

# We make marine transportation more sustainable

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**Our vision is for Selektope® to be the preferred solution for sustainable marine fouling protection**



# This is I-Tech

I-Tech is a global biotechnology company operating in the marine paint industry with the key mission to reduce the environmental impact from shipping by keeping ship hulls free from barnacles. The company has developed and commercialised the product, Selektope®.

Selektope is an organic, metal-free biocide that is used as an important component in marine antifouling paints to prevent primarily barnacles from settling on coated surfaces. I-Tech is the first company to apply principles from biotechnology research in the marine paint industry to keep ship hulls free from marine biofouling.



## Our team

At I-Tech, we believe that diversity drives innovation and creativity. I-Tech's team is made up by individuals with different backgrounds and different nationalities. We strive for balance between men and women. Together, we have experience from large and small international companies, the cleantech sector and the marine paint industry.

# An ocean of opportunities

100

million litres

Of antifouling coating products used globally.



500

million USD

The market for Selektope is valued at 500 MUSD.



>20

billion USD

Total fuel-savings potential from preventing biofouling on ship hulls.



>100

million tons CO<sub>2</sub>

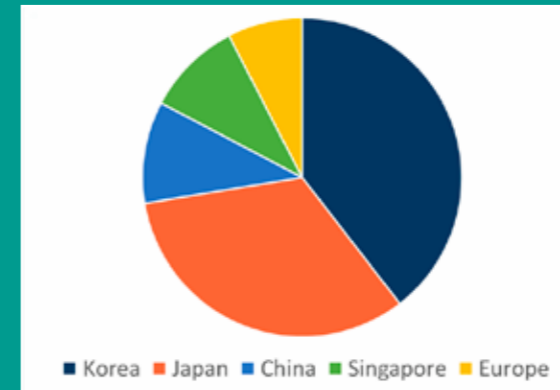
Emissions-saving potential from preventing biofouling on ship hulls, which corresponds to 0.3% of global CO<sub>2</sub> emissions per year.



# Events during the year



**Strong growth for Selektope in Asia.** I-Tech's main markets are in Asia and were dominated in 2023 by Korea and Japan. These markets are mainly driven by a large newbuilding market for advanced and large cargo ships. In total, regions outside Europe account for approx. 90% of sales (p.16-19).



24% 6% 33% 41%

2020 2021 2022 2023

**Continuous organic growth.** Recent years have shown strong currency-adjusted growth which has rebounded strongly after a temporary dip during the COVID years.

3 600 3 234 20 045 31 371

2020 2021 2022 2023

**Sharply improved EBITDA over time.** Recent years have been characterised by improvements in profitability and over the last year the business model has really proven itself as profitability has followed the strong increase in sales.



**I-Tech gathers antifouling experts for international conference in Gothenburg.** In 2023 and for the second year in a row, I-Tech organised an industry-specific conference in Gothenburg with the aim of promoting collaborations for the future development of antifouling solutions (p.20-21).



**Customer development.** In 2023, I-Tech signed a licence agreement with one of the world's largest marine paint companies, Akzo Nobel. Selektope is now qualified to be included in future product launches. Thus, I-Tech is approaching a commercial relationship with no less than seven of the nine dominant paint companies in the industry.

**Growth:** The currency-adjusted sales growth exceeded CAGR 40% from the year before I-Tech's IPO.



**Proven efficacy:** Over 2,500 commercial vessels currently use a hull coating containing Selektope. The demand for premium coatings and optimal hull performance is increasing as new regulations to reduce emissions are introduced, sustainability issues are reinforced and fuel prices rise.

## CEO STATEMENT

# A successful year with good opportunities to continue on the chosen path

Our long-term customer development work with the leading suppliers of marine antifouling paint has strengthened relationships and trust in the product further during 2023. We see a clear growth and demand in sales, product portfolio and the number of customers with regular orders. The business model has proven its capacity to scale the business, which is evident in the operating result, which was 95% better compared to the previous year and amounted to 23.4 MSEK (12).

I look back on a successful year. Demand has increased, and growth has been significantly greater than the general growth in the market. The business model has proven its ability to scale the business, albeit on a basis mainly of two customers who accounted for the vast majority of sales, which amounted to 121 MSEK (84), corresponding to an increase of 45%. However, the most interesting aspect is that the operating result was 95% better compared to the previous year and amounted to 23.4 MSEK (12.0), a result that contributed to strengthening an already good cash position. The strong balance sheet also led to a decision to start a dividend journey. In a first step, a profit distribution is proposed where 0.75 SEK is to be distributed as an ordinary dividend and 0.75 SEK as an extra dividend. In total, this corresponds to 80% of this year's profit, or just under 20 MSEK.

The idea with the dividends is to increase the return on our owners' investments, considering the strong balance sheet. The level also gives room to continue using capital to initiatives with forecasted good returns in the form of, for example, improvements in production efficiency as well as opportunities to evaluate long-term alternative growth areas within the antifouling paint industry. With that said, there are several parameters that we believe will contribute to a continuous increase in shareholder value going forward.

I note that we have also advanced our positions in relation to several large paint companies through various types of technical collaborations aimed at continuing to develop

end products with Selektepe as ingredient technology. Initiatives such as gathering the industry in a two-day conference to inspire technical collaborations and information exchanges are thus bearing fruit. In line with this, we are also increasing our R&D capacity by moving into new premises with our own labs, making a new recruitment during the initial quarter of the year, and significant investments in equipment for analytical chemistry. With these investments, we become more relevant for a more integrated product development process both with customers and other suppliers.

On the customer side, our sales are dominated by continued high demand from Chugoku Marine Paints (CMP) and their growing product portfolio, but another Asian customer has also made significant strides and gained recognition for their Selektepe products. More customers are expected during the current year, and a hint of this was given when Akzo Nobel and I-Tech entered into a licensing agreement concerning patents and regulatory approvals for the Korean market, qualifying Selektepe as a candidate for future product launches.

Although the business sky has become even clearer in 2023, challenges remain ahead for an updated regulatory approval within the EU, where requirements for re-registration have been further tightened. We place great importance and focus on this process, where a denied approval could have negative consequences for the product's brand and sales. Sales within the EU account for about 10% of turnover.

*" I look back on a successful year. The demand has increased, and the growth has been significantly larger than the general growth in the market. I note that we have also advanced our positions in relation to several large paint companies through various types of technical collaborations."*

Despite having a long process ahead of us, we see on the other side how the demand for premium paints is increasing in line with strict environmental targets set for the maritime industry, combined with the great interest from paint companies in development projects with Selektepe.

This CEO's statement is also the last one I write as CEO for I-Tech. At the annual general meeting in May, I am proposed to take over the chairmanship after more than 10 years as CEO. It has been an immensely educational and successful journey, but on my own initiative, I have decided that now is an appropriate time to hand over and inject new energy for a new phase where the company continues on its current path but also broadens its range for an even more robust growth journey over a long time.

Finally, I would like to thank all the employees who have contributed not only to the results of 2023, but many have also put crucial pieces in place several years ago that have proven decisive for the results we can now deliver.

I look forward to having the privilege to continue to be involved and contribute closely to the company, albeit not at an operational level in the next phase.

Möln dal, April 9, 2024

Philip Chaabane  
CEO I-Tech



## STRATEGY

# Selektope is well positioned to be at the centre of events.

Through the unique and innovative solution behind Selektope, combined with the most powerful substance on the market, we are investing in Selektope as an ingredient brand. Selektope is sold to the market's leading marine paint companies and is used as a component in paint systems by several different brands, so-called host brands.

I-Tech's focus is to make Selektope as easy and safe as possible to use, ensure the highest possible trust as a supplier, and ensure compatibility with the dominant paint types on the market. To realize the full potential in the market, regulatory approvals are also required in all relevant markets. Finally, it is considered highly central to develop and nurture the brand, which has a completely unique position in the industry given its innovation history that bridges between paint technology and biotechnology.

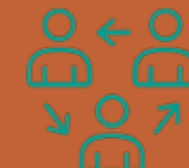
It is clear that paint companies are investing in innovation and development of premium products. The trend is towards an increasing number of ships choosing a paint in the so-called premium segment, with expectations of a paint choice that contributes to lower consumption and emissions. Given Selektope's powerful resistance to barnacles even at low concentration levels in paint, it contributes to performance in paint and to increased innovation pace among our customers.

**selektope**<sup>®</sup>

We invest in making Selektope as easy as possible to use to help customers maximize the benefits of the product's properties.



**Growth and customers:** Our absolute priority is to get our product integrated, preferably as a standard, in the premium portfolio of all leading paint companies. In addition, Selektope should be available in key markets where more local shipping dominates, including leisure boats.



**Collaborations:** Selektope is a piece in an advanced chemical-technical system. Innovation at a higher level can only occur through increased collaboration between suppliers, developers, and paint companies. I-Tech is engaged in a variety of collaborations and annually gathers developers from the entire industry for a technology conference to inspire collaborations across boundaries.



**R&D:** To achieve long-term and large-scale impact of our product in our market, we must be able to provide as much chemical-technical knowledge as possible about Selektope and its integration into customers' various product systems. This accelerates development and brings the parties closer together to handle challenges more quickly or address new opportunities.



**Safe and easy:** No matter how strong the performance the product can enable, it will not be adopted by customers if it does not offer safe handling in the manufacturing process. Moreover, it must be easy to integrate and manage practically in the factory. I-Tech's ambition is for Selektope to be as easy and safe as possible to handle.

SELEKTOPE®

# Biotechnology for sustainable hull paint

## Selektope at the centre of events

Antifouling appears to be a simple product, often giving a distinct red colour where ships' hulls are in contact with water. However, the truth is much more complex. For example, it takes at least 10 years to develop a new product with necessary performance guarantees. Half of this time is spent finding the right chemical properties, the rest in validating a selection of candidate formulations in more or less real environments.

