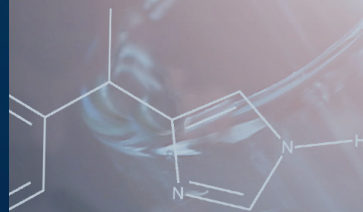
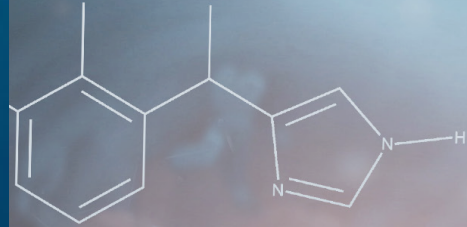


We make marine transportation more sustainable



Contents

Events during the year	3
CEO statement	4
Strategy	6
Market	8
Selektope	16
Case - Lanxess collaboration	18
Sustainability	20
Case - Insights from the industry	24
The share	26
Board of Directors	28
Management	30
Administration report	32
Income statement	35
Balance sheet	36
Cash flow analysis	38
Notes	39
Signatures	43
Audit report	44

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

selektope®



This is I-Tech

I-Tech is a global biotechnology company operating in the marine paint industry. 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 primarily prevent 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 on 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 Selektepe is valued at 500 MUSD.



>20

billion USD

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



>100

million tons CO₂

Emissions-saving potential from preventing biofouling on ship hull which corresponds to 0.3% of global CO₂ emissions per year.



Events during the year



Broadened customer mix and availability of Selektepe containing products. In 2022, we saw a continued increase in both the number of customers who buy Selektepe regularly as well as the amount of available products on the market. Currently there are over 20 commercially available antifouling products from six of the nine largest paint manufacturers.



49% 24% 6% 33%

2019 2020 2021 2022

Continuous organic growth. In recent years, there has been a high currency-adjusted growth which has returned strong after a temporary slump during the COVID years.

1 220 3 600 3 234 20 045

2019 2020 2021 2022

Strongly improved EBITDA over time. The last few years have been marked by profitability improvements and during 2022, the business model has really proven its profitability following the strong increase in turnover.

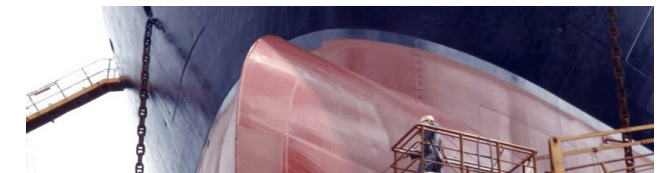


I-Tech gathers experts in antifouling for international conference in Gothenburg. In 2022, I-Tech organized for the first time an industry-specific conference in Gothenburg with the aim of promoting collaborations for future development of antifouling solutions.



Research and Development. During the year, I-Tech saw results of the investments made in R&D. Several new concepts to include Selektepe in the development of new antifouling products were brought forward. These concepts are used in discussions with customers. (p.18)

I-Tech builds increased brand awareness. In a joint effort with Berg Propulsion two of the most relevant technology areas to save fuel and emissions for commercial freighters were combined. Through the best possible antifouling and an optimized powertrain there are big profits to be made thru increased performance and energy efficiency.



Proven efficacy. Currently, over 1,000 commercial vessels are using Selektepe in the antifouling. Demand on premium antifouling and optimal hull performance increases as new regulations against reduced emissions are introduced, the sustainability mission is reinforced and fuel prices rise.

CEO STATEMENT

Stepping up as an established growth company with good profitability

In 2022, our customer development work with the leading suppliers of marine paint has further strengthened our relationships and trust in our product. Since 2020, the number of products containing Selektope available on the market has doubled and the number of customers with repeat orders has reached new levels. We see that our business model is now paying off and in 2022 we set new sales and profitability records. At the same time, the industry is clearly moving towards a green transformation that is expected to increase the market for high-performance antifouling products leading to further increased demand for our technology.

It is with pleasure and pride that I can look back on 2022 and report that we achieved sales growth each quarter, as well as new sales and profitability records for the full year. Sales increased from SEK 53 million to SEK 84 million and our operating profit margin amounted to 24% (EBITDA). This corresponds to a sales growth of 58% (0) for the full year. Excluding currency effects, the growth amounted to 33% (6). Operating profit before depreciation amounted to SEK 20.0 million (3.0) and net profit amounted to SEK 12.0 million (-4.7).

After several years of flat growth alongside relatively high activity together with customers, it is satisfying to see that our business model is now yielding returns. Since 2020, the share of market available products containing Selektope has doubled. Between 2021 and 2022 the non-product related costs were kept in the same range despite the strong growth in revenue indicating the scalability factor in I-Tech's business model. Yet, there will be periods of larger costs mainly related to strategic initiatives, regulatory processes or similar project based efforts.

I-Tech's investments, especially in increased technical know-how related to how Selektope works in customer products, have during the year resulted in a much deeper and concrete dialogue with our customers. The exchange of information helps to inspire new app-

roaches and can also contribute to solutions to concrete challenges. Continuing to build knowledge and act as collaboration partners to our customers is with other ingredient suppliers a key priority for us. It should be easy to use Selektope, even though it is a complex molecule.

It is also for this reason that I-Tech, together with RISE, has initiated the only global and technically oriented antifouling conference of its kind. The aim is to bring together leading academics, paint company representatives, ingredient suppliers experts in regulatory affairs and end users. The result is expected to remove barriers for new forms of collaboration and to inspire continued innovation. No single technology solves all problems, instead it is the dynamics between them and the optimisation around them that is the key to meeting the demands of the future.

2022 is also the starting point for a turnaround in global and local shipping with strong incentives and regulations which, in the long run, will significantly reduce emissions of greenhouse gases. The pathway there is made up of a chain of technical efficiency metrics that create incentives to invest in technology, design, ongoing maintenance, training of personnel, etc. The antifouling paint itself has a large part to play in the ongoing improvement potential (as measured via the Carbon Intensity Index, CII). The wrong paint choice can be crucial

"It is with pleasure and pride that I can look back on 2022 and see that we achieved sales growth each quarter, as well as new sales and profitability records for the full year. With great enthusiasm, we see how external factors on varying levels favour future expansion."

in making the difference between a high-performance ship or one of the worst in the fleet. The significance is considerable and the effects will only become apparent several years after application.

With its repelling effect derived from biotechnological research, very small amounts of Selektope are used and the combination possibilities are numerous. With six of the world's nine largest paint companies as our commercial customers, we have obtained important confirmation that our product delivers added value. With great enthusiasm, we see how external factors on varying levels favour future expansion. In addition, all nine paint companies have benefitted from long development cycles with Selektope, which will lead to more customers likely initiating commercial sales in the future.

Mölnådal, Sweden, 4 April 2023

Philip Chaabane
CEO, I-Tech



STRATEGY

We invest in making Selektope as easy-to-use as possible to help our customers to get the most out of the product's features.

For some, marine antifouling coating products may be considered to be simple by design. In fact, quite the opposite is true. An antifouling coating must work in different marine environments, at different ship speeds and in varying water temperatures. To assist you, The paint manufacturer has only a handful of crucial components that are combined in unique composition depending on the ships' specific user profiles. The smallest change can cause consequences in other areas and must therefore be subject to long test cycles in real world environments. If you add to this a complex set of regulatory requirements in different parts of the world, the possibilities of finding the most perfect solution are narrowed even further.

