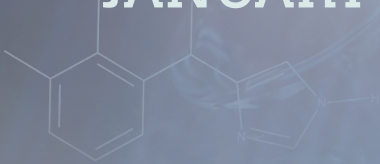




INTERIM REPORT

Q1 2023

JANUARY - MARCH



Summary of the period

”Sustained growth with increased profitability”

- Net sales for the first quarter amounted to 30,757 (14,478) kSEK, which corresponds to a sales increase of 112% (0). Operating profit amounted to SEK 8,347 (333) kSEK.
- The currency-adjusted growth amounted to 92% (-10).

January to March 2023

- No significant events.

Significant events after the end of the period

- No significant events have been reported after the end of the period.

Financial summary

All amounts in kSEK	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec	2021 Jan-Dec
Net sales	30 757	14 478	83 631	52 901
Operating income	8 347	333	12 024	-4 683
EBITDA	10 288	2 250	20 045	3 234
Net result	6 660	511	10 617	-2 648
Operating cash flow	11 161	3 185	20 125	-1 698
Equity at end of period	122 695	105 449	116 035	104 939
Cash and cash equivalents at end of period	63 621	38 044	52 754	35 009

Rolling twelve-month turnover



CEO Comments

Driven by a strong macro trend towards a more fuel efficient and clean shipping industry, the reported growth during the fourth quarter maintains its strength into this year's first quarter.

Net sales amounted to 30.8 (14.5) MSEK and the net result amounted to 8.4 (0.3) MSEK. The operating profit reached, with strong margin, a new record level during any isolated quarter and the profit margin amounted to 27 (2) percent.

To once more report a turnover just above 30 MSEK is convincing, even when considering the relatively high currency effects. Topline is primarily driven by a strong organic growth which, during the quarter amounted to 92 (-10) percent.

Our largest customer, Chugoku Marine Paints, increased their organic growth by 102 percent and at the same time our second largest customer, also based in Asia, reported an organic growth of 167 percent. It symbolizes a clear signal that Asia, with its strong position in ship new-building and repair is and will remain the driving force in our growth journey. The approval process of new paint products in the region is clearly more rapid from a regulatory perspective, stimulating innovation.

During the quarter, an EBITDA margin of 33% is reported, representing a record level in the company's history. It proves, alongside the fourth quarter performance last year, that the business model works and that costs do not increase with the same ratio as the revenue is growing. At the same time investments are made in new more appropriate premises that will be commissioned during the second quarter. In addition, the R&D organization has strengthened its capabilities during the past quarter with the purpose to continue to grow our business.

Besides the reported growth, Selektop® has a relatively small market share. Hence, there is still a considerable growth opportunity at all paint makers. We can see a strong customer



activity in the area of developing more paint products using Selektop. The sustainability-driven factors are clear and we see a higher interest to invest in keeping hulls clean. In some market segments, there are ambitions to lower emissions from paints into the marine environment. For Selektop, these trends equal potential opportunities.

Following periods of steady growth and increased profitability, I am humble towards the possibility that, above all, volumes towards the new-building market may be somewhat limited during the year, this as a consequence of COVID which has led to understaffing and component shortages at the shipyards.

In summary, with respect for unforeseen events, we look forward to an exciting year and years to come as the industry step by step start to shift gears to reach the targeted 40% reduction on emissions to air by 2030 and thereafter achieve even further reductions by 2050. A clean hull is one of the essential components to achieve these targets.