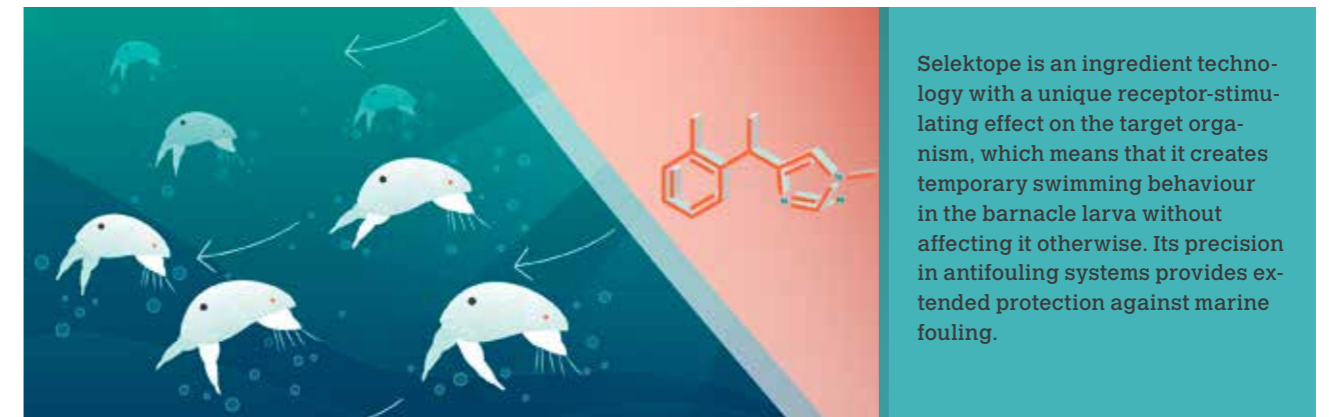
Even a very small adjustment (although quite significant in terms of its contribution to the cost mass) requires laborious work. Since 2018, I-Tech has increasingly invested in expertise and equipment to assist in shortening the initial timeline in customer development and to inspire new concepts.

### Knowledge and collaborations lead us and the industry to new heights.

I-Tech's Selektope is one of many pieces of the jigsaw that must interact in a paint in a variety of user environments. Understanding how Selektope interacts with other components is key. Basic information exchange and internal research and development thus become a completely central aspect of the sales work, which is highly technical for long periods. We therefore work deliberately to promote and respect the frameworks for collaborations within the industry. We also focus on gathering and uniting the industry with the aim of accelerating the pace of collaborations that can expedite development in general.

### Great focus on collaborations.

In addition to our own development projects, it is of central importance to collaborate with customers and suppliers to successfully address specific challenges or opportunities. I-Tech collaborates, on various levels, with several of the leading suppliers in the industry and with a larger majority of the customers. The customer projects are specific and surrounded by strict confidentiality, but the exchange of knowledge contributes to broadened perspectives over time.



Selektope is an ingredient technology with a unique receptor-stimulating effect on the target organism, which means that it creates temporary swimming behaviour in the barnacle larva without affecting it otherwise. Its precision in antifouling systems provides extended protection against marine fouling.

## The secret behind Selektope that also characterizes how the industrial value chain has developed over the years

The ability of Selektope (medetomidine) to activate the octopamine receptor in barnacle larvae was discovered soon before the year 2000. The barnacle larvae becomes hyperactive swimming around uncontrollably until the larva leaves the treated surface and the effect passes. The effect in the barnacle larva is reversible as medetomidine is rapidly metabolized in organisms. Upon further study, it was found that medetomidine activated all five sub-groups of octopamine receptors. This together with the non-lethal mechanism of action means that the risk of resistance development is extremely low, and the molecule's accuracy is extremely high. Therefore, uniquely low concentrations in comparison with other biocides can be used while maintaining the desired effect. Since the octopamine receptor is analog with the Alpha-2 adrenergic receptor in humans (triggers fatigue/sedation), great care is required during manufacture and handling of the pure substance. Once mixed in relevant concentrations, the substance is beyond reach of negative effects. Selektope's journey has been largely characterized by its receptor-stimulating effect. For customers who use Selektope's maximum capacity, both the antifouling efficacy of the paint is increased under static conditions and the concentration of other biocides can be reduced or completely replaced. In some cases, it can lead to a finer surface structure and, above all, a lower leakage of biocides from the paint. Another aspect is the development of paint systems made to be cleaned by robots. The robots take care of the soft growth in the first place while the paint's primary task is then to protect against hard fouling (barnacles).

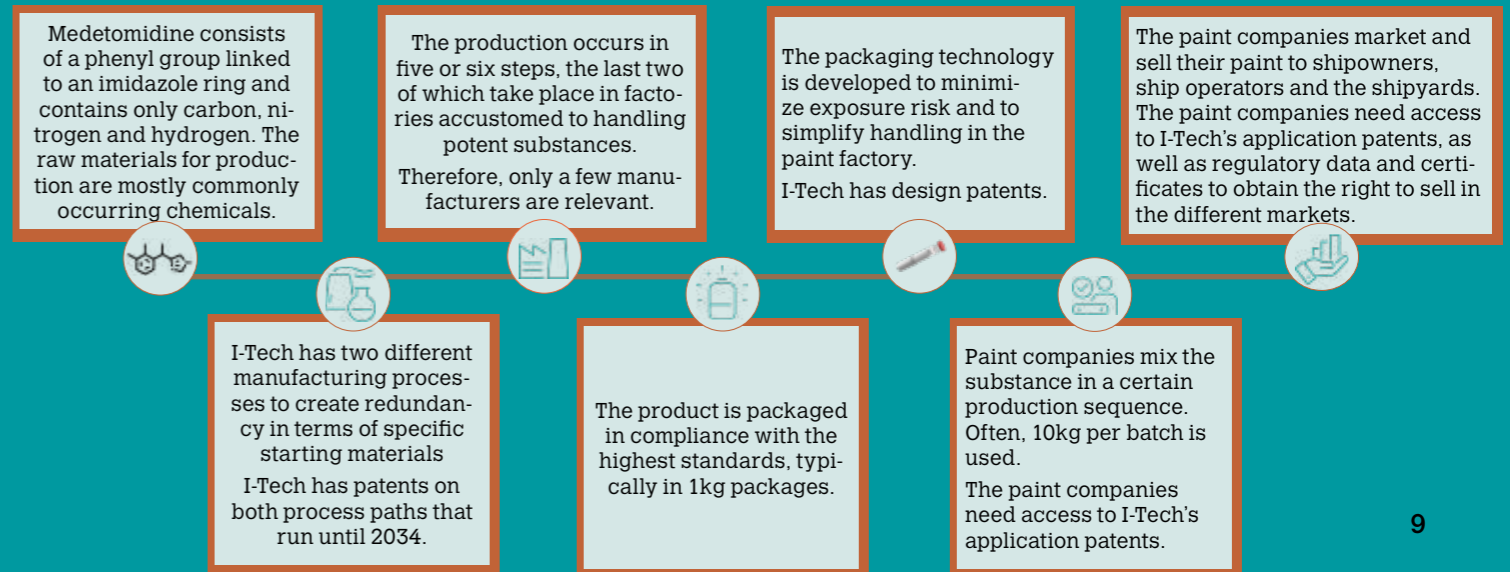
## The 9 largest global paint companies collaborate with I-Tech.

### We are in different phases of customer collaborations:

- Concept development of complete paint formulations: **1 customer.**
- Specific Selektope projects within ongoing product development of paints: **2 customers.**
- General R&D support on a regular basis: **5 customers.**
- Number of customers with ongoing development with Selektope: **9 customers. (I-Tech also work with several regional, influential paint companies.)**
- Technology collaborations with: **4 different ingredient suppliers. 2 other suppliers to the industry.**



## The value chain



MARKET

# Direction: sustainability

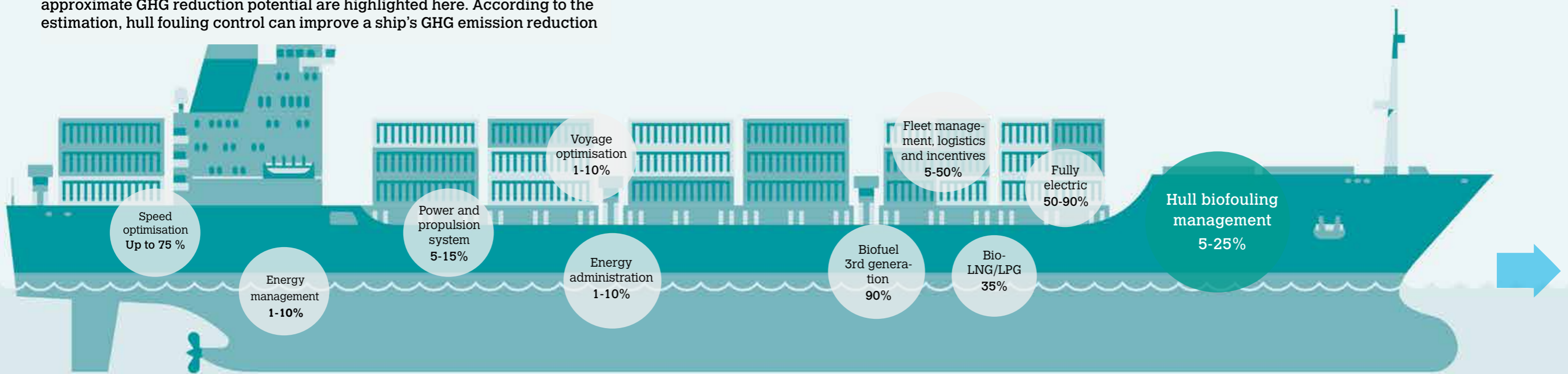
In 2022, sustainability permeated through the trends governing shipping. Hull performance is an important component in achieving optimal energy efficiency. We expect this to drive increased demand for advanced antifouling coatings and progress I-Tech's market share.

Achieving the greenhouse gas (GHG) emission reduction goals set by the IMO will require a mix of solutions. Some of them, along with indication on their approximate GHG reduction potential are highlighted here. According to the estimation, hull fouling control can improve a ship's GHG emission reduction

The percentages indicate potential reductions of GHG emissions compared to 2008 level.

