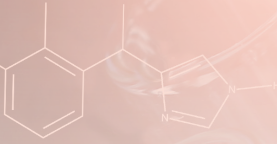
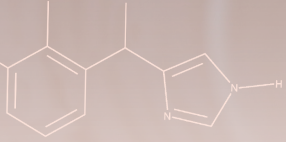


INTERIM REPORT

Q2 2024

APRIL - JUNE



Summary of the period

” Continued strong growth in turnover and profit ”

Net sales for the first quarter amounted to SEK 42,611 (32,656) thousand, which corresponds to a sales increase of 30 (85) %. The operating profit amounted to SEK 10,172 (7,388) thousand. For the first half year, net sales amounted to SEK 80,881 (63,413) thousand which corresponds to 28 (97)% growth. The operating profit amounted to SEK 19 291 (15,735) thousand.

Significant events April to June 2024

- Sales of Selektop® reached the 20 mt milestone and strong growth in Japan was noted.
- Magnus Henell took office as acting CEO and Markus Jönsson was presented as the new CEO, taking office in the fall.
- I-Tech held its annual general meeting in May. At the meeting, Philip Chaabane took office as new Chairman of the Board after the resignation of Stefan Sedersten. At the meeting, it was decided to re-elect the remaining board.
- The process for a renewed approval within the EU moved from a scientific evaluation phase to a decision phase.

Significant events after the end of the period

- No significant events occurred after the period.

Financial summary

All amounts in kSEK	2024 Apr-Jun	2023 Apr-Jun	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
Net sales	42,611	32,656	80,881	63,413	120,861
Operating result	10,172	7,388	19,291	15,735	23,389
EBITDA	12,224	9,396	23,404	19,684	31,371
Net result	8,738	6,993	16,924	13,653	20,203
Operating cash flow	3,937	7,575	18,499	18,736	35,143
Equity at end of period	135,299	129,688	135,299	129,688	136,238
Cash and cash equivalents at end of period	83,791	69,779	83,791	69,779	83,262

Rolling twelve-month turnover



CEO Comments

Our growth journey continues, and customers show great confidence in Selektope, which is clearly shown in the quarter's sales figures. We continue to grow and once again show the strongest quarter to date both in terms of turnover and sales volume. We see this as proof that the product is needed and is an important cornerstone in the shipping industry's quest to achieve a net zero carbon footprint by 2050.

Sales for the quarter amounted to SEK 42.6 (32.7) million and the operating profit amounted to SEK 10.2 (7.4) million. The turnover reached a new record level for a single quarter while the operating profit strengthened compared to the previous year. The operating margin amounted to 24 (23) %. Considering the first half of the year, turnover shows equally strong growth and amounts to SEK 80.9 (63.4) million with an operating margin of 24 (25) %. Thanks to our scalable business model we manage to maintain profitability at the same level as the previous year, even though we had to increase the costs attributable to the ongoing re-registration in the EU significantly. For the first half of the year they amount to approx. 3.2 (0.9) MSEK, which corresponds to approx. 29 (14) % of the other external costs.

As communicated in May, the re-registration of Selektope within the EU is now entering the next phase since ECHA supported the expert group's opinion that Selektope should be classified as an endocrine-disrupting substance. In this stage, a public consultation will take place. Throughout this phase, stakeholders like ship owners, shipyards, paint producers and others will be invited to provide their feedback on Selektope, discuss its benefits, and argue for its continued availability in the market. This process is expected to begin by the end of August. We are committed to making a significant investment to bring together all stakeholders and establish the groundwork for continued approval in Europe despite the problematic classification. This is because we believe that the advantages of utilizing Selektope, including the reduction of CO2 emissions, are significant for the European market, even though it represents a smaller segment for both our company and our customers.

Our most significant markets at present are in Japan and Korea, contributing to 35% and 50%



of the period's revenue, respectively. The driving force in Japan comes primarily from being the primary market for our largest customer CMP, coupled with growing market penetration partly due to the introduction of new products in 2021/2022 as well as an enhanced focus on operational optimization and understanding the impact of inefficient protection against barnacle growth.

In Korea, it's encouraging to note the rise in our sales to PPG, which introduced a novel antifouling product featuring Selektope this spring. The overall growth in Korean sales is largely attributed to the demand for protective solutions during the shipbuilding stage, which was Selektope's gateway once upon a time, as well as the market's call for superior long-term protection for vessels constructed there. Concurrently, Selektope is becoming a leading contender in delivering the necessary protection for maritime vessels while adhering to the forthcoming regulatory mandate that caps the contribution of any single biocide to a maximum of 1%. Our view is that it is basically impossible to create a competitive antifouling paint with those levels without including Selektope, which further demonstrates the importance of Selektope and its place in the market.

