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## **IBT resolves on a rights issue**

**The Board of Directors of Infant Bacterial Therapeutics AB (publ) (“IBT” or the “Company”) has today resolved on a new issue of class A shares and class B shares of approximately SEK 100 million with preferential rights for existing shareholders (the “Rights Issue”). The purpose of the Rights Issue is to prepare IBT’s lead candidate IBP-9414 for commercialization and develop the Company’s early-stage projects. The Rights Issue is being carried out with a subscription price set to SEK 45 per new share, corresponding to today’s volume weighted average price, with strong support from the Company’s larger shareholders, who subscribes for at least approximately SEK 50 million. The Board of Directors’ resolution on the Rights Issue is subject to approval by an Extraordinary General Meeting (the “EGM”), intended to be held on 9 June 2023. Notice to the EGM will be published through a separate press release.**

### **The Rights Issue in short:**

- The Board of Directors of IBT has today resolved on the Rights Issue of approximately SEK 100 million, subject to approval by the EGM, intended to be held on 9 June 2023. Notice to the EGM will be published through a separate press release.
- IBT intends to use approximately SEK 50 million of the net proceeds to prepare its lead candidate IBP-9414 for commercial launch, as well as producing launch batches.
- If the Rights Issue is subscribed for more than SEK 50 million, the exceeding amount will be used to initiate the development of one or more of its three projects IBP-1016, IBP-1118 and IBP-1122.
- Provided that the EGM approves the Board of Directors’ resolution on the Rights Issue, the existing shareholders Annwall & Rothschild Investments AB, the Fourth AP Fund, Sebastian Jahreskog and other larger shareholders, have undertaken to subscribe in the Rights Issue. Further, Unionen, AMF Fonder (on behalf of funds), David Dangoor and other larger shareholders have expressed their support and intention to subscribe in the Rights Issue. Some of the above-mentioned shareholders, and other larger shareholders, have also undertaken to vote in favor of approving the Board’s resolution at the EGM. In addition, Annwall & Rothschild Investments AB has provided a guarantee undertaking of approximately SEK 5 million to ensure that the Company raises at least SEK 50 million through the Rights Issue. In total, at least approximately 50 million is covered through commitments and intentions to subscribe.
- Shareholders in IBT have preferential rights to subscribe for shares in the Rights Issue, whereby each existing share will entitle to one subscription right of the corresponding share class and five subscription rights entitle to subscription of one new share of the corresponding share class.
- Provided that the Rights Issue is approved by the EGM, the record date for the Rights Issue is expected to be 13 June 2023 and the subscription period is expected to run from 15 June 2023 through 29 June 2023. The Company will publish a prospectus before the beginning of the subscription period.

- The last day of trading in the IBT share including the right to participate in the Rights Issue is expected to be 9 June 2023.

Staffan Strömberg, CEO of IBT

*“I am really happy for the positive reception from our shareholders where eight of the largest owners have declared that they are subscribing in the Rights Issue and at a price that is on par with the current market price. I am also pleased that some of the shareholders will subscribe for additional shares, exceeding their pro rata-share. This support will provide us the SEK 50 million needed to prepare the commercial launch of IBP-9414. Of course, it is my hope that the other shareholders, together with investors in general, share my view of our exciting position and the fantastic opportunities we have ahead of us so that we can raise additional capital and begin the development of one or more of our other projects IBP- 1016, IBP-1118 and IBP-1122 with full force.”*

### **Background and rationale for the Rights Issue**

IBT is a pharmaceutical company with a project in clinical Phase III influencing the microbiome of preterm infants, and thereby preventing or treating rare life-threatening diseases. IBT’s fully funded lead program is named IBP-9414 and development was initiated in 2013. Today, an estimated 85 percent of the development plan has been completed. The ambition for IBP-9414 is to be the world’s first approved pharmaceutical grade probiotic with the goal to prevent life threatening diseases in premature infants including necrotizing enterocolitis (“NEC”).

By the end of 2023, the last of the 2,158 premature infants are expected to have been enrolled for the Phase III study. The results of the Phase III study are expected in the first half of 2024. By the end of 2024, filing for marketing authorization with the FDA is expected, followed by a self-commercialization on the American market in 2025. In parallel with the FDA application, IBT plans to apply for market approval in the EU as well as in other strategically important regions. IBT estimates that, based on the current development plan, existing working capital is sufficient to complete the pivotal Phase III study of IBP-9414 and the application for market approval. However, preparations for launch-activities should be initiated during 2023 in order to avoid delays from an anticipated approval of IBP-9414 to sales. Thus, an additional funding of approximately SEK 50 million is required for preparations and production of adequate volumes of IBP-9414 for the commercial launch.