*"Expected changes combine technical and operational approaches with the aim of improving ships' energy efficiency and limiting the amount of emissions a ship can emit."*

(Source: IMO, see illustration below)



**2018**

IMO introduces initial strategy to reduce GHG emissions from ships.

**2021**

IMO take the decision to introduce requirements to measure reduced emissions for vessels - CII and EEXI.

**2023**

The CII and EEXI regulations comes in to force from January 2023. Meaning, all vessels are required to report and maintain low emissions to air.

**2024**

Shipping will be gradually included in the EU ETS from 2024 and will be fully phased in by 2026. This means increased costs for ships that need to pay for their emissions.

**2030**

By 2030, IMO has set a target to reduce GHG emissions from shipping by 20-30% compared to 2008 levels.

**2050**

By, 2050, The shipping industry must reduce its GHG emissions to, or close to net-zero.

## MARKET

# Global trends favour Selektope

I-Tech estimates that the demand for antifouling products with exceptional performance will grow in the coming years, due to several global trends impacting the shipping industry.

As marine fouling on the hull increases, so does the friction between the ship and the water. This must be compensated by increased power output from the engine. This leads to higher fuel costs and increased carbon dioxide emissions, where the extra fuel costs are so high that they can make the difference between profit and loss for a shipping company. I-Tech therefore estimates that demand for antifouling products with exceptional performance will grow over the coming years, not least due to several global trends impacting the shipping industry.

1

## Increased pressure from interest groups

With the new requirements for ships to demonstrate energy efficiency and emission levels, transparency towards, for example, cargo owners and charter companies increases. As such, shipowners are more likely to face increasing pressures from interest groups and initiatives such as Poseidon Principles and SeaCargo Charters. Both initiatives contribute to advancing sustainable issues in the shipping industry, and more actors will likely join in the coming years.

### Poseidon Principles

Behind this initiative is a large group of leading shipping banks that have gathered around a new global framework for sustainable shipping financing in which climate impact is integrated. In 2021, Poseidon Principles expanded its sphere of influence when a large group of leading insurance companies came together to form Poseidon Principles for marine insurance.

### Sea Cargo Charter

Launched in 2020, this initiative sets a new benchmark for responsible chartered shipping, transparent climate reporting and improved decision-making in line with the UN's goals for carbon dioxide emissions. The initiative is founded by some of the largest industrial companies in energy, agriculture, mining and commodity trading that use global shipping services.

**Result:** Powerful interest groups mean increased focus on fuel consumption in shipping companies and are an incentive driving the choice of high-performance antifouling products.

2

## Sustainability goals demand energy efficiency.

The shipping industry is required to reduce its greenhouse gas emissions to, or close to, net-zero by 2050, according to a decision by the International Maritime Organization (IMO). Moreover, since 2020, global requirements for lower sulphur emissions have meant that shipowners must use a larger proportion of finer, low-sulphur fuel, which further increases fuel costs. To drive the transformation towards greener shipping, two measurable regulated indices were introduced in 2023, under which reporting is mandatory for all larger vessels.

### EEXI (Energy Efficiency Existing Ship Index)

EEXI is a design index, a one-time measure of how efficiently the propulsion of the ship is expected to be, given the choice of design and key components.

### CII (Carbon Intensity Indicator)

CII is another index measuring continuous improvements over time. It is based on how much carbon dioxide the ship emits relative to how much cargo the ship has transported over a certain distance. Therefore, a ship's CII rating depends largely on how efficiently the ship is run, how regular the maintenance is and what kind of fouling protection the ship has.

**Result:** Increased demands for energy efficiency also raise demands for hull performance, thereby generating a greater need for premium antifouling.

3

## Global crises cause extended shipping routes

In 2023, we saw how world events can impact the shipping industry. Several standard routes became inaccessible during the year, leading ships to change their routes and extend their shipping distances. For example, unrest near the Red Sea meant that passage through the Suez Canal was no longer possible, with ships instead navigating around the Cape of Good Hope to travel between Europe and Asia. The Panama Canal is also closed to large ships due to low water levels, forcing vessels traveling between the east and west coasts of North America to circumnavigate South America. The war in Russia/Ukraine is another factor that has led to ships taking new routes between their destinations.

**Result:** Longer shipping distances lead to a greater need for optimal hull protection, as any fouling could lead to significant increases in fuel consumption costs.



## MARKET

# Pressure mounts under the surface

Industry challenges do not stop at contributing to reduced emissions to air. It is also imperative to reduce negative impact on the marine environment. Keeping hulls clean to reduce the risk of spreading non-indigenous species is very important. In addition, all active substances must live up to rigorous regulatory requirements that, upon approval, confirm their acceptable impact on the marine environment.

4

## Stricter regulation of hull paint content

Sustainability in marine paint systems is first and foremost about delivering the best possible resistance to marine fouling over time. It saves fuel and reduces emissions to air on a large scale. At the same time, a discussion is ongoing with several paint companies and leading shipowners to significantly reduce the amount of biocides in paint, i.e. reduce the release of active substances into the sea. To date, more than 95% of the paint products on the market contain biocides. However, there are several variants with up to 90% lower biocide loads and often with just as good or better performance. Within self-polishing paint systems, Selektope is a central building block to achieve that. More recently, this trend has been further fuelled by Korean authorities who have proposed a maximum concentration of individual biocides of 1% (weight). Something that constitutes an enormous formulation challenge and where Selektope can act as an enabler.

**Result:** Test formulations show signs of being able to attain a comparable performance with a combination of Selektope and SEA-NINE™ that can thereby reduce biocide content by more than 90%.

5

## More focus on reducing the risk of transporting non-indigenous species

Several leading nations have introduced methods for conducting risk analysis on each arriving vessel to give an indication of how much marine fouling the vessel may have and, thus, how high the risk is that the vessel is a vector for the spread of invasive species. Fouling can lead to vessels being denied entry to some geographic areas. New Zealand and Australia, for example, have stringent requirements on the condition of the hull to protect their marine environments from invasive, non-indigenous species.

**Result:** Increased focus on having optimal antifouling protection that reduces the risk of marine fouling.

6

## Hull cleaning increases the need for premium antifouling paint

No two ships are the same, especially when it comes to movement patterns over time. Since the choice of antifouling paint is often a consequence of an analysis of a ship's intended use profile, there is a lot of room for errors in the assumptions. Cleaning methods involving robots have increased in recent years partly through technological gains, but also due to more ships opting for simple paint systems or simply not following the expected movement pattern. Consequently, there is an increased risk of heavy fouling over time. Avoiding extra cleaning creates significant financial savings since each cleaning can cost between USD 15,000 to USD 45,000, depending on the size of the ship. Biofouling generates direct costs for cleaning services, as well as missed cargo revenue as the ship must usually be stationary while being cleaned.

**Result:** For the need to remove barnacles, the right paint of the right calibre needs to be chosen with the primary requirement to have as strong built-in protection against barnacles as possible. This is because cleaning soft fouling is easier and has less impact on the paint.

# Asia dominates the shipyard industry

In 2023, a total of 1,646 ships were built, and approximately 20,000 were taken in for repainting and maintenance. The majority of these ships were constructed and docked at shipyards in Asia.

The new construction trend is strong, with full order books for the next three-year period. It is highly likely that the new construction market will continue to be robust, given that many need to build ships capable of handling alternative fuels.

In recent years, Selektope's sales to the Asian market have increased significantly, with Selektope's strongest markets, Korea and Japan, standing out. In Japan, growth has increased by 44% over the past three years and in Korea, growth increased by 66%.

## OTHER ASIA (inkl. Turkey and the Middle East)

**Newbuildings: 3%**  
**Maintenance (dry-dockings): 23,4%**  
**Share of Selektope deliveries: 10%**  
**Approved for use of Selektope: Yes**

## NORTH EAST ASIA (incl. China, Korea and Japan)

**Newbuildings: 96,2%**  
**Maintenance (dry-dockings): 67,3%**  
**Share of Selektope deliveries: 82%**  
**Approved for use of Selektope: Yes**

## AMERICAS

**Newbuildings 0,1%**  
**Maintenance (dry-dockings) 1%**  
**Share of Selektope deliveries: 0%**  
**Approved for use of Selektope (SA): Yes**  
**Approved for use of Selektope (NA): No**  
 (Selektope is currently in the evaluation process for regulatory approval in the USA).

## EUROPE

**Newbuildings: 0,7%**  
**Maintenance (dry-dockings): 8,2%**  
**Share of Selektope deliveries: 8%**  
**Approved for use of Selektope: Yes**  
 (Selektope is currently, during 2024, under evaluation for renewed approval in the EU).

## AFRICA

**Newbuildings 0%**  
**Maintenance (dry-dockings): 0,3%**  
**Share of Selektope deliveries: 0%**  
**Approved for use of Selektope: Yes**  
 (Regulatory approval not needed for use).

## OCEANIA

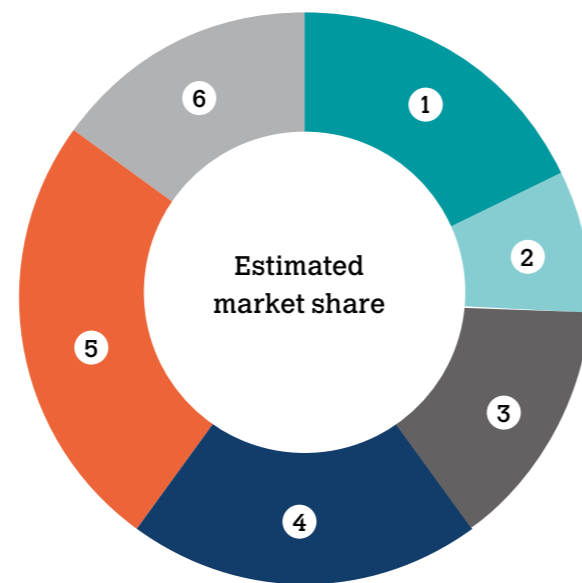
**Newbuildings: 0%**  
**Maintenance (dry-dockings): 0%**  
**Share of Selektope deliveries: 0%**  
**Approved for use of Selektope (NA): No**  
 (Selektope is currently in the evaluation process for regulatory approval in New Zealand).