I-Tech has invested significantly in building up formulation knowledge to assist our customers (the paint companies) in putting the puzzle together. This knowledge contributes to lowering the threshold for developing coatings with Selektope. This supports I-Tech's ambition to make it easy to work with Selektope, just as it should be easy to work with our engineers and specialists. By extension, and on a case-by-case basis, I-Tech also becomes a partner in parts of the product development chain.

Knowledge-based integration

I-Tech operates Selektope as an ingredient brand with a proven ability to repel barnacles from ships. Selektope is sold to market-leading marine paint companies and is used as a component in numerous brands of antifouling paints, i.e. "host brands."

We invest in Slektope as an ingredient brand. It is built up by its unique innovative approach (in re-thinking biocidal products) and its enormous power in resisting barnacle attachment. In addition, we place great focus on being able to assist all types of customers in making it as easy as possible to use our technology. This includes providing support in chemical-technical challenges and guidance for the best possible value utilisation of Selektope. A key factor is that Selektope's very low concentrations unlock new opportunities to optimise performance, as well as the contents of the paint. With a recognised product brand, strong technical customer support and a deep knowledge of regulations in all applicable markets, I-Tech is positioned to become more of a partner than a classic raw material supplier.

selektope®

I-Tech wants to contribute to increased innovation through collaborations within the value chain

In addition to mastering Selektope's different aspects in the paint, we want to create collaborations with other actors and suppliers in the industry to further lower the thresholds for continued development at the paint companies. For some years now, I-Tech has been collaborating with other suppliers of active substances (biocides), research institutes and also with other paint companies, sometimes in varying three-party collaborations. The aim is to share knowledge, inspire new opportunities and build trust as an important partner in the development process. The response has been extremely positive so far.

The creation of an industry wide conversation platform

I-Tech together with RISE, has created an international and industry-wide forum where suppliers, innovators, paint companies and end users come together to inspire and listen to new findings about the advanced chemistry required to develop the paint systems of the future. With more than 100 visitors to the conference, the event was a great success. A forum to discuss chemical engineering with a focus on our niche market proved to be exactly what people were looking for. I-Tech is proud to be instrumental in bringing the industry together as we all need each other to succeed with upcoming challenges.

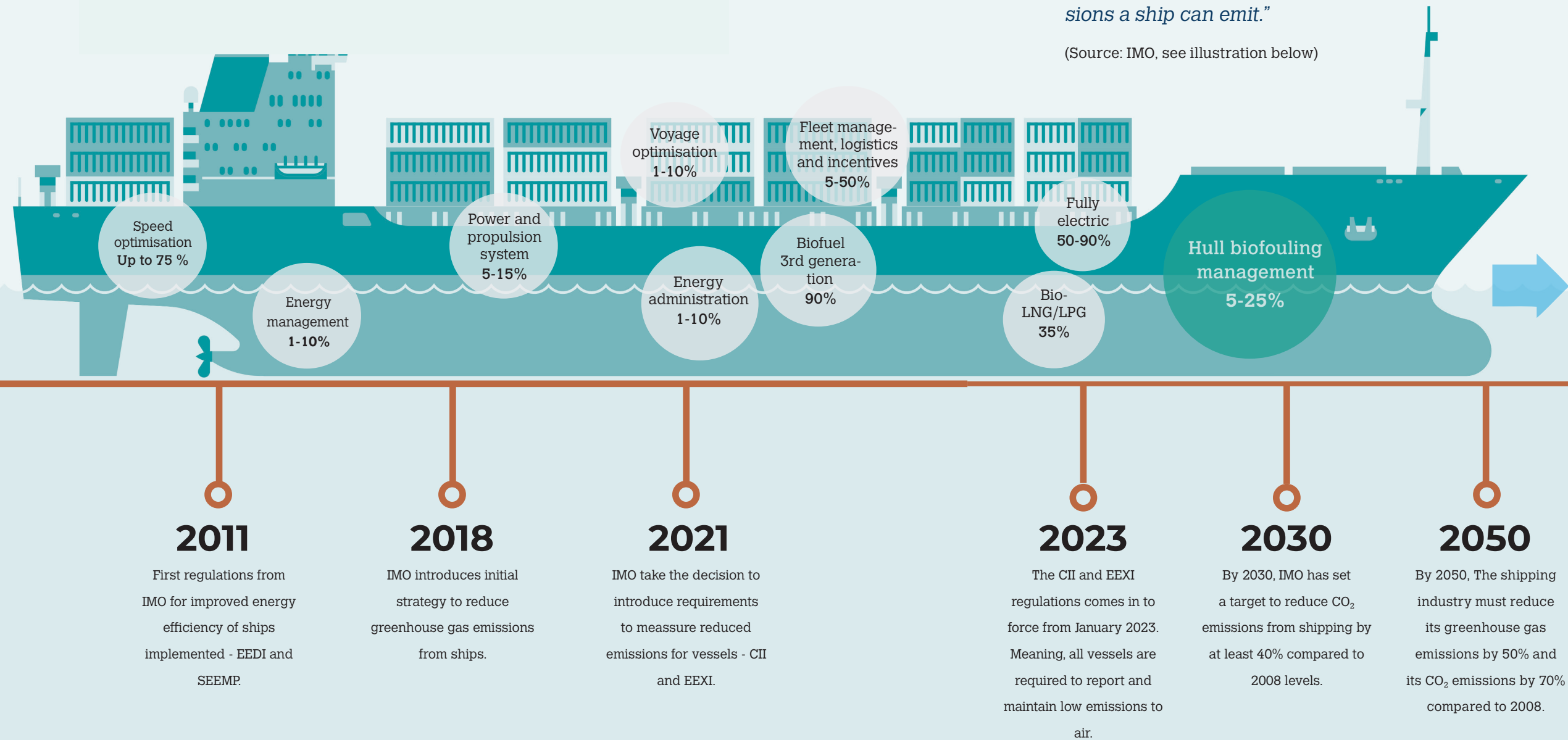
MARKET

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 anti-fouling coatings and progress I-Tech's market share.

"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)



Sustainability mission demands premium antifouling paints

New regulations drive sustainable change
The shipping industry must reduce its greenhouse gas emissions 50% by 2050. Global requirements for lower sulphur emissions were also introduced in 2020. This means that shipowners must use a larger proportion of low-sulphur fuels which further increases operating costs. Optimal hull performance thus contributes to reduced emissions and financial impact.

To drive the transformation towards greener shipping, in 2021, the IMO decided to introduce two measurable regulated indices which are mandatory from January 2023. During 2022, the industry has been faced with how to best ensure that a ship meets the new regulations.

EEXI (Energy Efficiency Existing Ship Index)
EEXI is a design index, a snapshot of how energy efficient a ship is expected to be based on design and key components. The hull, propeller, engine and powertrain often play a large role. A paint's surface finish directly upon application is another, albeit limited, parameter in the total equation.

CII (Carbon Intensity Indicator)
CII is another index that measures continuous improvements over time. It is based on how much carbon dioxide the ship emits in relation to how much cargo the ship has transported over a certain distance. The ship's CII rating thus largely depends on how efficiently the ship is run, how the continuous maintenance is and how well-functioning the ship's antifouling protection is.

How does the choice of antifouling paint impact the indices

Coatings have a marginal impact on EEXI even if paints with a smoother surface are rewarded. Such paints include silicone paints and to a certain extent copper-free paints (with fewer larger particles).

CII has a clear connection to paint performance. There are various calculations regarding its effect, but in average terms, antifouling paint accounts for around 20% of the index. There are large fluctuations as the differences between a low range paint and a high-performance paint are large and can, in extreme cases, constitute the entire difference.