To the extent the Rights Issue is subscribed for more than SEK 50 million, the exceeding net proceeds will be used to initiate the development of one or more of the three projects:

- IBP-1016 for treatment of gastroschisis, a life-threatening and rare disease in premature infants.
- IBP-1118 to prevent ROP (retinopathy of prematurity), the leading cause of decreased visual acuity and blindness in preterm infant.
- IBP-1122 to prevent antibiotic resistant hospital acquired infections.

By developing these drug candidates, IBT has the potential to meet medical needs in therapeutic areas that lack treatment options today.

## **The Rights Issue**

For the reasons stated above, IBT's Board of Directors has today resolved, subject to approval by the EGM, to carry out the Rights Issue of approximately SEK 100 million before deduction of transaction costs.

Those who are registered as shareholders in IBT on the record date 13 June 2023 have preferential right to subscribe for new shares of the same class in proportion to their existing shareholdings (primary preferential right), whereby each existing share will entitle to one subscription right of the corresponding share class and five subscription rights entitle to subscription of one new share of the corresponding share class. Shares not subscribed with primary preferential right shall be offered to all shareholders (secondary preferential right). Subscription may also be made without preferential right, as set forth in the complete issue resolution.

The subscription price has been set to SEK 45 per new share, irrespective of share class, corresponding to the volume weighted average price (VWAP) of the IBT class B share on Nasdaq Stockholm on 16 May 2023.

If the Rights Issue is fully subscribed, the share capital will increase by approximately SEK 611,932, from approximately SEK 3,059,623 to SEK 3,671,595, by new issue of 2,245,236 new shares (of which 75,547 class A shares and 2,169,689 class B shares), which means that the total number of shares increases from 11,226,184 shares to 13,471,420 shares (of which 453,283 class A shares and 13,018,137 class B shares).

The subscription period is expected to run from 15 June 2023 through 29 June 2023. Trading in subscription rights for class B shares is expected to take place on Nasdaq Stockholm during the period from 15 June 2023 through 26 June 2023 and trading in paid subscribed shares of class B (Sw. *betald tecknad aktie*, BTA) during the period from 15 June 2023 through 5 July 2023.

Shareholders who choose not to participate in the Rights Issue will, assuming that the Rights Issue is fully subscribed, be diluted by approximately 16.7 percent of the shares and approximately 16.7 percent of the votes.

## **The EGM**

The Rights Issue is subject to approval by the EGM, which is intended to be held on 9 June 2023. Notice to the EGM will be published through a separate press release.

## **Subscription commitments, voting commitments, intention to subscribe for new shares and guarantee commitment**

Provided that the EGM approves the Board of Directors' resolution on the Rights Issue, the existing shareholders Annwall & Rothschild Investments AB, the Fourth AP Fund, Sebastian Jahreskog and other larger shareholders have, on certain conditions, undertaken to subscribe in the Rights Issue. Further, Unionen, AMF Fonder (on behalf of funds), David Dangoor and other larger shareholders have expressed their support and intention to subscribe in the Rights Issue. Some of the above-mentioned shareholders have also undertaken to vote in favor of approving the Board's resolution at the EGM. In addition, Annwall & Rothschild Investments AB has provided a guarantee undertaking of SEK 5 million to ensure that the Company raises at least SEK 50 million through the Rights Issue. In total, approximately 50 million is covered through commitments and intentions to subscribe.

No remuneration shall be paid for the subscription commitments, nor for Annwall & Rothschild Investments AB's guarantee undertaking. Neither the subscription commitments nor the guarantee undertaking are secured by bank guarantee, blocked funds, pledges or similar arrangements. Further information regarding the parties who have entered subscription commitments and guarantee undertaking will be available in the prospectus that will be published before the start of the subscription period.

Annwall & Rothschild Investments AB has been granted an exemption by the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*) from the mandatory bid obligation that may arise upon fulfilment of Annwall & Rothschild Investments AB's commitments in the Rights Issue (AMN 2023:24).

### Lock-up undertakings

The Board of Directors and CEO of IBT has undertaken, subject to customary exceptions, not to sell any shares in the Company for a period of 90 days from the publication of the outcome of the Rights Issue. The Company has also agreed to a lock-up undertaking, with customary exceptions, on future share issuances for a period of 90 calendar days after the publication of the outcome of the Rights Issue.