# A market completely dominated by a handful of well-established paint companies.



The market for marine antifouling paint is primarily composed of six major global players, with an additional three that are significant but on a regional level. The six largest are estimated to control around 80 percent of the global market for antifouling paint for commercial and industrial shipping. The total market, including other non-commercial ship and boat types, amounts to approximately 350 to 500 million dollars in Selektope sales. I-Tech currently has commercial activity with six of the nine dominant paint companies, of which five customers are among the six largest.

**I-Tech is well-positioned with all established paint companies**  
 Although the market is of an oligopolistic nature, competition is intensifying and a clear differentiation is beginning to emerge. Some are moving towards specific paint systems (e.g. silicone vs. self-polishing paint), others are beginning to offer services where paint and cleaning are part of the offering, and some are moving towards biocide-free or copper-free products. Selektope is involved as an interesting component part in all offerings by: i) boosting the performance in traditional systems; ii) acting as a building block for paint with low biocide levels; iii) differentiating and enhancing performance in silicone systems. The latter is still in an early stage of development, as is a fourth track with paint systems optimized for cleaning technology (which then only need to handle hard fouling as the cleaning takes care of the rest).



- 1 Akzo Nobel
  - 2 PPG
  - 3 Hempel
  - 4 CMP
  - 5 Jotun
  - 6 Others\*
- \*) Kansai, Nippon, KCC, Sherwin Williams

# Rapid growth in the dominant Asian market

**A stable annual demand for paint products in a market with strong value growth.**  
 Antifouling paints are used today for all types of vessels. Currently, there are over 100,000 active IMO-registered commercial vessels in the world, all potential end customers of Selektope-based antifouling paint. The number of new constructions of large commercial vessels varies greatly between different years, but in 2023 it was around 1,600 ships.  
 The maintenance market is governed by the requirements of the classification societies and usually involves 5-year intervals for ships up to 15 years old. On average, there are about 20,000 maintenance occasions per year where new paint must be applied regardless of the economic climate or other factors. With the current efficiency indices, investment willingness in the industry is increasing, as is the value of the global antifouling market. The estimate is that there is a strong trend towards more than half of all paint litres sold being in the so-called premium segment. This facilitates the opportunity to introduce extended technology content, which is important for Selektope. Reaching the maintenance market is central to achieving high long-term growth. I-Tech currently has three different customers offering products for both the new construction and maintenance markets, two of these only on a local level. The goal going forward is to reach a position where Selektope is included in the premium segment of products specified for the maintenance market.

**Asia dominates**  
 Selektope, like the industry itself, has a large footprint in Northeast Asia. Japan and Korea account for the majority of I-Tech's deliveries. This is because these countries have significant shipyards for new construc-

tion located in waters with severe fouling problems, unlike the shipyards in China. It is also because Korea and Japan generally build more sophisticated ships than China, which is very dominant in more mainstream ships.  
 I-Tech estimates that about 60% of Selektope volumes are orders for new construction projects, assuming that the destinations and information from customers are accurate. The remaining 40% refers to dry docking, which is a more geographically diversified operation. Volumes shipped to China, Singapore, and Europe (mainly Turkey) are estimated to be used for dry docking/maintenance. Additionally, some of the deliveries to Japan are also used for dry docking.  
 Globally, Selektope's deliveries follow a similar trend to shipping in general. With >90% of all new construction projects divided between China, Korea, and Japan, this region completely dominates shipbuilding development. For the dry docking areas, Asia as a whole accounts for 65% if you include Turkey. Countries outside these regions only account for a very small part of the maintenance market.

**Internal development and collaborations necessary to take advantage of future opportunities.**  
 I-Tech continues to develop R&D capacity with the purpose of generating crucial knowledge to assist customers in their innovation work by pointing out different solutions with higher performance and greater differentiation. The work primarily involves finding different ways to control the release of the substance over time. Another example is understanding the connection to new paint systems or addressing challenges that arise in specific customer paint systems. Furthermore, new technologies and applications are being evaluated.

# 100,000

There are approximately 100,000 active IMO-registered ships in the world.

# 1,646

During 2023, 1,646 new ships were built.

## CASE

# Collaboration and development for sustainable antifouling

Sustainable protection against marine fouling was the theme when I-Tech, together with RISE, Research Institutes of Sweden, gathered some of the world's leading experts in antifouling technology. During these days, it was clear that antifouling paints that more effectively protect ship hulls against fouling will be crucial to meet some of the UN's global sustainability goals and the goals for reduced greenhouse gas emissions from the maritime industry.

The purpose of the conference was to gather leading experts in the marine antifouling industry to discuss the future of protection against fouling on ship hulls. The discussion was set against the backdrop of the increasing need for effective antifouling paints, not least to meet some of the global sustainability goals. Marine fouling on ship hulls means that the ships require more energy for propulsion, which leads to increased greenhouse gas emissions and an increased risk of unintentional transfer of invasive species between different marine ecosystems. Measures to combat climate change and sustainably use and preserve the world's oceans are among the seventeen global sustainability goals adopted by the UN member states in 2015. Based on the UN's sustainability goals, the International Maritime Organization (IMO) has set a number of sustainability goals for commercial shipping, including the goal for shipping to reduce its greenhouse gas emissions to net-zero by around 2050.

A problem highlighted at the conference is that the number of approved biocides available to paint manufacturers has decreased signifi-

cantly over the past decade, which has reduced the possibilities of effectively combating marine fouling. Therefore, for the industry to continue developing effective antifouling paints, it is necessary to utilize the available biocides and technologies and to increase collaborations in research and development between suppliers and paint manufacturers. The conference, held for the second time, gathered 170 participants from around the world this year.

"Our conference has become a platform where industry, end-users, experts from paint companies, and researchers from academia can meet and share knowledge. I-Tech has developed a unique biocide in Selektope that will be part of the solution for more effective antifouling paints, but increased collaboration between the industry's various players will also be a decisive component if we are to continue developing the effective antifouling paints required," concludes Philip Chaabane, CEO of I-Tech AB.



"The best way to further optimize protection against fouling is through collaborations"

**selektope®**



SUSTAINABILITY

# Selektope opens up for significant environmental gains

The connection between fuel savings and fouling has become more widely accepted, and an increasing number of shipping companies are now choosing premium antifouling products to minimize fuel consumption.

Antifouling biocides like Selektope are an important key to the transition towards a lower climate impact for the maritime industry. They are enablers that can contribute to reducing greenhouse gas emissions. The maritime industry as a whole consists of over 100,000 vessels and accounts for more than 80% of global transport of goods by volume. With less fouling on hulls, the consumption of bunker oil could be reduced by 10 percent, which would decrease CO2 emissions from shipping by over 100 million tons annually.

Selektope plays an important role in long-term sustainable antifouling products through its unique action in paint systems. Selektope allows for less quantity of biocides on the paint surface in combination with its unparalleled effectiveness against fouling from barnacles. Selektope is effective in very low concentrations and, through advanced biotechnology, specifically repels barnacle larvae without lethal effect. Selektope is also one of the few antifouling biocides that have undergone rigorous risk assessments for humans and the environment and, thereafter, been approved for use in, among others, the EU, Japan, China, and South Korea.

The requirements placed on antifouling biocides to achieve regulatory approvals create assurance that the substances have an acceptable risk profile. Selektope is currently undergoing an evaluation to renew its approval within the EU, a process that recurs regularly for all approved biocides, although the timeframe varies depending on the geographic region. This is a way for authorities to ensure that no unsuitable substances are used in the market.



# Sustainability in focus

In 2023, I-Tech has focused not only on the emission savings that Selektope contributes to, but also on the company's climate footprint and general sustainability profile.

During 2023, I-Tech has focused not only on the emission savings contributed by Selektope but also on the company's climate footprint and overall sustainability profile. The climate impact, according to the Greenhouse Gas Protocol, was examined in collaboration with 2050 Consulting, and the results will form the basis for the company's sustainability work going forward.

A significant improvement in the company's work environment was the move to newly built premises at GoCo House in Mölndal. The new premises also include a brand-new laboratory, designed according to the wishes of the I-Tech R&D department, which is hoped to have a positive effect on the company's climate impact. Just before I-Tech moved to the new premises, the company's laboratory received a My Green Lab Certification. This is a global certification focused on sustainability for laboratories, and the work for certifying the new laboratory will begin as soon as possible.

To ensure that the company's internal work methods meet expected quality, the implementation of ISO 9001 began in 2023, with certification targeted for 2024.

1

## Climate impact

In 2022, I-Tech began work to map the company's climate impact and emissions of greenhouse gases, carbon dioxide equivalents, according to the Greenhouse Gas Protocol scopes 1 – 3, and this work was completed in 2023. The analysis of climate impact includes direct emissions occurring in the company's own operations (scope 1), indirect emissions from purchased electricity, steam, heating, and cooling (scope 2), and emissions from purchased materials, product use, waste management, business travel, etc. that the organization does not own or control (scope 3). The mapping showed that I-Tech did not have any direct emissions from its own operations nor from the purchase of electricity, etc. Instead, the company's emissions fall under scope 3. A clear majority of greenhouse gas emissions are associated with activities related to the production and transport of Selektope, accounting for 92% of the company's total CO2 emissions.

2

## Sustainability strategy

The results from the mapping of I-Tech's climate impact have shown that the company's sustainability strategy, focusing on emissions related to the production of Selektope, has been entirely the right direction. As a result, efforts to minimize emissions generated during the process have intensified, focusing on process efficiency, renewable energy sources, solvent recycling, and packaging solutions that reduce waste.