We have great confidence that the European Commission ultimately will make the wise decision that Selektope should get continued approval for the European market. It will mean continued expansion for I-Tech and Selektope not only in our asian main markets , but also in the European home market for many years to come.

Magnus Henell
Acting CEO I-Tech

Business and structure

I-Tech AB (publ) is a biotech company active in the materials and chemical sector. The company develops and sells the product Selektope, an active ingredient to counteract marine growth used in coating systems for the commercial shipping industry. The company's business is primarily focused on antifouling coatings, although development is also taking place to potentially prevent marine growth in functional materials such as polyurethane. The company's customers are the leading global marine coating companies. Asia is the dominant market.

I-Tech owns the rights to Selektope and has the necessary manufacturing expertise. The company was founded in 2000 as a spin-off company from the University of Gothenburg and Chalmers University of Technology, and is now located at GoCo Health Innovation City in Mölndal, just south of Gothenburg in Sweden.

Since the listing on Nasdaq First North Growth in 2018, the company has grown both customer-wise and financially. The market is dominated by nine major paint companies where nearly all work actively with the company's technology. Six of them are commercially active and the others are in the development stage. Thanks to a continued stable financial position, clear investments have been made in the core business. Within the regulatory area, the geographical coverage is increased step by step at the same time as upgrades and renewals of existing approvals are required at regular intervals. The company also invests in research and development in line with the strategy of offering a higher level of knowledge about Selektope's formulation properties in antifouling coatings. The continuous improvement work has also led to an increased delivery capacity and efficiency in the production chain.



Images: I-Tech received the ISO9001 certificate

During the last quarter, I-Tech was awarded the ISO 9001 certification, an internationally recognized standard that ensures our products and services meet the needs of our clients through an effective quality management system.

This achievement is a testament to I-Tech's commitment to consistently providing quality products and services, enhancing customer satisfaction, and continually improving our processes.

Other information

Share information

At the start of 2024, I-Tech's share capital amounted to SEK 23 816 914 distributed across 11 908 457 shares. The ratio value of all the shares amounts to SEK 2 and they have equal rights in the company's assets and profit/loss. I-Tech's shares were listed on the Nasdaq First North Growth Market at Nasdaq Stockholm as of 29 May 2018.

As of 28 June 2024, the number of shareholders amounted to 2 469. With a closing price for the share on 28 June 2024 of SEK 42.8, the company's market capitalisation amounted to SEK 510 million.

Risk factors

The company's risks are primarily related to the market development of Selektope®, production risks related to partners' production and production capacity, as well as risks associated with intangible assets and product development. For a more detailed description of significant risks and uncertainty factors, please see I-Tech's prospectus, which was published in conjunction with the public offering and the company's annual report for 2023.

Certified advisor

I-Tech has engaged Carnegie Investment Bank as the Certified Adviser on First North at Nasdaq Stockholm

Long-term incentive programs

The Annual General Meeting 2022 adopted a long-term incentive program for management and other staff in the form of warrants. The program amounted to a maximum of 89,320 shares, of which all were issued and paid for. The warrants may lead to a dilution of a maximum of 0.8%. The exercise price is SEK 46.01 per share. Each warrant gives the right to acquire one share.

In 2021 a similar program was adopted where 83,348 warrants were issued and paid for. As the exercise price, SEK 96.59 per share, greatly exceeded the market price during the subscription period, all the warrants expired.

Audit review

This report has not been reviewed by the company's auditors.

List of stakeholders

The list of stakeholders shows the status in the company as of 28 June 2024.

Largest owners

Owner	No. of shares	Share capital %
Pomona-gruppen	1,756,417	14,75%
Futur pension	986,794	8,29%
Handelsbanken Funds	982,061	8,25%
Swedbank Robur	932,500	7,83%
NEA Partners	624,000	5,24%
UBS AG	534,155	4,49%
Second Swedish National Pension Fund	471,263	3,96%
Stefan Sedersten incl. Companies	451,330	3,79%
Unionen	450,000	3,78%
Swedia Capital	385,920	3,24%
Fontenelles Holding	358,831	3,01%
Avanza pension	315,505	2,65%
IBKR Financial Services	251,771	2,11%
Nordnet pension	204,191	1,71%
SEB AB Luxemburg	181,484	1,52%
Others	3,022,235	25,38%
Total shares	11,908,457	100,00%
Antal ägare	2 765	

Financial information

Turnover and profit/loss

Sales for the period amounted to SEK 42,611 (32,656) thousand, which corresponds to a turnover increase of 30% (85)%. The turnover increase is slightly better than the previous quarter and at a level expected by existing and new customers. Adjusted for currency effects, this corresponds to an increase of approx. 28%.