MARKET

Global trends benefit Selektope® uptake

I-Tech estimates that demand for high-performance antifouling coating products will grow in the next few 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 in the next few years, not least due to several global trends impacting the shipping industry.

1

Increased pressure from interest groups

With new requirements for vessels to prove energy efficiency and emission levels, transparency towards 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 Charter. Both initiatives are driving progress relating to sustainability issues in the shipping industry and more groups 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 is setting new objectives for responsible chartered shipping, transparent climate reporting and improved decision-making in line with the UN's CO₂ emissions targets. 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 lead to increased focus on fuel consumption by shipping companies and are an incentive to drive the choice of high-performance antifouling products.

2

Biofouling-hotspots

The warm waters around the equator have long been a challenge for antifouling products. The ocean absorbs most of the excess heat from greenhouse gas emissions, which leads to rising ocean temperatures. Rising ocean temperatures affect marine species and ecosystems and cause more "hotspots" for biofouling in water temperatures above 25°C where the risk of severe infestation increases. If nothing is done to deal with this problem, biofouling can lead to a negative feedback loop where heavy fouling leads to higher emissions of greenhouse gases, which in turn contribute to global warming and increasing water temperatures.

Global warming is causing the oceans to become warmer. This leads to more marine fouling, such as barnacles on ships, and leads to more difficult conditions for the shipping industry. In addition, an increasing number of ships are moving in warm waters due to changing production patterns as more and more companies locate their production in Asia. A recent study conducted by I-Tech and Safinah group revealed that 44% of a group of 249 vessels had about 10% of their hull covered with barnacles.

Result: Increased fouling leads to an increased need for effective antifouling protection on more ships.

3

World crises cause idling

The number of ships lying at anchor, for example while waiting to unload or load cargo, has increased significantly, from 8,000 ships in 2009 to 16,000 ships in 2020. It is not only the number of stationary vessels that is increasing. Studies show that vessels are sitting still for longer periods of time. The longer a ship is at anchor, the greater the risk of fouling on the hull. After just 14 days of idling, a ship is considered to be at high risk that biofouling will accumulate on the hull. An increasing proportion of ships are now idling for more than 30 days.

In 2022, goods transported on containerships increased, which created long waiting times and extended periods of idling outside ports in zones with high water temperatures and a high risk of fouling. As shipping continues to be an important part of the global economy, with ports becoming more and more congested, increasing numbers of ships will be exposed to a higher risk of biofouling.

Result: Increased idling means more fouling on the ships, which leads to an increased need for effective antifouling paint.

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 each time, 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.

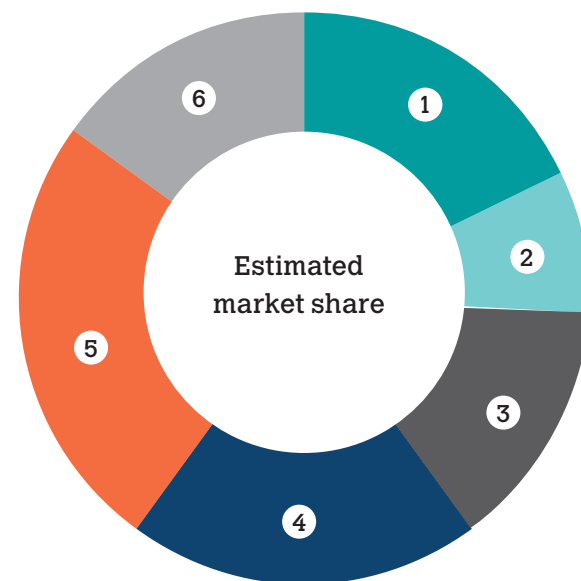
A market dominated by a handful of well-established paint companies



The marine paint market consists, predominantly, of six major global companies with three additional major companies on a regional level. The six largest companies control around 80 percent of the world market in commercial and industrial shipping. The total market, including other non-commercial vessels and boats, is valued between 350 and 500 million USD in Selektope sales.

Diverse customer profiles

For several years, the dominant players have had more or less similar products and technologies. To a large extent, this is still the case, but in recent years we have seen a certain differentiation driven by increased understanding of the connection between fuel consumption and antifouling paint, as well as pressure from politicians and authorities to reduce emissions from the paint itself. Some paint companies invest more in foul release (silicone) paints with low or no biocide content, while others continue to invest in traditional paint systems (biocidal) with improved performance. In some cases, they have also invested in a combination of traditional, hard-wearing paint systems and robots for proactive cleaning. Different systems divide the industry into different camps, while the volumes are still distributed about the same as before, albeit with the exception that the market shares within the premium segment differ a little more.



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

Selektope: A key building block in the next phase of change

Major trends in paint system development are focused on increasing performance, particularly performance reliability, also to reduce the biocide load in each litre of paint. The latter is a strong trend regardless of the paint system and with Selektope's extremely low concentration in paint, new opportunities are opened up, mainly relating to self-polishing paints. We see signs that it is possible to reduce biocide content by up to 90% without sacrificing performance. This is a similar level to many popular silicone paints. Pressure from shipowners, operators and now certain authorities is clearly pointing in this direction, which is a direction that links with our R&D strategy, primarily symbolised by our collaboration with LANXESS (see later in this report.)

Stable annual demand for paint products in a market with strong value growth.

Antifouling paints are used today for all types of ships. In total, there are more than 100,000 active IMO-registered commercial ships in the world, all of which are potential end customers for Selektope-based antifouling paint. The number of merchant ship newbuilds varies greatly from year-to-year, but in 2022 was around 1,000 ships.

The maintenance market is governed by classification organisation requirements and usually occurs for ships on 5-year intervals. On average, there are around 10-15,000 maintenance occasions per year where new paint must be applied. With the current efficiency indices, the industry's willingness to invest is increasing and thus also the value of the global antifouling market.

There is trend pointing towards more than half of all sold paint being included in the so-called premium

segment. This facilitates the possibility to introduce an extended technology content, which is important for Selektope. Reaching into the maintenance market is central to major long-term growth for Selektope. I-Tech currently has three customers who offer products both for the newbuild and maintenance markets, two of these only at 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.

Leisure boats can add value moving forward.

In 2020, we entered into a long-term collaboration agreement with the antifouling paint manufacturer, Pettit Marine Paints for the American market. Within the framework of the collaboration, the parties will collaborate on the United States EPA (Environmental Protection Agency) registration process, as well as on the development of antifouling paints. Over the past few years, paint products have been verified and the parties have prepared for an EPA process. However, the EPA has a two-to-three-year "backlog" of cases, and as such continued work must wait until the authorities can prioritise it.

Good conditions for gearing up.

Overall, more and more parameters are in place for continued growth for Selektope. There are more products on the market, hull performance is becoming increasingly important due to new energy efficiency requirements enforced by the IMO, and the newbuild market looks set to gain new momentum in response to the need to streamline the fleet.

100,000

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

70 percent

Ocean-going cargo ships consume around 70 percent of the demand for antifouling paint.

1,000

During 2022, approximately 1,000 new ships were built.

200 million

Annual sales of antifouling paint on the US market.

SELEKTOPE®

Biotechnology for sustainable marine coatings

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 coating systems creates increased protection against barnacle fouling.

Lower emissions to air and sea

Selektope's powerful, repellent effect on barnacles reduces friction against the water, preventing increased fuel consumption and emissions. Selektope is characterised by its selective action and high-performance at extremely low concentrations in the paint can. This creates opportunities to reduce biocide release from hull paint into marine environments by up to ninety percent, without compromising on paint performance.

Therefore, Selektope is a pioneering and innovative solution that offers marine paint manufacturers the opportunity to develop more sustainable paint systems.

