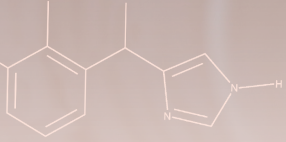


# YEAR-END REPORT

## Q4 2024

OCTOBER - DECEMBER





# Summary of the period

” Topline sales sprint in the last quarter crowns a successful year ”

Net sales during the fourth quarter amounted to SEK 57,804 (25,273) thousand, which corresponds to an increase in sales of 129 (-16) % compared to the same quarter in 2023. The operating profit amounted to SEK 16,763 (-479) thousand.

Net sales for the full year 2024 amounted to SEK 179,451 (120,861) thousand, corresponding to an increase in sales of 48 (45) % compared to the full year 2023. The operating profit amounted to SEK 45,490 (23,389) thousand.

## Significant events January to December 2024

- Major marine coating company launched a low biocidal premium antifouling product using Selektepe.
- Sales of Selektepe reached the 20 mt milestone with strong growth in NE Asia
- In conjunction with the Annual General meeting in May Philip Chaabane stepped down as CEO of I-Tech AB and was elected new Chairman of the board, replacing Stefan Sedersten. Remaining board was re-elected.
- The process for renewed approval within the EU moved from a scientific evaluation phase to a decision phase, and during the fall a Public Consultation was executed.
- Mid-September Markus Jönsson took office as CEO in I-Tech AB, replacing Magnus Henell who was serving as acting CEO since mid-May.
- I-Tech AB was awarded DI Gasell company by Dagens Industri.
- The board proposes an ordinary dividend of SEK 1.00 per share and an extra dividend of SEK 0.75 per share, in total SEK 1.75 per share, corresponding to 53% of the net profit for the year.

## Significant events after the end of the period

- I-Tech AB signed a supply and license agreement with major Asian-based paint company.

# Financial summary

All amounts in kSEK	2024 Oct-Dec	2023 Oct-Dec	2024 Jan-Dec	2023 Jan-Dec
Net sales	57,804	25,273	179,451	120,861
Operating result	16,763	-479	45,490	23,389
EBITDA	18,821	1,542	53,713	31,371
Net result	14,299	-233	39,013	20,203
Operating cash flow	6,173	-774	35,173	35,143
Equity at end of period	157,388	136,238	157,388	136,238
Cash and cash equivalents at end of period	100,164	83,262	100,164	83,262

# CEO Comments

2024 has been another record year for I-Tech. We signed supply agreements with two new global paint companies, total sales grew by 48% year-on-year, and our financial performance continued to improve, despite a significant increase in external costs linked to regulatory compliance. Operating profit (EBIT) for the year grew by 94%, reaching SEK 45.5 (23.4) million.

Selektepe sales accelerated further in Q4, achieving a new quarterly record of SEK 57,8 (25,3) million. Total sales for the year amounted to SEK 179,5 (120,9) million, resulting in a net profit margin of 22% (17%). I-Tech has now repaid all loans and consumed all tax losses that have been carried forward since the start.

In 2023, CMP represented around 80% of total sales. Throughout this year, our sales have diversified, and now more than a third of total sales come from customers other than CMP. PPG launched Nexeon 810, a copper-free antifouling product with Selektepe during the spring of 2024, and sales to them have grown substantially throughout the year. The share of total sales to Asia grew to 97% (92%), and year-on-year sales to Korea, Japan and China grew by 86%, 37% and 94%, respectively.

## Selektepe's Renewed Regulatory Approval in the EU:

The public consultation phase ended in November, with many external stakeholders voicing their concerns and disagreements with ECHA's opinion on the hazard profile of medetomidine and the Analysis of Alternatives conducted by Norway, the competent authority evaluating the dossier. An independent socio-economic study commissioned by I-Tech concluded that non-renewal would have major disproportionate negative impacts on society, justifying renewal under derogation criteria.

In the next phase, EU Commission representatives will consider the input and engage the Standing Committee on Biocidal Products (SCPB), with a derogated approval being one potential outcome. A decision is likely to come during the second half of 2025.



## Market expansion:

As previously highlighted, the dry-docking market segment is becoming increasingly accessible thanks to a broader customer base, excellent formulation development by the R&D team, and successful testing. These factors can further accelerate Selektepe's growth in the coming years.

Regulatory approval processes in the USA are moving into a phase of higher activity in 2025, with the first steps of market penetration in the Americas expected this year. We are also expecting the regulatory process in New Zealand and Malaysia to move forward during 2025.

A portfolio of new opportunities has been defined, and business development activities are being pursued in parallel with organic innovation projects. The team's capabilities related to specific activities are being strengthened by additional, flexible resources.