The gross margin for the period is in line with last year, 53% (53%) and reflects a continued stable price and cost level.

Other external costs show a sharp increase mainly due to activities around the re-registration of the company's EU BPR approval.

Despite increased operating costs the company maintains an increase in operating profit before depreciation, which now amounts to 12,224 (9,396).

As the company now finds itself in a position where it is probable that the company will use accrued loss carry forwards in the future, these are reported in accordance with K3's regulations. The deferred tax assets attributable to these deficits are thus reported in the income statement and balance sheet. The transaction has no cash effect but makes visible the positive effect that is made possible on cash flow when the company shows taxable profits in the future.

Cash flow

The cash flow from operating activities for the period amounted to SEK 3,937 (7,575) thousand where the earnings amount to SEK 12,922 (10,698) thousand and the working capital amounts to -8,985 (-3,123) thousand.

During the period, I-Tech invested SEK -22 (-1,417) thousand in fixed assets. Net SEK 0 (0) thousand has been deducted from the cash flow from financing activities as the company only has commitments regarding loans from the Energy Agency where payment takes place in quarter 3 each year. During the period, the dividend that was decided at the Annual General Meeting on 16 May was also carried out, which gave a total cash flow for the period of SEK -13,948 (6,158) thousand.

Financial summary

Cash and cash equivalents in the company at the end of the period amounted to SEK 83,791 (69,779) thousand and equity amounted to 135,294 (129,688) thousand. The change in cash and cash equivalents and equity is directly related to the company's results, other operating changes, as well as repayments of long term liabilities.

Principles of preparation

The accounts in this report have been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board BFNAR 2012:1 annual report and consolidated accounts (K3). The principles of preparation are described in more detail in the company's annual report for the financial year 2023.

Upcoming financial reports

18 October 2024	Interim report, quarter 3
6 February 2025	Year-end report 2024
8 May 2025	Interim report, quarter 1

Income statement

Amounts in kSEK	2024 Apr-Jun	2023 Apr-Jun	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
Operating income, etc.					
Net sales	42,611	32,656	80,881	63,413	120,861
Other operating income	571	340	768	532	2,154
	43,182	32,996	81,649	63,945	123,015
Cost of goods sold	-20,158	-15,306	-38,255	-29,778	-57,324
Other external costs	-5,723	-3,882	-11,134	-6,547	-15,293
Personnel expenses	-3,776	-3,797	-7,330	-6,983	-15,827
Depreciations, amortizations and impairments	-2,052	-2,008	-4,113	-3,949	-7,982
Other operating expenses	-1,301	-615	-1,526	-953	-3,200
	-33,010	-25,608	-62,358	-48,210	-99,626
Operating income	10,172	7,388	19,291	15,735	23,389
Financial items					
Interest income and similar items	834	1,326	2,025	1,460	3,154
Interest expense and similar items	-1	93	-1	-	-1 049
	833	1,419	2,024	1,460	2,105
Result after financial items	11,005	8,807	21,315	17,195	25,494
Tax on result from the year	-2,267	-1,814	-4,391	-3,542	-5,291
NET RESULT	8,738	6,993	16,924	13,653	20,203

Balance sheet

Amounts in kSEK	2024 Jun-30	2023 Jun-30	2023 Dec-31	2022 Dec-31
ASSETS				
Intangible assets	26,465	33,873	30,120	37,615
Tangible assets	2,469	2,428	2,820	924
Deferred tax assets	4,942	11,081	9,332	14,623
Total fixed assets	33,876	47,382	42,272	53,162
Inventory	3,306	2,282	4,280	2,413
Short-term receivables	27,612	21,975	22,629	17,077
Cash and bank balances	83,791	69,779	83,262	52,754
Total current assets	114,709	94,036	110,171	72,244
Total assets	148,585	141,418	152,443	125,406
EQUITY AND LIABILITIES				
Share capital	23,817	23,817	23,817	23,817
Restricted equity	1,482	1,528	1,482	1,528
Unrestricted equity	93,076	90,690	90,736	80,073
Result	16,924	13,653	20,203	10,617
Total equity	135,299	129,688	136,238	116,035
Short-term liabilities	13,286	11,730	16,205	9,371
Total liabilities	13,286	11,730	16,205	9,371
Total equity and liabilities	148,585	141,418	152,443	125,406