Selektope's mode of action

When the barnacle larva approaches a hull coated with a Selektope-containing paint, its swimming legs kick at a much faster rate making it impossible for them to settle on the hull surface. This effect is created by natural receptor stimulation and has no lasting effect on the target organism.

Selektope's contribution to more sustainable shipping

Selektope contributes to positive environmental impact in several ways when the product's characteristics are used to full effect:

- Selektope's uniquely low concentration in paint provides the potential to significantly reduce the amount of biocides in paint.
- Selektope does not bioaccumulate, it is degradable over time and is one of very few biocides that are approved for use in non-professional ("do-it-yourself") applications.
- Selektope's repellent effect counteracts the risk of barnacles developing biological resistance.

From lab to ship

Powerful enough to replace other components, flexible enough to "boost" existing formulations.

Selektope is an ingredient technology used in paint systems that binds to pigment particles that are evenly distributed in the paint. As the paint is polished off, there is a constant amount of Selektope present at the paint surface, which delivers a high level of protection against barnacles during the entirety of the paint's operational life.

Selektope's repellent-mechanism against barnacles is unique, and its characteristics in paint formulations are under constant development.

Thanks to the product's properties, an incredibly powerful and specific protection against barnacles is created. Paint manufacturers thereby increase their commitments and/or guarantees for how strong a vessel's protection is during long periods at anchor. The need for this protection varies with how the ship is used. For all ships, regardless, there is a barnacle fouling pressure on the flat-bottom. These surfaces are optimal for using Selektope as an example.

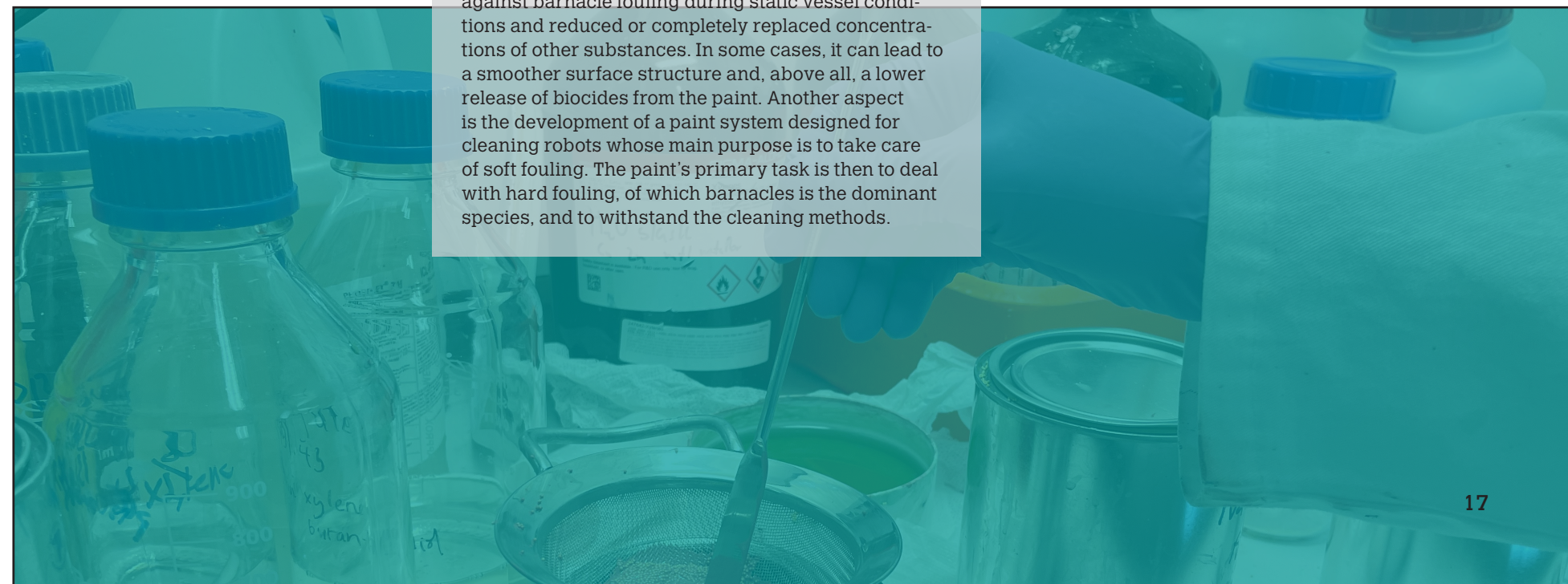
Customers who use Selektope at the recommended concentration benefit from strengthened protection against barnacle fouling during static vessel conditions and reduced or completely replaced concentrations of other substances. In some cases, it can lead to a smoother surface structure and, above all, a lower release of biocides from the paint. Another aspect is the development of a paint system designed for cleaning robots whose main purpose is to take care of soft fouling. The paint's primary task is then to deal with hard fouling, of which barnacles is the dominant species, and to withstand the cleaning methods.



Test patch painted with a Selektope-containing paint. Image provided by Chugoku Marine Paints (CMP).

Selektope's contribution to increased hull performance:

- Increased protection against hard fouling accumulation, resulting in less friction between the ship and the water, thereby reducing the risk of increased fuel consumption even after long periods of idling.
- Reduced risk of hard fouling accumulation also paves the way for easier soft fouling cleaning procedures.