## CASE - INSIGHTS FROM THE INDUSTRY

# Focus on innovation and partnerships at Korean shipyard

As environmental regulations and goals are coming into action, Korean ship yards are facing the challenge of building vessels coated with low toxic paints in combination with compliancy towards high efficiency demands. Marine paint is a central part for Samsung Heavy Industries, who focuses its business on the largest and most complex vessels.

During the past few years, I-Tech has formed and strengthened its relation with Samsung Heavy Industries (among others) in order to combine knowledge and share experiences that could lead to more efficient and sustainable antifouling for new built vessels.

## Samsung Heavy Industries (SHI) - one of the leading entities in the shipbuilding industry.

In an interview with Andrew Hwang, Group Leader in Coating & Advanced Materials Research Group at Samsung Heavy industries, Mr.Hwang describes how SHI strives for excellence in the challenge of meeting both the increased demand for highly efficient and future compliant ships as well as the demand to build and deliver vessels that comply with global and local environmental goals and regulations.

"Our vision extends beyond the present, as we aim to re-define the future of shipbuilding. We are heavily invested in research and development, focusing on sustainable and eco-friendly solutions that address the pressing challenges of our time, such as climate change and environmental degradation. A key aspect of our strategy involves the integration of advanced digital technologies and AI to enhance ship performance and operational efficiency." Says Hwang.

## Collaborations are highly valued.

Hwang sees great opportunities in collaborating with suppliers and other players in the value chain, who can contribute to a more sustainable shipbuilding. Marine paint is a central part for SHI who focuses its business on the largest and most complex vessels. For example, up to 500,000 liters of paint is sourced for the larger container ships. 10-15% of that volume is antifouling, a ratio that grows significantly when taking into account the total value of the paint due to its critical role in fuel efficiency for

ships over time. SHI runs extensive antifouling testing programs together with the paint companies but doesn't stop there. Through the relationship with I-Tech, an opportunity is created for both parties to evaluate models and early concepts on the complex future challenges that SHI needs to address strategically.

"We believe that cooperations are needed to address the regulatory complexity. Why SHI is actively working together with suppliers, regulators and industry partners to share insights, develop best practices (new antifouling products) and advocate realistic regulatory frameworks. We value our partner and relationships with suppliers and technology players (such as I-Tech) who can provide solutions that meet our rigorous standards, now and in the future," says Hwang.

## The antifouling system is important for vessel efficiency.

Investment in the antifouling system plays an important role in extending the vessel's operational life and efficiency.

"By investing in high-quality antifouling solutions, we ensure that our ships maintain optimal speed and efficiency, thereby reducing environmental impact and operational costs for our clients." Says Mr.Hwang who also explains that that industry collaborations in general play an important role in delivering the high quality and innovation standards that Samsung Heavy Industries are known for.

As a part of being a world leader in ship production, technology and design, SHI recognises the vital role that the antifouling system plays in vessel efficiency and performance of their vessels. Large focus is anchored around

*"The selection of antifouling paint is a strategic decision that impacts not only the performance and efficiency of our vessels but also our commitment to environmental stewardship and sustainable maritime operations."*



**Hyangan (Andrew) Hwang**  
Group Leader in Coating & Advanced Materials Research Group at Samsung Heavy Industries Co., Ltd

## Background

Mr. Hwang has an extensive career within coating and ship building industry. He has been responsible for coating technology research at Samsung Heavy industries since 2008. In recent years, he has been working as a leader of the Industrial Task Force Team with eight Korean shipyards, seven marine coating manufacturers, and four raw material suppliers to cope with environmental regulations in Korea such as HAPs regulation and K-REACH. He also has a major role to investigate the possibilities of developing HAPs free anti-corrosive coatings with low VOCs and new types of anti-fouling coatings with low toxicity.

## Samsung Heavy Industries Co., Ltd

is one of the largest shipbuilders in the world and one of the "Big Three" shipbuilders of South Korea. SHI specializes in the building of high added-value and special purpose vessels.

meeting future demands and staying on top of new regulations and trends.

"We are always looking forward to the next innovation that can improve the efficiency and sustainability of our fleet. Antifouling systems that incorporate advanced technologies, such as low friction self-polishing copolymers or environmentally friendly low biocide or biocide-free solutions, are of particular interest to us." Says Mr. Hwang.

## Regulations drives focus on innovation.

Delivered vessels need to be compliant with environmental regulations and goals set mainly by the IMO (International Maritime Organisation), where the antifouling system is an important factor to prevent biofouling and keep lowest possible friction between hull and water.

The paint in itself also needs a low environmental impact, and therefor SHI focus on high-technology coatings using low amount of biocides in the paint. Selektepe is a substance of great importance as it is an enabler to lower biocide loadings in paint systems which is requested by the Korean authorities.

"We value our partnership with suppliers and our relationship with technology players such as I-Tech, who are dedicated to advancing antifouling technology and can provide solutions that meet our rigorous standards. Looking forward, we anticipate that the focus on sustainable raw materials will only intensify, leading to further regulatory developments. SHI is committed to staying ahead of these changes, not just by complying with current regulations but by leading the way in sustainable shipbuilding practices." Mr. Hwang concludes.

# The I-Tech share

I-Tech's shares were listed on First North at Nasdaq Stockholm on 28 May 2018. The total number of shares in I-Tech is 11,908,457. On 31 December 2023, the number of shareholders was 2,591 (2,765).

## Development of the share

At the end of the year, the I-Tech share stood at 55.20 SEK, which means an increase for the year with 3 percent. Since listing in 2018, the share has increased by around 269 percent. The highest closing price during 2023 was 78.20 SEK which occurred on 5 May, and the lowest closing price was 36 SEK on 26 May. At the end of the year, the market capitalisation was SEK 657 million, to compare with SEK 244 million on the day of the listing, 28 May 2018. The number of traded shares during the year was 2.3 (3.1) million shares.

## Share capital and ownership

The share capital in I-Tech was, at the end of 2023, SEK 23,816,914 divided over 11,908,457 shares. All shares carry equal voting rights, as well as right to dividend. The main shareholder is Pomona-gruppen AB who at the end of 2023 held 14.75 percent of the capital and votes.

## Dividend policy

I-Tech has adopted a new dividend policy which states that 40-60% of the net profit from the previous year should be distributed to the owners. The Board of Directors will also consider factors such as the growth and profitability of the business, working capital and investment needs, financial position and other factors, when determining the appropriate level of share dividends.

## Shareholder information

Financial information about I-Tech can be found on [www.i-tech.se](http://www.i-tech.se). Questions can be put directly to I-Tech's function for investment relations. Annual report, interim reports and other information from the company's head office may be ordered by phone, via the website or by e-mail.

## Largest owners

Owners	Number of shares	Share capital%
Pomona-gruppen	1,756,417	14,75%
Handelsbanken Funds	1,100,000	9,24%
Swedbank Robur	932,500	7,83%
Futur pension	887,039	7,45%
NEA Partners	624,000	5,24%
BNP Paribas Luxemburg	494,650	4,15%
Stefan Sedersten incl. Companies	451,330	3,79%
Unionen	450,000	3,78%
Second Swedish National Pension Fund	390,837	3,28%
Swedia Capital	386,322	3,24%
Fontenelles Holding	358,831	3,01%
Avanza pension	323,088	2,71%
IBKR Financial Services	317,790	2,67%
Öhman Funds	187,984	1,58%
David Bendz	175,167	1,47%
Others	3,072,502	25,80%
<b>Total shares</b>	<b>11,908,457</b>	<b>100,00%</b>

Analysts who follow I-Tech:



# Board of Directors

The I-Tech board of directors is a mix of highly qualified individuals with extensive experience from entrepreneurial assignments combined with competence in technology development and commercialisation.



## Stefan Sedersten

**Chairman of the board** sedan 2014, **Member of the board** sedan 2014.

Stefan has a background in radar electronics and marine propulsion industry, and has had different leading positions in purchasing, production and research and development. Stefan is now the CEO of Berg Propulsion Group, a leading supplier of variable pitch propellers for the maritime industry.

**Other assignments:** Chairman of the board in Berg Propulsion Group and Chess Capital AB. Board member in Blå Skrinet AB and Röda Skrinet AB

**Shareholding in I-Tech:** 451,330\*

Independent in relation to the company and management and the company's major shareholders respectively.



## Tomas Tedgren

**Member of the board** since 2017.

Tomas works as a management consultant and is on the board in Pomona-gruppen AB and several of its subsidiaries. Before that he was the CEO of Pomona-gruppen AB for 17 years.

**Other assignments:** Chairman of the board in G. Krantz AB, EHL Prolist AB, Grimslöv Partners AB and Tedgren Consult AB. Board member in Pomona-gruppen AB, Maxidoor AB, Modulpac AB, and Prolist Nordic AB amongst others.

**Shareholding in I-Tech:** 3,000

Independent in relation to the company and management but not independent to major shareholders.



## Mikael Laurin

**Member of the board** since 2011.

Mikael Laurin has broad experience as a management and strategy consultant from many industries, countries and disciplines. He is today Managing Director of Manta Marine Technologies AB. Manta Marine offer solutions for greener shipping.

**Other assignments:** Board member in Team Tankers International.

**Shareholding in I-Tech:** -

Independent in relation to the company and management and the company's major shareholders, respectively.

\*) Including holdings with related persons and companies



## Raouf Kattan

**Member of the board** since 2022.

Raouf Kattan has a long experience in the shipbuilding industry where he began his career in 1975. His focus has mainly been within the area of coatings for the marine industry.

**Other assignments:** Fellow of the Royal Academy of Engineering.

**Shareholding in I-Tech:** -

Independent in relation to the company and management and the company's major shareholders, respectively.



## Tomas Bergdahl

**Member of the board** since 2020.

Tomas has a background from the chemical industry and held various senior positions in management, sales and operations. He ended 17 years of employment at Sherwin Williams as General Manager and VP EMEAI region. Tomas has thereafter been CEO of Herenco AB and since 2022, Tomas works as CEO and owner of Stålvgruppen with business within the paints- and engineering industry.