### Preliminary timetable for the Rights Issue

9 June 2023	EGM to approve the Rights Issue
9 June 2023	Last day of trading in shares including the right to participate in the Rights Issue
12 June 2023	First day of trading excluding the right to participate in the Rights Issue
13 June 2023	Record date for participation in the Rights Issue with preferential rights
13 June 2023	Publication of the prospectus
15 June 2023 – 26 June 2023	Trading in subscription rights (class B)
15 June 2023 – 29 June 2023	Subscription period
15 June 2023 – 5 July 2023	Trading in paid subscribed shares (BTA) (class B)
4 July 2023	Announcement of final outcome of the Rights Issue

### Prospectus

Complete information regarding the Rights Issue and other information about IBT will be included in the prospectus which will be published on IBT's website, [www.ibtherapeutics.com](http://www.ibtherapeutics.com) and Carnegie's website, [www.carnegie.se](http://www.carnegie.se), before the beginning of the subscription period.

### Advisers

In connection with the Rights Issue, the Company has retained Carnegie Investment Bank AB (publ) as Sole Global Coordinator and Sole Bookrunner and Advokatfirman Vinge KB as legal adviser.

### For more information, please contact:

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*This is information that Infant Bacterial Therapeutics AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 16 May 2023, at 23:00 CEST.*

### **About IBT**

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. IBP-9414 contains the active compound *Lactobacillus reuteri*, which is a human bacterial strain naturally present in breast milk. The product portfolio also includes another project, IBP-1016, for the treatment of gastroschisis, a severe and rare disease affecting infants, IBP-1118 to prevent ROP (retinopathy of prematurity), a growing and serious condition that often leads to blindness among prematurely born babies and IBP-1122 for the prevention of antibiotic resistant hospital acquired infections. By developing these drugs, IBT has the potential to fulfill unmet needs for diseases where there are currently no prevention or treatment therapies available.

### **Important information**

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade with shares or other securities in IBT. No action has been taken and measures will not be taken to permit a public offering in any other jurisdictions besides Sweden.

The information in this press release does not constitute a recommendation concerning any investor's option with respect to the Rights Issue. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and data described in this press release and publicly available information. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. This press release is not a prospectus according to the definition in Regulation (EU) 2017/2019 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. This press release neither identifies nor pretends to identify risks (direct or indirect) that can be connected to an investment in shares or other securities in IBT. A prospectus will be prepared in connection with the Rights Issue and be reviewed and approved by the Swedish Financial Supervisory Authority, which is the national competent authority in Sweden with regard to the Prospectus Regulation. In order for investors to fully understand the potential risks and benefits associated with a decision to participate in the Rights Issue, any investment decision should only be made based on the information in the prospectus. Thus, investors are encouraged to review the prospectus in its entirety.

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where such action is subject to legal restrictions or would require additional registration or other measures beyond those that follow from Swedish law. Actions in violation of these restrictions may constitute a violation of applicable securities law. No shares or other securities in IBT have been registered, and no shares or other securities will be registered, under the United States Securities Act of 1933, as amended (“**Securities Act**”) or the securities legislation of any state or other jurisdiction in the United States of America and no shares or other securities may be offered, sold or otherwise transferred, directly or indirectly, in or into the United States of America, except under an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States of America.

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In the United Kingdom, this document and any other materials in relation to the Securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, “qualified investors” (within the meaning of the United Kingdom version of the Prospectus Regulation which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); (ii) high net worth entities etc. falling within Article 49(2)(a) to (d) of the Order; or (iii) such other persons to whom such investment or investment activity may lawfully be made available under the Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

Carnegie Investment Bank AB (publ) is acting exclusively for the Company and no one else in connection with the Rights Issue, the content of this press release and other matters described in this press release. Carnegie Investment Bank AB (publ) will not regard any other person as their respective clients in relation to the Rights Issue, the content of this press release and other matters described in this press release and will not be responsible to anyone (including any placees) other than the Company for providing the protections afforded to its clients or for providing advice to any other person in relation to the Rights Issue, the content of this press release or any other matters referred to in this press release.

Carnegie Investment Bank AB (publ) and its affiliates may have engaged in transactions with, and provided various commercial banking, investment banking, financial advisory transactions and services in the ordinary course of their business with the Company and/or its

affiliates for which it would have received customary fees and commissions. Carnegie Investment Bank AB (publ) and its respective affiliates may provide such services to the Company and/or its affiliates in the future.

### **Forward-looking statement**

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. Readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is required by law or Nasdaq Stockholm's rule book for issuers.

### **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares of the Company have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such shares to eligible counterparties and professional

clients are appropriate (the “**UK Target Market Assessment**” and, together with the EU Target Market Assessment, the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares of the Company may decline and investors could lose all or part of their investment; the shares of the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other advisers) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Carnegie Investment Bank AB (publ) will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares of the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Company and determining appropriate distribution channels.

*The English text is an unofficial translation of the original Swedish text. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*