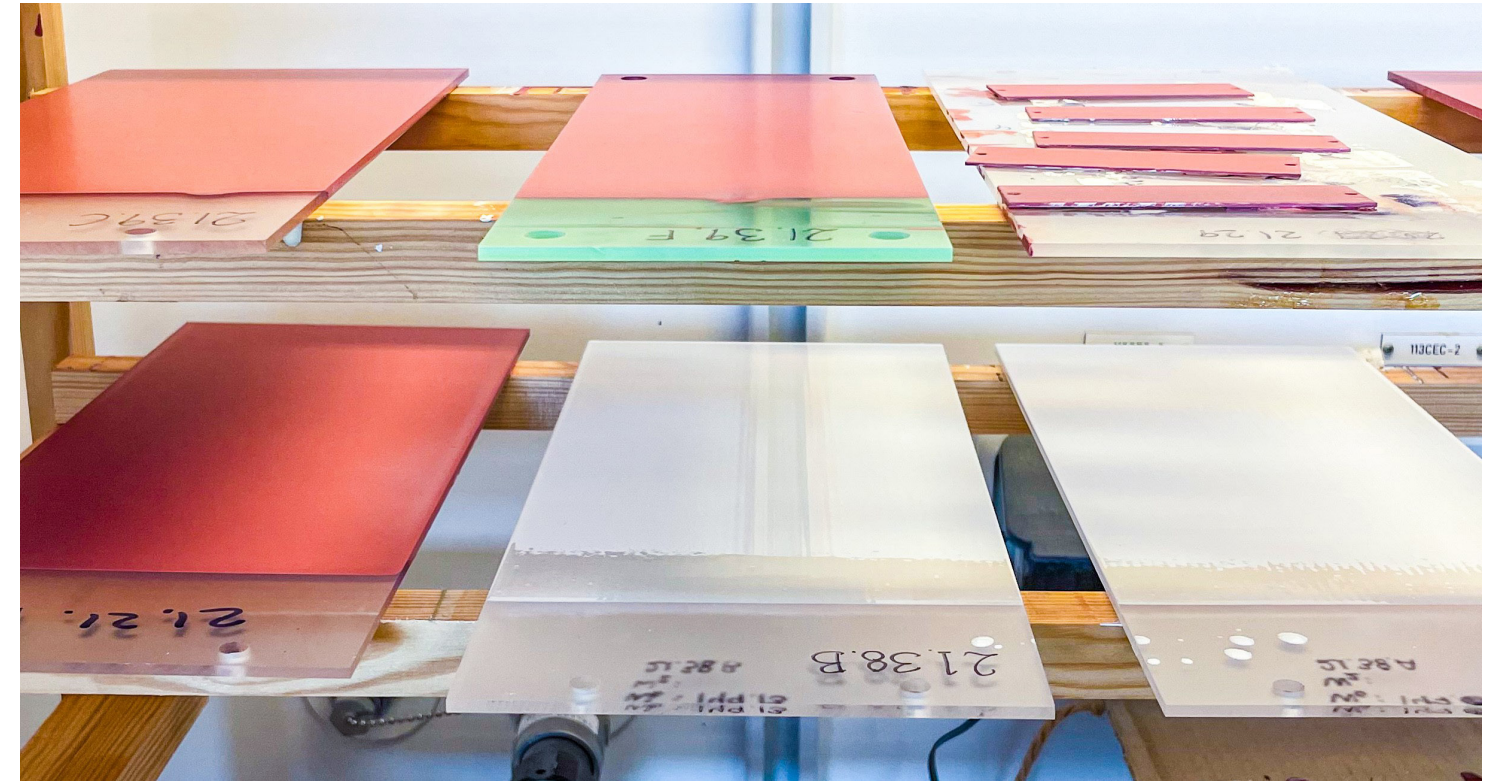


CASE

Concept development collaboration

Selektope is a small but powerful ingredient in the complex matrix of biocides and binders that form the essential technical components of a marine antifouling paint with the aim of achieving reliable and powerful protection against the wide spectrum of biological organisms that can grow on ships' surfaces hull.

We believe that the best way to further optimise the development of protection against fouling is through collaboration. In September 2022, We arranged an industry-specific, technical conference with the aim of bringing together experts and innovators in antifouling. In addition, we are engaged in specific collaborations to investigate new or improved concepts to respond to new industrial and regulatory requirements for marine paint systems.



Collaboration for innovation and development

The performance of antifouling paint is largely linked to how well the core components interact with each other during the period of use, which is normally 60 months for ocean going cargo ships. As a component in these sophisticated systems, it is important for I-Tech to understand as much as possible of the critical interactions in paint systems. To do this, in addition to our internal research, we are taking the initiative to establish cross-border collaborations with other ingredient suppliers, research institutes and paint manufacturers.

Selektope contributes with a specific repellent effect against barnacles and is formulated with existing binder systems together with other biocides with a complementary effect against, for example, soft fouling.

An interesting ingredient technology to combine with Selektope is LANXESS' product SEA-NINE™, which works against soft fouling in an effective way at low doses.

Enabling new combinations of biocides in antifouling paint

During 2022, I-Tech strengthened the collaboration with LANXESS that aims to create internal know-how, provide formulation guidance and knowledge to customers, and identify opportunities and challenges related to subsequent scale-up to shorten the path to commercial availability. During the project, approximately 45 formulations have been tested in four selected locations around the world that have a high risk of fouling. This testing has provided new knowledge and experience regarding the performance of the combination in paint, biocide release, stability in the can and many other important properties.

The tests are designed to cover variations in the concept paints and, as such, include different binder technologies, different biocide volumes and different numbers of biocides. This provides relevant learnings for technical discussions with customers who can be reassured to implement these concepts.

Between the two teams there is an impressive amount of formulation know-how that enables effective development with strong customer relevance. The results have generated significant customer interest and an increased engagement that is crucial for new innovations in the industry.

Satisfying new restrictions

The project between LANXESS and I-Tech highlights much needed opportunities to significantly reduce the amount of biocides in paint. It may therefore prove to be a fundamental concept to satisfy new local restrictions that have come about in 2022 in, for example, Korea, where the amount of biocide in paint formulations will be regulated. With our strategy to be a collaboration partner to make Selektope easy and attractive to use, other collaborations are also being established, with other ingredient suppliers, research institutes and paint manufacturers with the aim of generating knowledge as to how Selektope can best be integrated into different paint systems.

” The best way to further optimise protection against fouling is through collaboration ”

selektope®

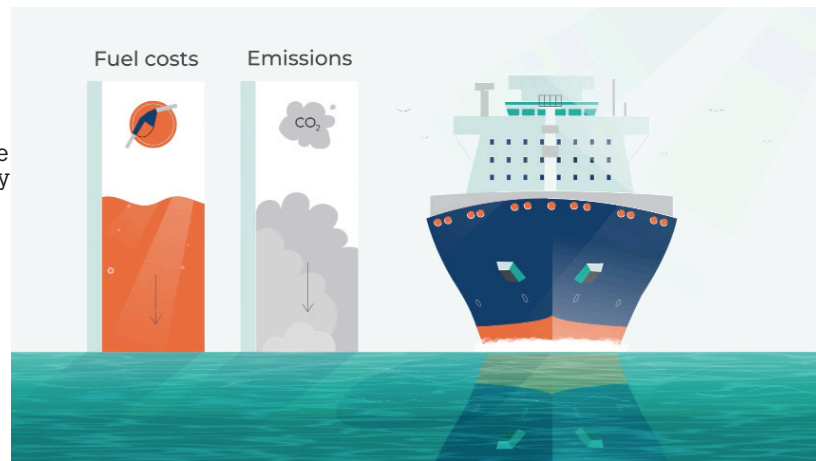
SUSTAINABILITY

Selektepe paves the way for environmental benefits

The connection between fuel savings and biofouling has become increasingly accepted and more shipping companies are now choosing premium antifouling products to minimise fuel consumption.

Antifouling biocides such as Selektepe are an important tool for the shipping industry decarbonisation transition. The shipping industry consists of around 100,000 vessels and accounts for more than 80% of the global transportation of goods in volume. With less fouling on the hull, the consumption of fuel oil could be reduced by 10 percent, which would reduce CO₂ emissions from shipping by >100 million tons annually. Selektepe plays an important role in long-term sustainable antifouling products, not only through its contribution to reducing CO₂ emissions. Selektepe is one of the few antifouling biocides to have undergone rigorous risk assessments for humans and the environment and been subsequently approved for use within the EU. The incredibly deep understanding of biocides creates security that the substances have, to say the least, an acceptable risk profile, which has been proven both in studies and in reality.

Until 2025, Selektepe will undergo another evaluation for the renewal of its approval. This is part of the regulatory process for biocides and is a way for the authorities to ensure that no unsuitable substances are used on the European market. It is not only the EU that regulates the type of antifouling biocide that may be sold. Regulatory requirements to protect people and the environment also exist in China, Japan and South Korea.



EU chemicals strategy for sustainability

Sustainability is an obvious part of our business model, where the core of the business is innovation that contributes to greatly reduced emissions of fossil fuels. The chemicals strategy for sustainability that the EU launched in 2022 as part of the European Green Deal promises investments in product development and research to benefit companies in terms of switching to a more sustainable and safer use of chemicals. It also contains several proposals that further sharpen the regulatory requirements for chemicals. This raises important questions about what a safe and sustainable chemical looks like, and who decides which chemical use is necessary for a continued sustainable society.