**Markus Jönsson**  
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.

### Rolling twelve-month turnover



**2024 was a year of growth and dedication, leading to strong results!**

The company achieved net sales of SEK 179,451 thousand, marking a 48% increase compared to 2023. The operating profit reached SEK 45,490 thousand, showcasing a significant improvement from the previous year. We also achieved a net profit margin of 22%.

## 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 30 December 2024, the number of shareholders amounted to 2,430 (2,591). With a closing price for the share on 30 December 2024 of SEK 58.0 (55.2), the company's market capitalisation amounted to SEK 691 (657) 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 in regulatory permissions, other 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 Adviser

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.

### 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 30 December 2024.

### Largest owners

Owner	No. of shares	Share capital %
Pomona-gruppen	1,756,417	14.75%
Futur pension	995,794	8.36%
Swedbank Robur	932,500	7.83%
Handelsbanken Funds	725,000	6.09%
Second Swedish National Pension Fund	643,400	5.40%
NEA Partners	624,000	5.24%
UBS AG	534,155	4.49%
Nordnet pension	489,218	4.11%
Unionen	450,000	3.78%
Stefan Sedersten incl. Companies	441,330	3.71%
Avanza pension	408,325	3.43%
Fontanelles Holding	348,831	2.93%
IBKR Financial Services	204,221	1.71%
Alcur Funds	179,442	1.51%
Öhman Funds	179,070	1.50%
Others	2,996,754	25.16%
<b>Total shares</b>	<b>11,908,457</b>	<b>100.00%</b>



## Financial information

### Turnover and profit/loss

Sales for the period amounted to SEK 57,804 (25,273) thousand, which gives a net sales increase with 129% (-16%) and adjusted for currency effects, this corresponds to a growth with approx. 120%. The development is foremost a result of strong growth during the period in Korea and ends a great year with a total growth of 48% (45%).

The gross margin for the period shows a slight improvement compared to the previous year, 54 (52) % as an effect of the efforts made in the area. In the coming periods, the gross margin is expected to be further strengthened by a few percentage points.

Other external costs show a significant increase mainly due to activities around the re-registration of the company's EU BPR approval. The increase in personnel costs is in line with the reinforcements the company has made on the personnel side as well as an effect of a strong outcome in the personnel bonus program after a successful year.

With the strong turnover increase as a basis, which is further strengthened by the improved gross margin, the company shows a strong EBITDA, despite increased operating costs, amounting to SEK 16,763 (-479) thousand.

During the period, the remaining tax loss carry-forwards were utilized, which means that parts of the profit for the period and any profit in future periods will be subject to both an accounting and cash-impacting tax effect.

### Cash flow

The cash flow from operating activities for the period amounted to SEK 6,173 (-774) thousand where the earnings amount to SEK 20,551 (1,759) thousand and the working capital amounts to SEK -14,378 (-2,533) thousand.

During the period, I-Tech invested SEK -273 (-557) thousand in fixed assets. Net SEK 0 (0) thousand has been deducted from the cash flow as the company has completed all obligations in connection with previous loans from the Energy Agency. This gives a total cash flow for the period of SEK 5,900 (-1,331) thousand.

### Financial summary

Cash and cash equivalents in the company at the end of the period amounted to SEK 100,164 (83,262) thousand and equity amounted to SEK 157,388 (136,238) thousand. The change in cash and cash equivalents and equity is directly related to the company's results and other operating changes.

### 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

11 April 2025	Annual report 2024
8 May 2025	Interim report, quarter 1
22 August 2025	Interim report, quarter 2
17 October 2025	Interim report, quarter 3

## Income statement

Amounts in kSEK	2024 Oct-Dec	2023 Oct-Dec	2024 Jan-Dec	2023 Jan-Dec
Operating income, etc.				
Net sales	57,804	25,273	179,451	120,861
Other operating income	1,424	382	2,325	2,154
	<b>59,228</b>	<b>25,655</b>	<b>181,776</b>	<b>123,015</b>
Cost of goods sold	-26,516	-12,175	-84,228	-57,324
Other external costs	-6,140	-4,681	-22,185	-15,293
Personnel expenses	-6,720	-5,733	-17,767	-15,827
Depreciations, amortizations and impairments	-2,058	-2,021	-8,223	-7,982
Other operating expenses	-1,031	-1,524	-3,883	-3,200
	<b>-42,465</b>	<b>-26,134</b>	<b>-136,286</b>	<b>-99,626</b>
<b>Operating income</b>	<b>16,763</b>	<b>-479</b>	<b>45,490</b>	<b>23,389</b>
Financial items				
Interest income and similar items	1,287	1,027	3,724	3,154
Interest expense and similar items	-	-792	-38	-1,049
	<b>1,287</b>	<b>235</b>	<b>3,686</b>	<b>2,105</b>
<b>Result after financial items</b>	<b>18,050</b>	<b>-244</b>	<b>49,176</b>	<b>25,494</b>
Tax on result from the year	-3,751	11	-10,163	-5,291
<b>NET RESULT</b>	<b>14,299</b>	<b>-233</b>	<b>39,013</b>	<b>20,203</b>