**Other assignments:** Chairman of the board in Stålv Aluminium AB, Stålv Iram AB, Touch Coating AB and Touch Coating i Lessebo AB. Member of the board in Sävjo Plastic.

**Shareholding in I-Tech:** 10,000

Independent in relation to the company and management and the company's major shareholders, respectively.



## Chatarina Schneider

**Member of the board** since 2020.

Chatarina has worked for more than two decades for the chemical group, AkzoNobel, and has in various leading positions led multicultural teams in business management, marketing and sales.

Chatarina Schneider has also worked as CEO of the chemical distributor KRAHN Nordics AB.

**Other assignments:** Chairman of the board of Swedish Algae Factory AB, Adsorbi AB, Hardskills AB, n-ink AB, Matt4Green Tech AB and Jovitech invest AB. Board member in Svenska Aerogel AB, BGM Logistics AB, KRAHN Speciality Fluids AB, KRAHN Nordics AB, BoTo Förvaltning AB, Organoclick AB and Dive Madhouse AB.

**Shareholding in I-Tech:** 14,161\*

Independent in relation to the company and management and the company's major shareholders, respectively.

\*) Including holdings with related persons and companies



# Management

We have dedicated, capable, and experienced leaders who will grow I-Tech and shape the future of marine antifouling paints.



## Philip Chaabane

**CEO** since 2014.

Philip has a unique combination of experience from leading positions in global tech companies, large and small. Most recently, Philip comes from the fuel cell company, PowerCell Sweden AB, where he was responsible for business and customer development. Philip has also held various operative positions in Volvo Aero Corporation (today GKN Aerospace).

**Education:** Master of Science in International Material Technology at Luleå University of Technology and EEIGM in France.

**Shareholding in I-Tech:** 106,399



## Magnus Henell

**CFO & Director Operations** since 2017.

Magnus has vast experience in finance and corporate management in several small and medium enterprises, as well as a great experience of mergers and acquisitions work within the Volvo Group. When Magnus was the CEO of PowerCell Sweden AB, he re-financed the company successfully and listed it on First North Nasdaq, Stockholm.

**Education:** Master of Science in Business and Economics at Karlstad University and School of business, economics and law at University of Gothenburg.

**Shareholding in I-Tech:** 33,000



## Cecilia Ohlauson

**Director Regulatory Affairs and Sustainability** since 2013.

Cecilia's academic background is within ecotoxicology concerning biocides and she has a Ph.D. in environmental science. Cecilia has worked for I-Tech with responsibility for regulatory work since 2008 and has similar experience from the pharmaceutical industry.

**Education:** Ph.D. from the University of Gothenburg, as well as a Master in Biology from the Linnaeus University and microbiology studies at Stockholm University.

**Shareholding in I-Tech:** 26,086



## Per Svensson

**Director Sales & Marketing** since 2020.

Per has more than 30 years of experience in the marine industry, mainly in sales and marketing of level measurement systems and automation systems for ships and marine installations. Per has previously worked in several senior positions at Saab Marine Electronics and most recently came from Emerson Automation Solutions in the role of Director, Global Sales and Aftermarket Marine Solutions.

**Education:** Technical degree and Executive management programs at the Stockholm School of Economics and IHM Business School in Gothenburg.

**Shareholding in I-Tech:** 7,941\*



## Markus Hoffman

**Director R&D** since 2019.

Markus joined I-Tech from the role of Expert Antifouling Coatings Research and Development at Hempel AS. Prior to that, Markus worked as Head of R&D for Hempel's Antifouling Global Excellence Center in Barcelona. Earlier in his career, Markus was Team Manager Central R&D at BASF.

**Education:** PhD in Organic Chemistry from JMU in Würzburg, Germany, MBA from EADA in Barcelona, Spain and a post-doc position at Kyoto University, Japan.

**Shareholding in I-Tech:** -

\*) Including holdings with related persons and companies

\*) Including holdings with related persons and companies

# Administration report

The board and chief executive officer of I-Tech AB (publ), organization number 556585-9682, hereby submits the annual report for the financial year 2023. All amounts are stated in kSEK unless otherwise stated. Numbers within parentheses refer to the previous year.

## Operations

The company's business is to commercialise its patented active substance to reduce marine fouling on hulls, gears and other submerged structures.

The global maritime industry consumes fuel at a cost of more than USD 150 billion annually which represents the most dominating cost factor for shipping companies. Fuel efficiency is partly dependent on the hull and its smoothness. Marine fouling, large or small, significantly affects ship performance and maintenance costs and is therefore important to eliminate. This is mainly achieved by introducing active substances in marine paint formulations.

I-Tech's product, Selektope®, is the result of research on the behaviour of various aquatic species, especially the barnacle. The product is selective and temporarily influences behaviour and, as such, becomes extremely powerful and effective. Selektope is a couple of hundred times more effective than the current leading technology with regard to barnacle growth. Selektope has passed various environmental and health trials around the world and is one of only three commercially available candidates to counteract shell-building organisms that attach to hulls and surfaces.

The company's registered office is in Mölndal, Västra Götaland, Sweden.

## Multi-year overview\*

	2023	2022	2021	2020	2019
Revenues	120,861	83,631	52,901	52,819	45,574
Result after financial items	25,494	13,426	-3,320	-6,043	-7,096
Balance sheet total	152,442	125,406	115,124	120,178	131,323
Solidity (%)	89.37	92.53	91.15	88.70	84.84
Total equity	136,238	116,035	104,939	106,602	111,408

\*Definitions of key figures, see notes

## Ownership

Shareholder with more than 10% ownership is Pomona-gruppen AB, 14.75%.

## Significant events during the financial year

- I-Tech presented its communicate from the annual general meeting. The entire board was re-elected except for Bjarne Sandberg, who declined re-election in advance. The meeting also decided on a long-term incentive program for management and other employees. No one choose to subscribe due to changed market conditions, hence the program is ended.
- In connection with the company's application for re-registration of Selektope in the EU, an expert panel proposes a changed classification of Selektope.

## Future development and significant risks and insecurities

The company sees a continued good development of existing customers, as well as one or more new customers on the market in the near future. A key factor in this development is that the brand is gaining further awareness and that the list of references becomes even longer, giving a valuable ripple effect with our customers. During the coming periods, the company will also continue to refine the production processes introduced during 2018, for the purpose of further improve the production cost and secure high-quality deliveries.

## Suppliers

I-Tech's product Selektope® is manufactured by subcontractors, which means that the company is dependent on these to be able to deliver its product. If the company's subcontractors would not be willing to continue the cooperation with the company or to continue an agreed functioning cooperation according to favourable terms for the company, there is a risk that I-Tech in such a situation would not be able to replace such a supplier in a timely, qualitative or economically adequate manner. As such, there is a risk that changed supplier relations can have negative effects on the company's operation, result and financial position.

## Competition

I-Tech's product, Selektope® is one of two non-metal-based antifouling biocides which have received regulatory approval in the EU and some other regions in the world. There is a risk that further competitive biocides receive regulatory approval resulting in an increase in competition on the market, which may have a negative effect on the company's operation, result and financial position.

## Key staff

The company is dependent on board members, directors and other key staff in different positions. The ability to keep current staff, as well as the possibility to recruit new staff, is crucial for

the company's future development. If key staff leave the company or if I-Tech cannot hire or keep qualified and experienced directors, it may have a significant negative effect on the company's operation, result and financial position.

## Market approval

I-Tech has received market approval for the company's product Selektope® in the EU, China, Japan, South Korea and the Philippines, which is a prerequisite to continue to be able to market the product. There is a risk that current regulations will change in the future. If the company is unable to fulfil new regulations or if the company would have an already received market approval withdrawn, there is a risk that it would have a negative effect on the company's operation, result and financial position.

## Customers

If I-Tech could not live up to the demands of the company's customers, or if the company's customers could not fulfil their payment obligations, or if existing customers would choose not to renew current agreements with the company or if the agreement with different customers would be renewed on less advantageous terms for the company, there is a risk that I-Tech's revenue would decrease, which may lead to a negative effect on the company's operation, result and financial position.

## Product quality

Insufficient quality in I-Tech's supplied products could infer a liability claim on the company from the company's customers, which could have negative effects on the company's financial position. Further there is a risk that failing product quality could result in a decreased demand for the company's product which could have a significant negative effect on the company's operation, result and financial position.

**Political risk**

The company is active in different ways in and via several countries and can thereby be affected by political and economic uncertainties in these countries. There is a risk that I-Tech is affected negatively through changes in legislation, taxes, customs, exchange rates and other terms for foreign companies. I-Tech may also be affected by political and economic factors of uncertainties in these countries. The company may also be affected negatively by possible domestic policy decisions.

**Currency risk**

Currency risk is understood to mean the risk of changes in currency having a significant negative impact on I-Tech's income statement, balance sheet or cash-flow. Exposure to currency risk is present at purchase or sales of products and services in another currency than the Swedish Krona. I-Tech's international operation gives rise to a significant cash flow in foreign currency. The company is mainly exposed to fluctuations in USD in relation to SEK. There is a risk that changes in currencies can have a negative effect on I-Tech's operation, result and financial position.

**Changes in equity**

	Share capital	Other restricted equity	Other non-restricted equity	Annual result	Total equity
Amount at the start of the year	23,817	1,528	80,073	10,617	116,035
Surplus according to decision at annual general meeting			10,617	-10,617	
Provision for fund for development expenditure		-46	46		
Profit for the year				20,203	20,203
Amount at the end of the year	23,817	1,482	90,736	20,203	136,238

**Allocation of surplus (SEK)****PROPOSED APPROPRIATION OF PROFITS**

At the disposal of the annual general meeting is

Loss brought forward	-52,540,738
Share premium account	143,275,995
Profit for the year	20,203,380
	<b>110,938,637</b>

The board of directors suggest that

SEK 0.75 per share is distributed as an ordinary dividend	8,931,343
SEK 0.75 per share is distributed as an extra dividend	8,931,343
Profit brought forward	93,075,951
	<b>110,938,637</b>

Concerning the company's result and further position, we refer to the following income statement and balance sheet and related notes.

