

High growth in Japan for I-Tech generated by sales to Chugoku Marine Paints and Kansai Paints Marine.

I-Tech has witnessed a strong growth in sales and demand to the Japanese market in 2024. The first half of the year has generated sales of SEK 29 M to Japan, which is an increase by 96% compared to the same period last year. Sales are mostly driven by the largest customer, Chugoku Marine Paints (CMP), but also by the up-and-coming customer Kansai Paints Marine, who have already commercialised 5 antifouling premium products for large vessels used both in new-buildings and dry-dockings.

Japan is a country where the use of Selektope is thriving. It is also where Selektope is used in the full range of market segments, from large cargo ships to leisure boats.

Today, I-Tech's leading customer, Chugoku Marine Paints has a total of 21 antifouling coating products with Selektope registered, demonstrating the Japanese paint manufacturer's growing commitment to the technology. Twelve of these products are for commercial vessels in both the global and Japanese markets. Two of the products are for the leisure boat market in Japan and seven are for commercial vessels in the Japanese market.

During the past years, I-Tech has worked with a new Japanese customer, Kansai Paint Marine who today offers five premium coating products to large vessels both in the new-building and dry-docking segments. Even though Kansai only plays a small part in the strong sales numbers, there is high potential for growth over the coming years.

Interest in high performing, low biocide paints with Selektope is growing in the domestic Japanese fleet and leisure boat market, and sales of Selektope to Japan have grown exponentially. Over the past three years there has been a steady growth in volume year-on-year by 44% (CAGR) and during the first half of 2024, sales of Selektope amounted to SEK 29 M, an increase by 96% compared to the same period in 2023.

I-Tech's CEO, Magnus Henell comments on the growth in Japan:

"It is incredibly rewarding to look back at the growth journey of Selektope in the Japanese market. I am proud that Selektope is selected by both Chugoku Marine Paints and Kansai Paints Marine to act as a core ingredient technology for enhanced premium coatings. I am truly excited to see what the strong incentive for innovation and technology by our Japanese customers will lead to in the future. With Selektope's effectiveness proven across market segments, we anticipate continued success in both newbuild vessels and dry-docking applications."

Today, we estimate that half of Selektope sales to Japan are for newbuilt vessels. In 2023, Japan accounted for 17% (278 vessels) of the global newbuilding market for commercial vessels. We estimate that the other half is used for dry-docking. About 1,500 ships visited a repair yard in Japan in 2023.



As the first line of defence against biofouling for most marine vessels, biocidal antifouling coatings play an integral role in both the decarbonisation challenge of the global shipping industry and also in mitigating biosafety risk from commercial and recreational vessels. With the threat of barnacle fouling intensifying as water temperatures increase, the need for antifouling coatings containing Selektope for the global, and Japanese market will only strengthen in coming years for both new buildings and existing vessels.

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About I-Tech AB

I-Tech is a biotechnology company that has developed the product Selektope®, an active agent that prevents barnacle attachment on submerged surfaces such as ships and boat hulls, but also other marine installations. By increasing the resistance to barnacle growth in marine paint systems (e.g. antifouling coatings), fuel and maintenance costs are reduced. I-Tech has obtained the necessary regulatory approvals for Selektope® and has several of the world's largest manufacturers of marine antifouling coatings as customers. The company's share is listed for trading on Nasdaq First North Growth Market in Stockholm. The Company's Certified Adviser is Carnegie Investment Bank AB (publ). For more information visit our website www.i-tech.se.

Attachments

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