Result per share prior to and after dilution amounted to SEK -3.04 (-3.57).

Cash flow for the period amounted to KSEK -28 757 (-22 040). Cash flow per share amounted to SEK -2.13 (-1.96).

Financial development – reporting period (Jan - Dec) 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 -2 074 (33 000). (Note 1, 2).

Operational costs amounted to KSEK 132 619 (98 819) prior exchange rate effects on foreign currency deposits, and after exchange rate effects to KSEK 134 693 (65 818).

Costs for the ongoing IBP-9414 clinical trial amounted to KSEK 106 450 (74 218) prior to exchange rate effects.

Personnel costs amounted to KSEK 17 779 (18 933).

Other external costs amounted to KSEK 8 390 (5 668).

Result and financial position

Operational result amounted to KSEK -134 617 (-65 808) and the result after financial items amounted to KSEK -123 068 (-65 451).

Result after tax amounted to KSEK -123 068 (-65 451).

Result per share prior to and after dilution amounted to SEK -9.95 (-5.83).

Cash flow for the period amounted to KSEK -4 704 (-83 911). Cash flow per share amounted to SEK -0.38 (-7.47).

Others

Prepaid expenses amounted to approximately KSEK 9 533 (1 716) and relates mainly to contractual prepayments to the company's CRO, rentals and insurance.

Accrued expenses amounted to approximately MSEK 15 334 (8 667) are mainly driven by research- and development cost, personnel, and consultant costs.

The company's cash balance on December 31, 2023, amounted to KSEK 329 064 compared to KSEK 335 840 on December 31, 2022.

The company's shareholders equity on December 31, 2023, amounted to KSEK 305 154 compared to KSEK 331 705 on December 31, 2022. Shareholders equity per share on December 31, 2023, amounted to SEK 22.65 compared to 29.55 on December 31, 2022.

The company's equity ratio on December 31, 2023, amounted to 87% 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 biggest increase is in costs related to the ongoing clinical study, mainly due to increased costs for CMC and Clinical, which is due to a higher rate of patient recruitment than the previous year and preparations for the completion of the study. Personnel costs and other costs also increased slightly during the reporting period compared with the previous year.

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

During 2017 and 2018, IBT has carried out new issues amounting to approximately MSEK 528 after transaction costs. During June-July 2023, a rights issue was carried out amounting to approximately SEK 100 million before issue 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.

Tax position

IBT has accumulated operational losses since the company was established in 2012 and until the year-end of 2023 amounting to approximately MSEK 506 (371). 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 December 31, 2023, amounted to SEK 90.00.

Analysts covering IBT:

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

Ownership December 31, 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		1 480,423	10.99	8.43	
FJÄRDE AP-FONDEN		1 344,000	9.98	7.66	
NORTHERN TRUST COMPANY		1 121,425	8.32	6.39	
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		443,250	3.29	2.53	
ÅLANDSBANKEN ABP		409,104	3.04	2.33	
DANGOOR, DAVID		367,705	2.73	2.10	
Total 10 largest shareholders	453,283	7 623,077	59.96	69.26	
Other Shareholder		5 395,060	40.04	30.74	
Totalt	453,283	13 018,137	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, February 7, 2024

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	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net Sales	-	-	-	-
Other income	-	9	77	12
Research-and development costs	-38 495	-40 766	-121 183	-65 820
Administration cost	-7 157	-	-13 511	-
Operating result	-45 652	-40 757	-134 617	-65 808
Result from financial items				
Interest income and similar profit/loss items	4 760	650	11 549	650
Interest expense and similar profit/loss items	-	-9	-	-293
Result after financial items	-40 891	-40 116	-123 068	-65 451
RESULT FOR THE PERIOD*	-40 891	-40 116	-123 068	-65 451
*Result for the period equals total				
Result per share				
before and after dilution	-3.04	-3.57	-9.95	-5.83
Number of shares at beginning of period*	13 471 420	11 226 184	11 226 184	11 226 184
Number of shares, weighted average**	13 471 420	11 226 184	12 364 614	11 226 184
Number of shares at end of period***	13 471 420	11 226 184	13 471 420	11 226 184
* As of Jan 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.				
** Through a new share issue, the number of shares i was increased on July 4, 2023, with 75 547 shares of class A and 2 169 689 shares of class B.				
*** As of December 31, 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	12/31/23	12/31/22
Assets			
Non-current assets			
<i>Intangible non-current assets</i>			
Activated development costs		9 702	10 518
Shares in subsidiary		70	70
Total non-current assets		9 772	10 588
Current assets			
<i>Current receivables</i>			
Other receivable		2 966	1 474
Prepaid expenses and accrued income		9 533	1 716
Total current assets		12 499	3 191
Cash and cash equivalents	2,3	329 064	335 840
Total current assets		341 563	339 031
TOTAL ASSETS		351 335	349 619
Equity and Liabilities			
Equity			
<i>Restricted equity</i>			
Share capital		3 672	3 060
<i>Unrestricted equity</i>			
Share premium reserve		766 829	670 926
Accumulated losses		-342 280	-276 829
Net loss for the year		-123 067	-65 451
Total equity		305 154	331 705
Liabilities			
<i>Current liabilities</i>			
Accounts payable		30 067	8 746
Other current liabilities		779	500
Accrued expenses and prepaid income		15 334	8 667
Total current liabilities		46 180	17 913
TOTAL EQUITY AND LIABILITIES		351 334	349 619