# Income statement

	Note	1 Jan 2023 - 31 Dec 2023	1 Jan 2022 - 31 Dec 2022
<b>Operating income etc.</b>			
Net turnover		120,861	83,631
Other operating income	3	2,154	2,650
		<b>123,015</b>	<b>86,281</b>
<b>Operating expenses</b>			
Costs of goods sold		-57,324	-38,504
Other external costs		-15,293	-12,281
Personnel costs	4	-15,827	-13,242
Depreciations, amortisations and impairments		-7,982	-8,021
Other operating costs		-3,200	-2,209
		<b>-99,626</b>	<b>-74,257</b>
<b>Operating income</b>		<b>23,389</b>	<b>12,024</b>
<b>Result of financial items</b>			
Other interest income and similar items	5	3,154	1,414
Interest expense and similar items	6, 12	-1,049	-12
		<b>2,105</b>	<b>1,402</b>
<b>Result after financial items</b>		<b>25,494</b>	<b>13,426</b>
Tax on profit for the year	7	-5,291	-2,809
<b>Result of the year</b>		<b>20,203</b>	<b>10,617</b>

## Balance sheet

	Note	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Expenditures on development brought forward	8	12,086	15,189
Patents	9	18,034	22,426
<b>Total intangible assets</b>		<b>30,120</b>	<b>37,615</b>
<b>Tangible assets</b>			
Inventories, tools and installations	10	2,820	924
<b>Total tangible assets</b>		<b>2,820</b>	<b>924</b>
<b>Financial fixed assets</b>			
Deferred tax assets	11	9,332	14,623
<b>Total financial fixed assets</b>		<b>9,332</b>	<b>14,623</b>
<b>Total fixed assets</b>		<b>42,272</b>	<b>53,162</b>
<b>Current assets</b>			
<b>Inventory</b>			
Finished goods and commodities		4,280	2,413
<b>Total inventory</b>		<b>4,280</b>	<b>2,413</b>
<b>Short-term receivables</b>			
Accounts receivables		13,299	15,722
Other receivables		593	568
Prepayments and accrued income		8,737	787
<b>Total short-term receivables</b>		<b>22,629</b>	<b>17,077</b>
<b>Cash and bank balances</b>			
Cash and bank balances		83,262	52,754
<b>Total cash and bank balances</b>		<b>83,262</b>	<b>52,754</b>
<b>Total current assets</b>		<b>110,171</b>	<b>72,244</b>
<b>TOTAL ASSETS</b>		<b>152,443</b>	<b>125,406</b>

	Note	31 Dec 2023	31 Dec 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital		23,817	23,817
Legal reserve		753	753
Reserve for development expenditure		729	775
<b>Total restricted equity</b>		<b>25,299</b>	<b>25,345</b>
<b>Unrestricted equity</b>			
Share premium reserve		143,276	143,276
Result brought forward		-52,540	-63,203
Result for the year		20,203	10,617
<b>Total unrestricted equity</b>		<b>110,939</b>	<b>90,690</b>
<b>Total equity</b>		<b>136,238</b>	<b>116,035</b>
<b>Short-term liabilities</b>			
Liabilities to credit institutions	12	-	2,252
Accounts payables		9,496	3,143
Current tax liabilities		86	128
Other liabilities		618	538
Accruals and deferred income		6,005	3,310
<b>Total short-term liabilities</b>		<b>16,205</b>	<b>9,371</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>152,443</b>	<b>125,406</b>

## Cash flow analysis

	Note	1 Jan 2023- 31 Dec 2023	1 Jan 2022- 31 Dec 2022
<b>Operating activities</b>			
Operating result		23,389	12,024
Adjustments for non-cash items	13	7,982	8,095
Interest and similar items received		3,154	1,414
Interest and similar items paid		-1,049	-12
Income tax paid		-42	-102
<b>Cash flow from operating activities before changes in working capital</b>		<b>33,434</b>	<b>21,419</b>
<b>Cash flow from changes in working capital</b>			
Increase(-)/decrease(+) in inventories		-1,867	930
Increase(-)/decrease(+) of accounts receivables		2,423	-8,617
Increase(-)/decrease(+) of other receivables		-7,975	5,068
Increase(+)/decrease(-) of accounts payables		6,353	2,030
Increase(+)/decrease(-) of short-term liabilities		2,775	-705
<b>Cash flow from operating activities</b>		<b>35,143</b>	<b>20,125</b>
<b>Financing activities</b>			
Acquisition of expenditures brought forward for development and similar work.	8	-28	-64
Acquisition of inventories, tools and installations	10	-2,355	-758
<b>Cash flow from investing activities</b>		<b>-2,383</b>	<b>-822</b>
<b>Financial activities</b>			
Warrants		-	479
Amortisation of long-term borrowings		-2,252	-2,037
<b>Cash flow from financial activities</b>		<b>-2,252</b>	<b>-1,558</b>
<b>Change in liquid assets</b>			
Liquid assets at the start of the year		52,754	35,009
<b>Liquid assets at the end of the year</b>		<b>83,262</b>	<b>52,754</b>

## Notes

### NOTE 1. ACCOUNTING PRINCIPLES

The annual report is prepared in accordance with Årsredovisningslagen (1995:1554) and BFNAR 2012:1 Annual report and consolidated financial statements. The principles are unchanged compared to previous years.

#### Receivables

Receivables have been recognised at the amounts at which they are expected to be received.

#### Other assets, provisions and liabilities

Other assets, provisions and liabilities have been valued at acquisition value unless otherwise stated below.

#### Revenue report

The revenues are reported at the actual value of what has been received or will be received. The company therefore reports the revenue at nominal value (invoiced amounts) if the compensation is received in liquid funds directly on delivery. Deductions are made for discounts provided.

#### Sales of goods

Sale of goods is recognised when the company has transferred to the buyer the significant risks and benefits associated with the ownership, normally when the customer has the goods in his possession. Revenues from the sale of goods that have no significant service obligations are reported on delivery.

#### Services

Revenue from consultancy services are reported when the services are provided.

#### Tangible assets

Tangible assets are reported at acquisition value, deducting the accumulated depreciations and any impairment losses. The assets are depreciated linearly over the assets' estimated useful life except for land that is not amortised. The useful life is reviewed at each balance sheet date. The following useful lives are applied:

	Number of years
Inventories, tools and machinery	5

#### Intangible assets

Intangible assets are reported at acquisition value, deducting the accumulated depreciations and any impairment losses. The assets are depreciated linearly over the assets' estimated useful life. The useful life is reviewed at each balance sheet date. Ongoing projects are not amortised but are tested annually for impairment.

The following useful lives are applied:

	Number of years
Expenditures brought forward for development and similar work	10
Patents	5

#### Activation of internally generated intangible fixed assets.

##### Activation model

All expenses incurred during the research phase are recognised as an expense as they arise. All expenses incurred during the development phase are activated when the following conditions are met; the company's intention is to complete the intangible asset and to use or sell it and the company has the potential to use or sell the asset, it is technically possible for the company to complete the intangible asset so that it can be used or sold and there are adequate technical, economic and other resources to complete the development and to use or sell the asset, it is likely that the intangible fixed asset will generate future economic benefits and the company can reliably calculate the expenses attributable to the asset during its development.

In the acquisition value, personnel costs incurred in the work on development work are included.

#### Leasing

A finance leasing agreement is a leasing agreement according to which the financial risks and advantages associated with owning an asset are transferred in all material respects from the lessor to the lessee. An operating leasing agreement is a leasing agreement that is not a financial leasing agreement.

#### Leasee

Operational leasing agreements are recognised as an expense linearly over the lease term.

Rights and obligations under financial leasing agreements are reported as assets and liabilities in the balance sheet. The asset and liability are reported at the lower of the asset's actual value and the present value of the minimum lease payments, determined at the conclusion of the leasing agreement. The lease payments are divided between interest and amortisation of the debt according to the effective interest method. Variable fees are reported as expenses in the financial year that the expenses arise. All leasing agreements are expensed on linearly over the lease term.

**Inventories**

Inventories are valued at the lowest of the acquisition value, calculated according to first-in-first-out, and net sales value. The net realisable value has been calculated at the sales value after deduction of estimated sales cost, whereby obsolescence has been taken into consideration.

**Income tax**

Current tax is income tax for the current fiscal year, which refers to the year's taxable profit and the part of previous fiscal year's income tax that has not yet been reported.

Current tax is valued at the probable amount according to the tax rates and tax rules that apply on the balance sheet date. Deferred tax is income tax for taxable earnings relating to future fiscal years as a result of past transactions or events.

Deferred tax is calculated on temporary differences. A temporary difference exists when the reported value of an asset or liability differs from the taxable value. Temporary differences are not considered in differences attributable to investments in subsidiaries, branches, associated companies or joint ventures if the company can control the timing of reversal of the temporary differences and it is not obvious that the temporary difference will be reversed in the foreseeable future. Differences arising from the initial recognition of goodwill or at the first recognition of an asset or liability, unless the related transaction is a business combination or affects tax or recognised result, do not constitute temporary differences either.

Deferred tax assets relating to losses carried forward or other future tax deductions are reported to the extent that it is probable that the deductions can be offset against future tax surpluses.

The company has made the assessment that it is probable that the losses carried forward as a whole will be offset against future profits, which is why deferred tax assets related to these have been recognised in their entirety.

**Receivables and liabilities in foreign currency**

Monetary receivables and liabilities in foreign currency have been recalculated at the closing day rate. Exchange rate differences arising from the regulation or recalculation of monetary items are recognised in the income statement in the fiscal year in which they arise, either as an operating item or as a financial item based on the underlying business event.

**Public contributions**

Public contributions are valued at the actual value of the asset that the company has received or will receive.