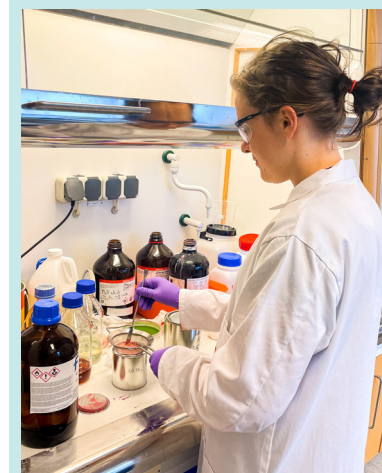
Sustainability in focus

1

Sustainable innovation

Selektepe was developed with sustainability in mind within a research project specifically designed to develop marine fouling protection for the future. We have since continued to work in the same spirit and further refined its knowledge. Selektepe has opened possibilities to create more effective antifouling products.

Among other things, we are investing in exploring the possibilities to minimise leakage of Selektepe without affecting antifouling effect. As significant resources have been invested in Selektepe in terms of knowledge and production, an expansion in the areas of use is also an important part of the sustainability strategy.



2

Sustainable production

An important part of our sustainability strategy concerns emissions from the production of Selektepe. We work continuously to minimise the emissions generated during the process, from raw material production and energy supply to waste incineration. Examples of this are using more renewable energy sources, recycling solvents, and scrubbing emissions from waste incineration.

In 2022, we began work on mapping the company's climate impact and emissions of greenhouse gases in accordance with Greenhouse Gas Protocol scope 1 – 3. The results of this work will be presented throughout 2023.



3

Sustainable entrepreneurship and work environment



At I-Tech, we integrate good business practices, legal commitments and protection of people and the environment in all strategic decisions and in day-to-day work. We also demand from subcontractors, suppliers, and customers that their working conditions correspond to our standards.

One goal going forward is for us to perform more on-site audits, and that all relevant subcontractors, suppliers and customers are certified according to ISO 45001/OHSAS 14001 and 18001.

Sustainability challenges for marine transportation

1

High fuel consumption leads to high emission levels

Each year, the shipping industry consumes 350 million tons of bunker fuel oil. The industry accounts, on average, for roughly 2.3 percent of the world's global CO₂ emissions – about the same amount as the aviation industry.

Biofouling, especially "hard" fouling consisting of shell-building marine organisms, such as barnacles, causes a very large hydrodynamic resistance on ship hulls due to their volcano-shaped shells. A ship's hull with as little as 10% barnacle fouling requires a 36% increase in power to maintain the same speed compared to a hull that has no barnacle fouling. This has a direct impact on fuel consumption with approximately the same percentage increase.

Opportunity

Hull performance can be optimised using an effective antifouling paint. With the right antifouling paint on all cargo ships, CO₂ emissions could be decreased by 100 million tons each year, and the total financial savings potential could reach USD 20 billion per year.

2

Increase in invasive species – a threat to biodiversity

In recent years, the spread of so-called invasive aquatic species has become an increasing threat to marine biodiversity. Failure to protect a ship and its hull against marine fouling increases the risk of invasive aquatic species attaching to the hull. When ships carrying biological hitchhikers arrive at new ports, these species, including invasive crabs, oysters, etc. negatively disrupt animal life and existing ecosystems at the destination.

Opportunity

Stricter restrictions have been introduced regionally in ports with fines or refusals put in place to reduce the spread of invasive species. By using an effective antifouling paint, containing Selektope, the hull is kept clean and the problem of the spread of invasive aquatic species can be mitigated.

3

Don't use more than absolutely needed

Traditional antifouling paints generally use biocides, which make up anything from a few percent to more than half the weight of the paint. These biocides gradually leach out of the paint and into the marine environments.

Opportunity

Unlike traditional biocides in antifouling paints, Selektope has a selective effect that enables it to be used in uniquely small concentrations. The use of a Selektope-containing antifouling paint can therefore significantly reduce biocide emissions to water.



CASE - INSIGHTS FROM THE INDUSTRY

Future need for fouling protection

Throughout 2022, the industry has been dominated by discussions about future solutions for sustainable shipping. Antifouling expert Johnny Eliasson has followed developments during his 50 years in the industry and in an interview with I-Tech he shares his experiences and vision for the future.

For Johnny, fouling is a huge problem for progress, which leads to expensive consequences for both the environment and the economy. For the future, he believes in a combination of solutions where one of the most important components is to ensure that the hull is kept free of barnacles, which are the biggest fuel thieves.

” Barnacle fouling is not an option.

We won't be able to afford that.”

Fouling leads to major consequences but there is a lack of reliable solutions.

In recent years, the development of effective protection against fouling has progressed, but according to Johnny Eliasson there is currently no antifouling paint that can guarantee a clean hull. This means that a combination of the right paint and cleaning method is the best solution to avoid the consequences of fouling in the form of fuel costs and emissions. “We are forced to scrub the ships,” says Johnny. This results in new problems. It is costly, time consuming and can cause damage to the paint. Moreover, there are always new restrictions on how and where you can clean your hull.

The choice of antifouling paint is often a consequence of an analysis of the intended use profile of the ship. However, there is also a lot of room for errors in the assumptions. We know, for example, from previous studies that it is not unusual for unexpected idling to lead to an increased risk of fouling. Cleaning methods in the form of robots have grown in recent years partly due to ships opting for simple paint schemes, but also because they simply did not follow the expected movement patterns.

“Each ship needs to be individually analysed,” says Johnny. “There is no simple solution. What works in one case can have devastating conse-

quences in another”. Johnny explains that there is a clear connection between the choice of the right antifouling paint and fuel consumption.

Is the solution better than its consequences?

Throughout the ages, the greatest driving forces for the development of new solutions to protect against fouling have almost always been driven from an environmental improvement perspective. However, Johnny means that we often miss taking into consideration the long-term consequences various bans or restrictions may have, even if the intentions were good.

As an example, he describes the period when TBT was used in antifouling paint. These paints provided such an effective protection so that fouling on hulls was no longer a major issue. When TBT was banned, the consequence was that fouling on hulls returned and this led to high emissions of greenhouse gases. Johnny points out that he doesn't think there is a perfect solution. One must therefore compare a new solution with its consequences. Fouling on the hull has a direct relationship to greenhouse gas emissions and effective antifouling paints with biocides that counteract fouling are now necessary.

Future fouling protection

Looking ahead, Johnny's hope is that the development and implementation of data collection, AI and machine learning are part of the future. If we can predict, future issues, we can also take action at an early stage and avoid losses. If you take the hull as an example, it would then be possible to predict hull performance based on data collection and thereby adapt cleaning efforts and facilitate the choice of antifouling paint.

Another part of the development will be to replace fossil fuels with new alternatives. Johnny points out that regardless which fuel you switch to, it will cost “at least three times more than what you pay today.” As such, it is even more important that the hull is kept in good condition as the slightest fouling will have expensive consequences.

“Barnacles are not an option,” says Johnny, “we won't be able to afford that.” He sees Selektope as a good alternative for future hull protection against hard fouling, both for its proven ability to keep the hull free of barnacles and also as it enables new paint mixes with reduced biocide content without compromising efficiency.

Johnny Eliasson

Hull & Coatings Engineer,
Chevron Shipping LLC (CSC)

Background

Johnny is a trained chemist and has worked with antifouling since the start of his career in the 1970s. Since then, in senior roles, he has developed and optimized strategies for ultimate hull performance at companies such as Stolt Tankers and Chevron Shipping LLC, where he is currently employed since 2013. With his 50 years' experience in the industry, Johnny is well-reputed antifouling expert who has followed the problem of, and solutions to, hull fouling over time.

Chevron Shipping Company

With a fleet of around 30 vessels, Chevron Shipping Company is industry leading in the global transportation of crude oil, liquefied natural gas (LNG) and refined products.