Cash-flow analysis

Amounts in kSEK	2024 Apr-Jun	2023 Apr-Jun	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
Operating activities					
Operating result	10,172	7,388	19,291	15,735	23,389
Adjustments for non-cash items	2,052	2,008	4,113	3,949	7,982
Interest received	707	1,208	1,825	1,208	2,896
Interest paid	-1	93	-1	-	-1,049
Income tax paid/received	-8	1	-41	-63	-42
Changes in working capital					
Change in inventories	232	58	974	131	-1,867
Change in operating receivables	-4,211	-2,827	-4,783	-4,646	-5,294
Change in operating liabilities	-5,006	-354	-2,879	2,422	9,128
Cash flow from operating activities	3,937	7,575	18,499	18,736	35,143
Investment activities					
Investments in non-current assets	-22	-1,417	-107	-1,711	-2,383
Cash flow from investment activities	-22	-1,417	-107	-1,711	-2,383
Financing activities					
Amortization/issue loan	-	-	-	-	-2,252
Dividend to shareholders	-17,863	-	-17,863	-	-
Cash flow from financing activities	-17,863	-	-17,863	-	-2,252
The period's cash flow	-13,948	6,158	529	17,025	30,508
Cash and cash equivalents at beginning of period	97,739	63,621	83,262	52,754	52,754
Cash and cash equivalents at end period	83,791	69,779	83,791	69,779	83,262
Adjustments for non-cash items					
Depreciation and amortizations	2,052	2,008	4,113	3,949	7,982
Other items not affecting cash flow	-	-	-	-	-
	2,052	2,008	4,113	8,095	7,982

Equity changes

All amounts in kSEK	Restricted equity			Unrestricted equity		Total equity
	Share capital	Statutory reserve	Development expense fund	Share premium reserve	Other unrestricted equity	
2023-01-01	23,817	753	775	143,276	-52,586	116,035
Capitalization of development expenses	-	-	-46	-	46	-
Net result for the year	-	-	-	-	20,203	20,203
2023-12-31	23,817	753	729	143,276	-32,337	136,238
2024-01-01	23,817	753	729	143,276	-32,337	136,238
Dividend to shareholders	-	-	-	-	-17,863	-17,863
Net result for the period	-	-	-	-	16,924	16,924
2024-06-30	23,817	753	729	143,276	-33,276	135,299

Financial ratios

	2024 Apr-Jun	2023 Apr-Jun	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
Turnover growth %	30%	85%	28%	97%	45%
Gross margin %	53%	53%	53%	53%	53%
Operating margin %	24%	23%	24%	25%	19%
Profit margin %	21%	21%	21%	22%	17%
Solidity	91%	92%	91%	92%	89%
Cash liquidity	838%	782%	653%	745%	653%
Return on average total capital	7%	6%	14%	13%	18%
Return on average total equity	8%	7%	16%	14%	20%
Average of outstanding shares	11 908 457	11 908 457	11 908 457	11 908 457	11 908 457
Outstanding shares end of period	11 908 457	11 908 457	11 908 457	11 908 457	11 908 457
Result per share	0,7	0,6	1,4	1,1	1,7
Result per share fully diluted	0,7	0,6	1,4	1,1	1,7
Equity per share	11,4	10,9	11,4	9,7	11,4
Equity per share fully diluted	11,3	10,7	11,3	10,7	11,3
Dividend per share	1,5	-	1,5	-	-

DEFINITIONS OF KEY FIGURES

Net sales growth

The percentage increase in sales for the past period compared with the corresponding previous period.

Gross margin

Gross profit for the period in relation to the period's net sales.

Gross profit

Net sales of the period decreased by raw materials and supplies.

Operating margin

Operating income for the period in relation to the period's net sales.

Profit margin

Profit for the period in relation to the period's net sales.

Solidity

Shareholders' equity as a percentage of total assets.

Cash liquidity

Current assets, excluding inventories, in relation to current liabilities, without adjustment for proposed dividend.

Return on average total capital

Net profit for the period, as a percentage of average total capital.

Return on average total equity

Net profit for the period, as a percentage of average shareholders' equity.

Result per share

Profit for the period divided by the average number of outstanding shares during the year.

Equity per share

Total equity divided by the number of shares at the end of the period.

The board and the managing director
assures that the interim report provides a fair overview
of the Company's position and results

Mölndal 23 August 2024

Philip Chaabane, Chairman of the board
Mikael Laurin, Member of the board
Tomas Tedgren, Member of the board
Chatarina Schneider, Member of the board
Tomas Bergdahl, Member of the board
Raouf Kattan, Member of the board
Magnus Henell, Acting Chief Executive Officer

Address

I-Tech AB
GoCo Health Innovation City
Förändringens gata 10
SE 431 53 Mölndal
Tel: 010-3303999
org.nr: 556585-9682

www.i-tech.se

Contact

Magnus Henell, CFO & acting CEO
Tel: +46(0)73 910 37 03
magnus.henell@i-tech.se