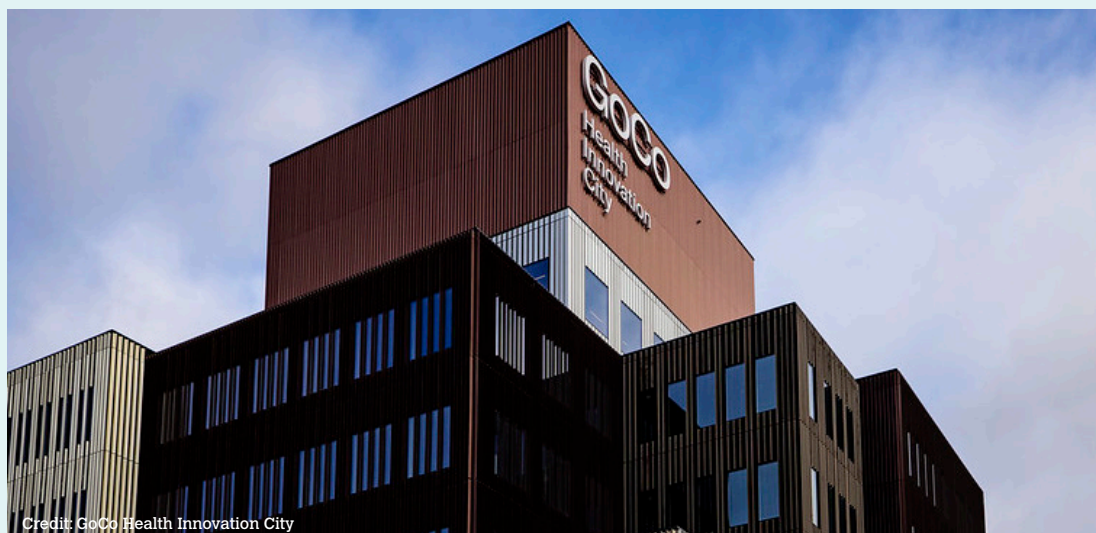
Philip Chaabane
CEO I-Tech

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.



In April 2022, I-Tech made the move into GoCo Health Innovation City, just south of Astra Zeneca's site in Mölndal.

As I-Tech has developed into an established business and the purpose of AstraZeneca's BioVenture Hub has been further developed, the company, like several others, has outgrown the applicable criteria.

The choice to become part of GoCo Health Innovation city was based on the desire to continue to be present in an innovative and high-tech environment. With the move, the company also obtains a laboratory environment completely adapted to the company's needs, which increases the opportunities for research and development together with customers and partners.

Other information

Share information

At the start of 2023, 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 31 March 2023, the number of shareholders amounted to 2,730. With a closing price for the share on 31 March 2023 of SEK 69.40, the company's market capitalisation amounted to SEK 826 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 2022.

Certified advisor

I-Tech has engaged Erik Penser 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 with three years term. 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.

2021 an equivalent program was adopted where 83,348 warrants were issued and paid for. The warrants may lead to a dilution of a maximum of 0.7%. The exercise price is SEK 96.59 per share. Each warrant gives the right to acquire one share.

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 31 March 2023.

Largest owners

Owner	No. of shares	Share capital %
Pomona-gruppen	1 756 417	14,75%
Handelsbanken Funds	1 075 000	9,03%
Swedbank Robur	932 500	7,83%
Futur pension	901 989	7,57%
NEA Partners	624 000	5,24%
Stefan Sedersten incl. Companies	451 330	3,79%
Unionen	450 000	3,78%
Second Swedish National Pension Fund	390 837	3,28%
Avanza pension	386 785	3,25%
Swedia Capital	385 920	3,24%
Aquamarine	369 596	3,10%
Öhman Funds	324 755	2,73%
Sniptind Invest	303 315	2,55%
Alcur funds	224 671	1,89%
David Bendz	175 167	1,47%
Others	3 156 175	26,50%
Total shares	11 908 457	100,00%

Financial information

Turnover and profit/loss

Net sales for the period amounted to 30,757 (14,478) kSEK, which gives an increase of 112% (0). Strong volume growth in our two largest customers combined with a high value in the USD results in the strongest quarter ever. Adjusted for currency effects, it gives an increase of 92%.

The gross margin for the period is slightly down compared to last year, 53% (55%) but reflects a stable price and cost level.

Other external costs are in line with previous year as there are no large changes in the pace of R&D and regulatory work. Personnel costs has increased slightly in line with reinforcements in personnel and the Board of Directors.

Through the increased turnover, the company shows a strong operating profit before depreciations for the period of 10,288 (2,250) kSEK.

As the company now finds itself in a position where it is probable that the company will use accrued loss carryforwards 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 11,161 (3,185) kSEK where the earnings amount to 10,131 (2,427) kSEK and the working capital amounts to 1,030 (758) kSEK.

During the period, I-Tech invested -294 (0) kSEK in fixed assets. Net 0 (-150) kSEK has been deducted from the cash flow from financing activities as the only long-term financing now consists of loans from Energimyndigheten with amortisations during quarter 3 each year. This gives a total cash flow for the period of 10,867 (3,035) kSEK.

Financial summary

Cash and cash equivalents in the company at the end of the period amounted to 63,621 (38,004) kSEK and equity amounted to 122,695 (105,449) kSEK. 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 2022.