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
Opening equity on Jan 1, 2022	3 060	669 022	-276 828	395 254
Result for the period			-65 451	-65 451
Total comprehensive income			-65 451	-65 451
Shareholder transactions				
Warrants		1 904		1 904
Closing equity on Dec 31, 2022	3 060	670 926	-342 279	331 705
Opening equity on Jan 1, 2023	3 060	670 926	-342 279	331 705
Result for the period			-123 068	-123 068
Total comprehensive income			-123 068	-123 068
Shareholder transactions				
New Issue	612	100 424		101 036
Issuing cost		-5 030		-5 030
Warrants		510		510
Closing equity on Dec 31, 2023	3 672	766 829	-465 347	305 154

Statement of cash flow

SEK 000	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Operating activities				
Operating profit / loss	-45 652	-40 757	-134 617	-65 808
Interest income received	4 760	650	11 549	650
Paid interest cost	-	-9	-	-293
Adjustment for non - cash flow affecting items:				
depreciation produktion process	204	204	816	816
Value variance currency accounts	9 387	10 451	2 074	-33 000
Cash flow from operating activities before changes in working capital	-31 300	-29 461	-120 178	-97 635
Cash flow from changes in working capital				
Increase(-)/Decrease(+) in operating receivables	-2 967	14 048	-9 308	7 151
Increase(+)/Decrease(-) in operating liabilities	5 511	-6 627	28 267	4 689
Cash flow from operating activities	-28 757	-22 040	-101 219	-85 795
Investment activities				
Shareholder contributions IBT Baby AB	-	-	-	-20
Financing activities				
New issue	-	-	101 036	-
Issuing cost	-	-	-5 030	-
Warrants	-	-	510	1 904
Cash flow from financing activities	0	0	96 515	1 884
Cash flow for the period	-28 757	-22 040	-4 704	-83 911
Unrealized exchange rate difference in cash	-9 387	-10 451	-2 074	33 000
Cash and cash equivalents at the beginning of the period	367 207	368 331	335 840	386 752
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	329 064	335 840	329 064	335 840

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 December 31, 2023 amounted to MSEK 329 (335.8) of which USD amounted to MSEK 112.8 (180.9) and EUR amounted to MSEK 25.8 (35.8).

Note 4 Share based incentive programs

IBT had on the balance sheet date, December 31, 2023, three outstanding warrant programs.

Warrants 2020/2024

As below and as described in the 2022 annual report

Warrant holders 2020/2024	Number allotted 2023-12-31	Number issued 2023-12-31	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
Total	244 073	244 073	244 073	244 073

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, December 31, 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 average market price of the IBT share during the reporting period and therefore the options are not dilutive when calculating earnings per share. The

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

Warrant holders 2022/2025	Number allotted 2023-12-31	Number issued 2023-12-31	Number allotted 2022-12-31	Number issued 2022-12-31
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
Total	272 000	272 000	272 000	272 000

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, December, 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 average market price of the IBT share during the reporting period and therefore the options are not dilutive when calculating earnings per share.

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

Warrant holders 2023/2026	Number allotted 2023-12-31	Number issued 2023-12-31	Number allotted 2022-12-31	Number allotted 2022-12-31
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
Totalt	155 000	155 000	0	0

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
Totalt	671 073	-	-	-	-	-	-

*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 2 400, 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 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Cash flow per share				
Cash flow for the period, 000's	-28 757	-22 040	-4 704	-83 911
Average number of shares	13 471 420	11 226 185	12 364 614	11 226 186
Cash flow per share (SEK)	-2.13	-1.96	-0.38	-7.47
Equity per share				
Equity, 000's	305 154	331 705	305 154	331 705
Number of shares at end of period	13 471 420	11 226 185	13 471 420	11 226 186
Equity per share (SEK)	22.65	29.55	22.65	29.55
Equity ratio				
Equity, 000's	305 154	331 705	305 154	331 705
Total equity and liabilities, 000's	351 334	349 619	351 334	349 619
Equity ratio %	87%	95%	87%	95%