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 2022, the number of shareholders was 2,765 (2,822).

Development of the share

At the end of the year, the I-Tech share stood at 53.80 SEK, which means a decline for the year of 9%. Since listing in 2018, the share has increased by around 239%. The highest price during 2022 was 62.00 SEK which occurred on 3 January, and the lowest price was 25.60 SEK on 23 August. At the end of the year, the market capitalisation was SEK 641 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 3.1 (4.5) million shares.

Share capital and ownership

The share capital in I-Tech was, at the end of 2022, 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 who at the end of 2022 held 14.75 percent of the capital and votes.

Dividend policy

I-Tech is a growth company and has so far not distributed any dividends. Neither is any share distribution planned for the coming years as any earnings are planned to be reinvested in the company. In the future, when the company's result and financial position so allow, share dividends may be likely. When the time comes, the Board of Directors will consider factors such as the growth and profitability of the business, working capital and investment needs, financial position and other factors, when determining a possible suggestion for share dividends.

Shareholder information

Financial information about I-Tech can be found on 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	1,075,000	9.03%
Futur pension	940,334	7.90%
Swedbank Robur	932,500	7.83%
NEA Partners	624,000	5.24%
Stefan Sedersten incl. shares in company	451,330	3.79%
Unionen	450,000	3.78%
Avanza pension	424,968	3.57%
Second Swedish National Pension Fund	390,837	3.28%
Swedia Capital	385,920	3.24%
Aquamarine	371,390	3.12%
Alcur funds	324,671	2.73%
Öhman funds	321,061	2.70%
Sniptind Invest	203,315	1.71%
David Bendz	195,167	1.64%
Others	3,061,547	25.71%
Total number of shares	11,908,457	100.00%

Analysts who follow I-Tech:  REDEYE



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, Röda Skrinet AB and Stefan Sedersten Development 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: -

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 responsible for Business Line Vessel Optimization within Yara Marine Technologies. Yara 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 in related 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.



Bjarne Sandberg

Member of the board since 2018.

Bjarne has a long experience of working in the process and pharmaceutical industries and has expertise in manufacturing, business development, improvement of business processes, cross-functional team leadership and change management.

Other assignments: CEO and board member for Cambrex Karlskoga AB. Member of the board for Cambrex Tallinn, Cambrex IEP and IKEM.

Shareholding in I-Tech: 10,000*

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 has held various senior positions in management, sales and operations. Tomas has previously worked for 17 years at Sherwin Williams and as CEO of Herenco AB. 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. Shareholding in I-Tech.

Shareholding in I-Tech: -

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 is currently CEO of the chemical distributor KRAHN Nordics AB.

Other assignments: Chairman of the board of Swedish Algae Factory AB and Jovitech invest AB. Board member in Svenska Aerogel AB, BGM Logistics AB, KRAHN Speciality Fluids AB, KRAHN Nordics AB, BoTo Förvaltning AB and Dive Madhouse AB.

Shareholding in I-Tech: 9,161

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

*) Including holdings in related 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: 103,899*



Magnus Henell

CFO & Head of 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: 31,000*

*) Including holdings in related companies.



Cecilia Ohlauson

Head of Regulatory Affairs 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: 24,771*



Per Svensson

Sales & Marketing Director 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: 1,308*



Markus Hoffman

Technical Director 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 in related companies

Administration report

The board and chief executive officer of I-Tech AB (publ), organization number 556585-9682, located in Mölndal, hereby submits the annual report for the financial year 2022. 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*

	2022	2021	2020	2019	2018
Revenues	83,631	52,901	52,819	45,574	28,947
Result after financial items	13,426	-3,320	-6,043	-7,096	-13,737
Balance sheet total	125,406	115,124	120,178	131,323	123,526
Solidity (%)	92.53	91.15	88.70	84.84	83.36
Total equity	116,035	104,939	106,602	111,408	102,981

*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 communiqué from the Annual General Meeting. The meeting resolved to approve a warrant program for management and other employees. The program has been implemented and was subscribed to 100%.
- The war in Ukraine entails great risks of a negative impact on the global economy, of price increases on inputs and energy, and disruptions in supply chains.
 - I-Tech has no operations in the countries concerned and has so far not been affected. Possible effects in the coming periods depend on the continued development and its global impact.

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.

COVID-19

If the COVID-19 pandemic once again would escalate leading to countries closing their borders and limiting delivery opportunities, or if access to starting materials is adversely affected, or if production is adversely affected, or if operations linked to I-Tech's customers are affected, there is a risk that I-Tech's revenues could decrease and/or that I-Tech's production and delivery costs could increase, 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	1,537	82,233	-2,648	104,939
Issue of warrants			479		479
Surplus according to decision at annual general meeting			-2,648	2,648	
Provision for fund for development expenditure		-9	9		
Profit for the year				10,617	10,617
Amount at the end of the year	23,817	1,528	80,073	10,617	116,035

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

At the disposal of the annual general meeting is	
Loss brought forward	-63,202,917
Share premium account	143,275,995
Profit for the year	10,616,912
	90,689,990
The board of directors suggest to be carried forward	90,689,990
	90,689,990

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 2022 - 31 Dec 2022	1 Jan 2021 - 31 Dec 2021
Operating income etc.		
	83,631	52,901
Net turnover		
Other operating income	3	2,650
	86,281	53,522
Operating expenses		
Costs of goods sold	-38,504	-25,424
Other external costs	-12,281	-10,192
Personnel costs	4	-13,242
Depreciations, amortisations and impairments	-8,021	-7,917
Other operating costs	-2,209	-1,366
	-74,257	-58,205
Operating income	12,024	-4,683
Result of financial items		
Other interest income and similar items	5	1,414
Interest expense and similar items	6	-12
	1,402	1,363
Result after financial items	13,426	-3,320
Tax on profit for the year	7	-2,809
Result of the year	10,617	-2,648

Balance sheet

	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Fixed assets			
Intangible assets			
Expenditures on development brought forward	8	15,189	18,256
Patents	9	22,426	27,228
Total intangible assets		37,615	45,484
Tangible assets			
Inventories, tools and installations	10	924	328
Total tangible assets		924	328
Financial fixed assets			
Deferred tax assets	11	14,623	17,432
Total financial fixed assets		14,623	17,432
Total fixed assets		53,162	63,244
Current assets			
Inventory			
Finished goods and commodities		2,413	3,343
Total inventory		2,413	3,343
Short-term receivables			
Accounts receivables		15,722	7,105
Other receivables		568	266
Prepayments and accrued income		787	6,157
Total short-term receivables		17,077	13,528
Cash and bank balances			
Cash and bank balances		52,754	35,009
Total cash and bank balances		52,754	35,009
Total current assets		72,244	51,880
TOTAL ASSETS		125,406	115,124

	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		23,817	23,817
Legal reserve		753	753
Reserve for development expenditure		775	784
Total restricted equity		25,345	25,354
Unrestricted equity			
Share premium reserve		143,276	143,276
Result brought forward		-63,203	-61,043
Result for the year		10,617	-2,648
Total unrestricted equity		90,690	79,585
Total equity		116,035	104,939
Long-term liabilities			
Liabilities to credit institutions	12	-	2,252
Total long-term liabilities		-	2,252
Short-term liabilities			
Liabilities to credit institutions	12	2,252	2,037
Accounts payables		3,143	1,113
Current tax liabilities		128	230
Other liabilities		538	365
Accruals and deferred income		3,310	4,188
Total short-term liabilities		9,371	7,933
TOTAL EQUITY AND LIABILITIES		125,406	115,124