## Balance sheet

Amounts in kSEK	2024 Dec-31	2023 Dec-31
<b>ASSETS</b>		
Intangible assets	22,731	30,120
Tangible assets	2,394	2,820
Deferred tax assets	-	9,332
Total fixed assets	25,125	42,272
Inventory	4,067	4,280
Short-term receivables	43,758	22,629
Cash and bank balances	100,164	83,262
Total current assets	147,989	110,171
<b>Total assets</b>	<b>173,114</b>	<b>152,443</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	23,817	23,817
Restricted equity	1,545	1,482
Unrestricted equity	93,013	90,736
Result	39,013	20,203
Total equity	157,388	136,238
Short-term liabilities	15,726	16,205
Total liabilities	15,726	16,205
<b>Total equity and liabilities</b>	<b>173,114</b>	<b>152,443</b>

## Cash-flow analysis

Amounts in kSEK	2024 Oct-Dec	2023 Oct-Dec	2024 Jan-Dec	2023 Jan-Dec
<b>Operating activities</b>				
Operating result	16,763	-479	45,490	23,389
Adjustments for non-cash items	2,058	2,021	8,223	7,982
Interest received	1,644	999	3,806	2,896
Interest paid	-	-792	-38	-1,049
Income tax paid/received	86	10	28	-42
<b>Changes in working capital</b>				
Change in inventories	1,613	80	213	-1,867
Change in operating receivables	-10,150	-3,163	-21,211	-5,294
Change in operating liabilities	-5,841	550	-1,338	9,128
<b>Cash flow from operating activities</b>	<b>6,173</b>	<b>-774</b>	<b>35,173</b>	<b>35,143</b>
<b>Investment activities</b>				
Investments in non-current assets	-273	-557	-408	-2,383
<b>Cash flow from investment activities</b>	<b>-273</b>	<b>-557</b>	<b>-408</b>	<b>-2,383</b>
<b>Financing activities</b>				
Amortization/issue loan	-	-	-	-2,252
Dividend to shareholders	-	-	-17,863	-
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-17,863</b>	<b>-2,252</b>
<b>The period's cash flow</b>	<b>5,900</b>	<b>-1,331</b>	<b>16,902</b>	<b>30,508</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>94,264</b>	<b>84,593</b>	<b>83,262</b>	<b>52,754</b>
<b>Cash and cash equivalents at end period</b>	<b>100,164</b>	<b>83,262</b>	<b>100,164</b>	<b>83,262</b>
Adjustments for non-cash items				
Depreciation and amortizations	2,058	2,021	8,223	7,982
Other items not affecting cash flow	-	-	-	-
	<b>2,058</b>	<b>2,021</b>	<b>8,223</b>	<b>7,982</b>

## 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
<b>2023-12-31</b>	<b>23,817</b>	<b>753</b>	<b>729</b>	<b>143,276</b>	<b>-32,337</b>	<b>136,238</b>
2024-01-01	23,817	753	729	143,276	-32,337	136,238
Dividend to shareholders	-	-	-	-	-17,863	-17,863
Capitalization of development expenses	-	-	63	-	-63	-
Net result for the period	-	-	-	-	39,013	39,013
<b>2024-12-31</b>	<b>23,817</b>	<b>753</b>	<b>792</b>	<b>143,276</b>	<b>-11,250</b>	<b>157,388</b>

## Financial ratios

	2024 Oct-Dec	2023 Oct-Dec	2024 Jan-Dec	2023 Jan-Dec
Turnover growth %	129%	-16%	48%	45%
Gross margin %	54%	52%	53%	53%
Operating margin %	29%	-2%	25%	19%
Profit margin %	25%	-1%	22%	17%
Solidity	91%	89%	91%	89%
Cash liquidity	915%	653%	653%	745%
Return on average total capital	11%	0%	30%	18%
Return on average total equity	12%	0%	33%	20%
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	1.2	0.0	3.3	1.7
Result per share fully diluted	1.2	0.0	3.3	1.7
Equity per share	13.2	11.4	13.2	11.4
Equity per share fully diluted	13.1	11.3	13.1	11.3
Dividend per share	-	-	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 6 February 2025

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  
Markus Jönsson, Chief Executive Officer

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