Public contributions that are not linked to demands on future performance, so-called unconditional contributions, are recognised as revenue when the conditions for obtaining the contributions are met, that is, usually in connection with the receiving of contributions. Public contributions that are linked to demands for future performance, so-called conditional contributions, are recognised as liabilities when the contribution is received and subsequently recognised as income when the performance is carried out. Public contributions relating to the acquisition of a fixed asset reduce the asset's acquisition value.

**INDIVIDUAL NOTES TO FINANCIAL STATEMENTS****NOTE 2. ESTIMATES AND ASSESSMENTS**

The Board of directors and management continuously assess the company's intangible assets, capitalized expenses for development work and patents, and deferred tax assets. In the valuation, a number of significant estimates and assessments must be taken into account in order to be able to calculate a recoverable amount. These estimates and assessments relate, among other things, to future expected sales price, expected market penetration and expected cost base in the company.

**NOTE 3. OTHER OPERATING REVENUE**

	2023	2022
<b>Other operating revenue divided over category of revenue</b>		
Foreign exchange gains	1,514	1,936
Contributions	17	194
Forwarded costs	545	520
Other revenues	78	-
	2,154	2,650

**NOTE 4. PERSONNEL****Average number of employees**

The average number of employees is based on the number of by the company paid working hours related to normal working hours.

	2023	2022
<b>Average number of employees has been</b>	10	9
Of which were women	5	4
Of which were men	5	5

**Salaries, remuneration, etc.**

Salaries, remuneration, social security expenses and pension costs amount has been as follows:

	2023	2022
<b>Board of Directors and CEO</b>		
Salaries and remuneration	2 696	2 655
Pension costs	472	426
	3 168	3 081
<b>Other employees</b>		
Salaries and remuneration	8 023	6 233
Pension costs	967	863
	8 990	7 096
<b>Social security expenses</b>	3 399	2 808
<b>Total Board of Directors and others</b>	15 557	12 985

**NOTE 5. OTHER INTEREST INCOME AND SIMILAR ITEMS**

	2023	2022
Interest income	1 480	11
Exchange difference	1 674	1 403
	3 154	1 414

**NOTE 6. INTEREST EXPENSE AND SIMILAR ITEMS**

	2023	2022
Other interest cost	-	12
Financial cost Energimyndigheten 2	1,049	-
	1,049	12

**NOTE 7. TAX ON RESULT FROM THE YEAR**

	2023	2022
Deferred tax	-5,291	-2,809
	-5,291	-2,809
<b>Reconciliation of effective tax</b>		
Profit/loss before tax	25,494	13,426
Tax cost 20.60% (20.60%)	-5,252	-2,766
<b>Tax effect of:</b>		
Non-deductible expenses	-40	-43
Non-taxable revenues	1	-
Loss carried forward used this year	5,291	2,809
Deferred tax adjustment	-5,291	-2,809
<b>Total</b>	-5,291	-2,809
Effective tax rate	20,8%	20,9%

**NOTE 8. EXPENDITURES BROUGHT FORWARD FOR DEVELOPMENT AND SIMILAR WORK**

	31 Dec 2023	31 Dec 2022
Opening acquisition value	32,289	32,225
Purchases	28	64
<b>Outgoing accumulated acquisition value</b>	32,317	32,289
Opening depreciations	-17,100	-13,969
Depreciations during the year	-3,131	-3,131
<b>Outgoing accumulated depreciations</b>	-20,231	-17,100
<b>Outgoing reported value</b>	12,086	15,189
<b>Assets acquired through public contributions are included at reported acquisition value</b>	8,908	8,908

**NOTE 9. PATENTS**

	31 Dec 2023	31 Dec 2022
Opening acquisition value	45,838	46,961
Sales/Disposals	-	-1,049
Re-classifications	-	-74
<b>Outgoing accumulated acquisition value</b>	45,838	45,838
Opening depreciations	-23,412	-19,733
Sales/Disposals	-	780
Depreciations during the year	-4,392	-4,459
<b>Outgoing accumulated depreciations</b>	-27,804	-23,412
<b>Outgoing reported value</b>	18,034	22,426

**NOTE 10. INVENTORIES, TOOLS AND INSTALLATION**

	31 Dec 2023	31 Dec 2022
Opening acquisition value	1,431	673
Purchases	2,355	758
<b>Outgoing accumulated acquisition value</b>	<b>3,786</b>	<b>1,431</b>
Opening depreciations	-507	-345
Depreciations during the year	-459	-162
<b>Outgoing accumulated depreciations</b>	<b>-966</b>	<b>-507</b>
<b>Outgoing reported value</b>	<b>2,820</b>	<b>924</b>

**NOTE 11. DEFERRED TAX**

2023-12-31	Temporary difference	Deferred tax asset	Deferred tax liability
Tax losses	-	9,332	-
	-	<b>9,332</b>	-

2022-12-31	Temporary difference	Deferred tax asset	Deferred tax liability
Tax losses	-	14,623	-
	-	<b>14,623</b>	-

**NOTE 12. LONG TERM LIABILITIES**

	31 Dec 2023	31 Dec 2022
Energy Agency no. 2	-	2,252
	-	<b>2,252</b>

**Energy Agency no. 2**

Repayment takes place with 3% of the company's reported net sales and is limited to a 10-year period unless full repayment has taken place earlier. Repayment in 2023 is based on the turnover in 2022 amounted to SEK 2,509 thousand, which referred to nominal residual debt of SEK 2,252 thousand and part of the excess repayment commitment, SEK 257 thousand. During 2023, the entire excess repayment commitment of SEK 1,049 thousand was expensed, which corresponds to 20% of the nominal amount. The balance, SEK 791 thousand, will be finally settled in quarter 3 2024.

**NOTE 13. ADJUSTMENTS FOR NON-CASH ITEMS**

	2023	2022
Depreciations	7,982	7,752
Loss on sale/disposal of patents	-	269
Reclassification of patents	-	74
	<b>7,982</b>	<b>8,095</b>

**NOTE 14. COLLATERAL**

	31 Dec 2023	31 Dec 2022
Business mortgages	4,600	4,600

**NOTE 15. SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR**

In January, the company's CEO Philip Chaabane announced that he intends to leave his position in connection with the company's annual general meeting. In connection with this announcement, the company's nomination committee announced that they will propose Philip Chaabane as chairman of the board at the annual general meeting. Furthermore, it was announced that the company's main owners is supporting the proposal.

**NOTE 16. DEFINITION OF KEY FINANCIAL FIGURES****Solidity**

Adjusted equity as a percentage of balance sheet total.

Mölndal den 9 april 2024

Tomas Tedgren

Chatarina Schneider

Raouf Kattan

Tomas Bergdahl

Mikael Laurin

Stefan Sedersten  
Chairman of the BoardPhilip Chaabane  
Chief Executive OfficerOur audit report has been delivered on  
9 april 2024  
Ernst & Young ABAndreas Mast  
Authorised accountant

# Auditor's report

## To the general meeting of the shareholders of I-Tech AB, corporate identity number 556585-9682

### REPORT ON THE ANNUAL ACCOUNTS

#### Opinions

We have audited the annual accounts for I-Tech AB for the financial year 2023. The company's annual accounts can be found on the pages 32 – 43 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and gives a true and fair view of I-Tech AB's financial position as of December 31, 2023 and of its financial results and cash flow for the year in accordance with the Annual Accounts Act. The annual accounts are consistent with the other parts of the annual accounts.

We therefore recommend that the Annual General Meeting adopts the income statement and balance sheet.

#### Basis for Opinions

We concluded our audit in accordance with International Standards on Auditing (ISA) and generally accepted practice in Sweden. Our liability under these standards is described in more detail in the Auditor's responsibility. We are independent in relation to I-Tech AB in accordance with good auditor's practice in Sweden and have otherwise fulfilled our ethical responsibility according to these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate as a basis for our statements.

#### Information other than the annual accounts

It is the Board of Directors and the CEO who are responsible for the other information. The other information can be found on the pages 1 – 31 but does not include the annual accounts and our auditor's accounts regarding it.

Our statement regarding the Annual Accounts does not include this information and we do not make a statement confirming this other information.

In connection with our audit of the Annual Accounts, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the Annual Accounts. In this review, we also take into account the knowledge we have otherwise acquired during the audit and assess whether the information otherwise appears to contain material misstatements.

If, based on the work that has been done regarding this information, we conclude that the other information contains a material misstatement, we are obliged to report this. We have nothing to report in that regard.

#### Responsibilities of the Board of Directors and the Chief Executive Officer

It is the Board of Directors and the CEO who are responsible for ensuring that the annual accounts are prepared and that

it gives a true and fair view in accordance with the Annual Accounts Act. The Board of Directors and the CEO are also responsible for the internal control that they deem necessary to prepare the annual accounts that are free from any material misstatements, whether due to fraud or error.

When preparing the annual accounts, the Board of Directors and the CEO are responsible for assessing the company's ability to going concern. They disclose, where applicable, conditions that may affect the ability to continue operations and to use the assumption of continued operation. However, the assumption of going concern does not apply if the Board of Directors and the CEO intend to liquidate the company, cease operations or have no realistic alternative to doing any of this.

#### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Chief Executive Officer.
- Conclude on the appropriateness of the Board of Directors' and the Chief Executive Officer's use of the going concern basis of accounting in preparing the annual accounts. We

also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation. We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit.

We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

#### Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Chief Executive Officer of I-Tech AB for the year 2023 and the proposed appropriations of the company's profit or loss. We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

#### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the I-Tech AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general. The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. This includes among other things

continuous assessment of the company's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Chief Executive Officer shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Chief Executive Officer in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act. As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the board's reasoned opinion as well as a selection of the basis for this in order to be able to assess whether the proposal is in accordance with the Companies Act.

Gothenburg on the 9th of April 2024

Ernst & Young AB

Andreas Mast  
Authorised accountant



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**Images:** Adobe Stock, Shutterstock and iStock

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**Financial calendar**

Interim report, Q1	7 May, 2024
Annual General Meeting	6 May 2024
Interim report, Q2	23 August 2024
Interim report, Q3	18 October, 2024
Year-end report 2022	6 February 2025





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