Cash flow analysis

	Note	1 Jan 2022- 31 Dec 2022	1 Jan 2021- 31 Dec 2021
Operating activities			
Operating result		12,024	-4,683
Adjustments for non-cash items	13	8,095	7,917
Interest and similar items received		1,414	1,501
Interest and similar items paid		-12	-138
Income tax paid		-102	-44
Cash flow from operating activities before changes in working capital		21,419	4,553
Cash flow from changes in working capital			
Decrease of inventories current activities		930	935
Increase of accounts receivables		-8,617	-2,620
Decrease/increase of other receivables		5,068	-5,550
Increase/decrease of accounts payables		2,030	-45
Decrease/increase of short-term liabilities		-705	1,029
Cash flow from operating activities		20,125	-1,698
Financing activities			
Acquisition of expenditures brought forward for development and similar work.	8	-64	-323
Acquisition of concessions, patents, licenses etc..	9	-	-407
Acquisition of inventories, tools and installations	10	-758	-198
Cash flow from investing activities		-822	-928
Financial activities			
Warrants		479	984
Amortisation of long-term borrowings		-2,037	-4,330
Cash flow from financial activities		-1,558	-3,346
Change in liquid assets			
Liquid assets at the start of the year		35,009	40,981
Liquid assets at the end of the year		52,754	35,009

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.

Estimates and assessments

The board and management continuously value the company's intangible assets, balanced expenses for development work and patents, and deferred tax assets. During the valuation, a number of essential estimates and judgments must be taken into account in order to calculate a salvage value. These estimates and assessments relate, among other things, to future expected sales price, expected market penetration and expected cost mass in the company.

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

	2022	2021
Other operating revenue divided over category of revenue		
Foreign exchange gains	1,936	290
Contributions	194	331
Forwarded costs	520	-
	2,650	621

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.

	2022	2021
Average number of employees has been	9	9
Of which were women	4	4
Of which were men	5	5

Salaries, remuneration, etc.

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

	2022	2021
Board of Directors and CEO		
Salaries and remuneration	2,655	2,365
Pension costs	426	388
	3,081	2,753
Other employees		
Salaries and remuneration	6,233	6,690
Pension costs	863	842
	7,096	7,532
Social security expenses	2,808	2,874
Total Board of Directors and others	12,985	13,159

NOTE 5. OTHER INTEREST INCOME AND SIMILAR ITEMS

	2022	2021
Interest income	11	-
Exchange difference	1,403	1,501
	1,414	1,501

NOTE 6. INTEREST EXPENSE AND SIMILAR ITEMS

	2022	2021
Other interest cost	12	137
	12	137

NOTE 7. TAX ON RESULT FROM THE YEAR

	2022	2021
Deferred tax	-2,809	672
	-2,809	672
Reconciliation of effective tax		
Profit/loss before tax	13,426	-3,320
Tax cost 20.60% (20.60%)	-2,766	684
Tax effect of:		
Non-deductible expenses	-43	-12
Loss carried forward used this year	2,809	-
Current year loss carried forward	-	-672
Deferred tax adjustment	-2,809	672
Total	-2,809	672
Effective tax rate	20.9%	20.2%

NOTE 8. EXPENDITURES BROUGHT FORWARD FOR DEVELOPMENT AND SIMILAR WORK

	31 dec 2022	31 dec 2021
Opening acquisition value	32,225	31,902
Purchases	64	323
Outgoing accumulated acquisition value	32,289	32,225
Opening depreciations	-13,969	-10,838
Depreciations during the year	-3,131	-3,131
Outgoing accumulated depreciations	-17,100	-13,969
Outgoing reported value	15,189	18,256
Assets acquired through public contributions are included at reported acquisition value	8,908	8,908

NOTE 9. PATENTS

	31 dec 2022	31 dec 2021
Opening acquisition value	46,961	46,554
Purchases	-	407
Sales/Disposals	-1,049	-
Re-classifications	-74	-
Outgoing accumulated acquisition value	45,838	46,961
Opening depreciations	-19,733	-15,009
Sales/Disposals	780	-
Depreciations during the year	-4,459	-4,724
Outgoing accumulated depreciations	-23,412	-19,733
Outgoing reported value	22,426	27,228

NOTE 10. INVENTORIES, TOOLS AND INSTALLATION

	31 dec 2022	31 dec 2021
Opening acquisition value	673	475
Purchases	758	198
Outgoing accumulated acquisition value	1,431	673
Opening depreciations	-345	-283
Depreciations during the year	-162	-62
Outgoing accumulated depreciations	-507	-345
Outgoing reported value	924	328

NOTE 11. DEFERRED TAX

2022-12-31	Temporary difference	Deferred tax asset	Deferred tax liability
Tax losses	-	14,600	-
	-	14,600	-

2021-12-31	Temporary difference	Deferred tax asset	Deferred tax liability
Tax losses	-	17,432	-
	-	17,432	-

NOTE 12. LONG TERM LIABILITIES

	31 dec 2022	31 dec 2021
Almi Företagspartner		
Amortisation within 1 year	-	450
Amortisation within 2-5 years	-	-
	-	450
Energy Agency no. 2	2,252	3,839
	2,252	3,839
Total long-term liabilities	2,252	4,289

Energy Agency no. 2

The first amortization of the loan took place during 2021 based on the net turnover for 2020. Amortization takes place with 3% of the company's reported net turnover and is limited to a 10-year period unless full repayment has been made earlier. Amortization for 2022 was 1,587 kSEK and amortization will be 2,252 kSEK in 2023.

NOTE 13. ADJUSTMENTS FOR NON-CASH ITEMS

	2022	2021
Depreciations	7,752	7,917
Loss on sale/disposal of patents	269	-
Reclassification of patents	74	-
	8,095	7,917

NOTE 14. COLLATERAL

	31 dec 2022	31 dec 2021
Business mortgages	4,600	4,600

NOTE 15. SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

No significant events have occurred after the end of the financial year.

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

Adjusted equity as a percentage of balance sheet total.

Möln dal 4 april 2023

Tomas Tedgren	Chatarina Schneider	Raouf Kattan
Bjarne Sandberg	Tomas Bergdahl	Mikael Laurin
Stefan Sedersten Chairman of the Board		Philip Chaabane Chief Executive Officer

Our audit report has been delivered on
4 April 2023
by Ernst & Young AB

Andreas 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 of I-Tech AB for the year 2020. The annual accounts of the company are included on pages 32-43 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the I-Tech AB as of December 31, 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts. We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and 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.

Information other than the annual accounts

This document also contains information other than the annual accounts and can be found on pages 1-31. It is the Board and the CEO who have the responsibility for this other information. Our opinion regarding the annual accounts does not comprise this information and we make no 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 if the information to a material extent is inconsistent with the annual accounts. In this review, we also take into account the information we collected otherwise during the audit and assess if the information otherwise appears to contain material misstatements. If we draw the conclusion based on the work done regarding this information that the other information contains a material misstatement, we are obliged to report it. We have nothing to report in this respect.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the

Annual Accounts Act. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors and the Chief Executive Officer are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Chief Executive Officer intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

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 2018 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 administra-

tion 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 whether the proposal is in accordance with the Companies Act.

Gothenburg 4 april 2023

Ernst & Young AB

Andreas Mast
Authorised accountant

Production: I-Tech
Images: Adobe Stock, Shutterstock and iStock

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Financial calendar

Interim report, Q1	4 May, 2023
Annual General Meeting	11 May 2023
Interim report, Q2	25 August 2023
Interim report, Q3	20 October, 2023
Year-end report 2022	21 February 2024





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