Upcoming financial reports

25 August 2023	Interim report, quarter 2
20 October 2023	Interim report, quarter 3
21 February 2024	Year-end report 2023

Income statement

Amounts in kSEK	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec	2021 Jan-Dec
Operating income, etc.				
Net sales	30 757	14 478	83 631	52 901
Other operating income	192	82	2 650	621
	30 949	14 560	86 281	53 522
Cost of goods sold	-14 472	-6 574	-38 504	-25 424
Other external costs	-2 665	-2 642	-12 281	-10 192
Personnel expenses	-3 186	-2 962	-13 242	-13 306
Depreciations, amortizations and impairments	-1 941	-1 917	-8 021	-7 917
Other operating expenses	-338	-132	-2 209	-1 366
	-22 602	-14 227	-74 257	-58 205
Operating income	8 347	333	12 024	-4 683
Financial items				
Interest income and similar items	134	316	1 414	1 501
Interest expense and similar items	-93	-5	-12	-138
	41	311	1 402	1 363
Result after financial items	8 388	644	13 426	-3 320
Tax on result from the year	-1 728	-133	-2 809	672
NET RESULT	6 660	511	10 617	-2 648

Balance sheet

Belopp i TSEK	2023 Mar-31	2022 Mar-31	2022 Dec-31	2021 Dec-31
ASSETS				
Intangible assets	35 751	43 583	37 615	45 484
Tangible assets	1 141	312	924	328
Deferred tax assets	12 896	17 299	14 623	17 432
Total fixed assets	49 788	61 194	53 162	63 244
Inventory	2 340	2 418	2 413	3 343
Short-term receivables	19 030	14 283	17 077	13 528
Cash and bank balances	63 621	38 044	52 754	35 009
Total current assets	84 991	54 745	72 244	51 880
Total assets	134 779	115 939	125 406	115 124
EQUITY AND LIABILITIES				
Share capital	23 817	23 817	23 817	23 817
Restricted equity	1 528	1 537	1 528	1 537
Unrestricted equity	90 690	79 584	80 073	82 233
Net result	6 660	511	10 617	-2 648
Total equity	122 695	105 449	116 035	104 939
Long-term liabilities	-	2 102	-	2 252
Short-term liabilities	12 084	8 388	9 371	7 933
Total liabilities	12 084	10 490	9 371	10 185
Total equity and liabilities	134 779	115 939	125 406	115 124

Cash-flow analysis

Belopp i TSEK	2023 mar-31	2022 mar-31	2022 dec-31	2021 dec-31
Operating activities				
Operating income	8 347	333	12 024	-4 683
Adjustments for non-cash items	1 941	1 917	8 095	7 917
Interest received	-	316	1 414	1 501
Interest paid	-93	-5	-12	-138
Income tax paid/received	-64	-134	-102	-44
Changes in working capital				
Change in inventories	73	925	930	935
Change in operating receivables	-1 819	-755	-3 549	-8 170
Change in operating liabilities	2 776	588	1 325	984
Changes in working capital	11 161	3 185	20 125	-1 698
Investment activities				
Investments in non-current assets	-294	-	-822	-928
Cash flow from investment activities	-294	-	-822	-928
Financing activities				
Amortization/issue loan	-	-150	-2 037	-4 330
New share issue	-	-	479	984
Cash flow from financing activities	-	-150	-1 558	-3 346
The period's cash flow	10 867	3 035	17 745	-5 972
Cash and cash equivalents at beginning of period	52 754	35 009	35 009	40 981
Cash and cash equivalents at end period	63 621	38 044	52 754	35 009
Adjustments for non-cash items				
Depreciation and amortizations	1 941	1 917	8 021	7 917
Other items not affecting cash flow	-	-	74	-
	1 941	1 917	8 095	7 917

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	
2022-01-01	23 817	753	784	143 276	-63 691	104 939
Capitalization of development expenses	-	-	-9	-	9	-
New issue	-	-	-	-	479	479
Net result for the year	-	-	-	-	10 617	10 617
2022-12-31	23 817	753	775	143 276	-52 586	116 035
2023-01-01	23 817	753	775	143 276	-52 586	116 035
Net result for the period	-	-	-	-	6 660	6 660
2023-03-31	23 817	753	775	143 276	-45 926	122 695

Financial ratios

Amounts in kSEK	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec	2021 Jan-Dec
Net sales growth %	112%	0%	58%	0%
Gross margin %	53%	55%	54%	52%
Operating margin %	27%	2%	14%	-9%
Profit margin %	22%	4%	13%	-5%
Solidity	91%	91%	93%	91%
Cash liquidity	684%	624%	745%	612%
Return on average total capital	7%	neg.	10%	neg.
Return on average total equity	7%	neg.	11%	neg.
Average of outstanding shares	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
Result per share	0,6	0,0	0,9	-0,2
Result per share fully diluted	0,6	0,0	0,9	-0,2
Equity per share	10,3	8,9	9,7	8,8
Equity per share fully diluted	10,2	8,8	9,6	8,8
Dividend per share	-	-	-	-

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

Möln dal 4 May 2023

Stefan Sedersten, Chairman of the board
Mikael Laurin, Member of the board
Bjarne Sandberg, 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
Philip Chaabane, Chief Executive Officer

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