

INTERIM REPORT

Q1 2025

JANUARY - MARCH



Summary of the period

” Solid growth with record-high turnover and profit ”

Net sales during the first quarter amounted to 56,880 (38,270) TSEK, which corresponds to an increase in sales of 49% (24%) compared to the first quarter in 2024. The operating profit amounted to 17,656 (9,119) TSEK, which is an increase of 94%, and the resulting net profit margin for the quarter was 24% (21%).

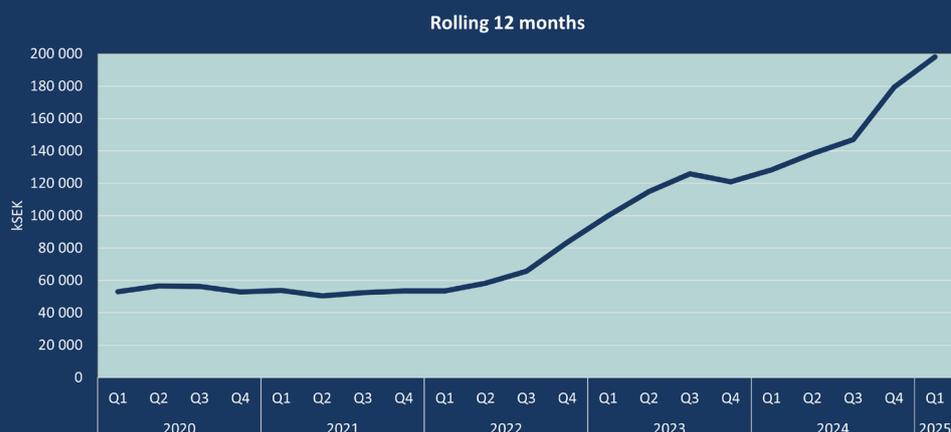
Significant events January to March 2025

- A new supply and license agreement was signed with a major Asian-based paint company.
- A new study of 700+ vessels underscores the value of Selektope in achieving better barnacle protection. One-third of all ships in the study had more than 10% of their underwater surface area covered with barnacles at the time of entering drydock. Vessels coated with Selektope containing products had no, or very minor, presence of barnacles.
- Board of Directors update: The Nomination Committee proposes the re-election of directors Tomas Bergdahl, Philip Chaabane, Raouf Kattan, Chatarina Schneider, and Tomas Tedgren, and the election of new director Staffan Asplund. Mikael Laurin has declined re-election.

Financial summary

All amounts in kSEK	2025 Jan-Mar	2024 Jan-Mar	2024 Jan-Dec	2023 Jan-Dec
Net sales	56,880	38,270	179,451	120,861
Operating result	17,656	9,119	45,490	23,389
EBITDA	19,649	11,180	53,713	31,371
Net result	13,868	8,186	39,013	20,203
Operating cash flow	26,082	14,562	35,173	35,143
Equity at end of period	171,256	144,424	157,388	136,238
Cash and cash equivalents at end of period	126,163	97,739	100,164	83,262

Rolling twelve-month turnover



CEO Comments

The macro conditions for shipping have changed during the course of the first quarter of 2025. A gradual adjustment of underlying demand that mirrors the development of global trade can be foreseen going forward. For I-Tech, the ongoing changes to the world order are thus far only seen in the effect of a depreciating US dollar. The USD is our operational currency, and over time there is an almost linear impact of the USD/SEK ratio on our gross margin. In addition, there is a short-term exposure to currency fluctuations in our working capital and on our safety stock. During Q1, the value of the USD versus SEK has depreciated by almost 10%.

Total sales in SEK during Q1 grew by 49% year-on-year. Our financial performance continues to improve, and the operating profit (EBIT) for Q1 grew by 94%, reaching SEK 17.7 (9.1) million. As planned, our gross margin continues to strengthen to 56% (53%).

Among our customers, both CMP and PPG continued to develop very positively during the first quarter, with their volumes growing by 40% and 300% over Q1 2024, respectively. The share of total sales to Asia during Q1 was 98%, with sales to China growing faster than in other northeastern markets.

Selektope's Renewed Regulatory Approval in the EU:

EU Commission representatives from DG SANTE met with the Standing Committee on Biocidal Products (SCPB) in March for an initial discussion on the input received during the public consultation for Selektope (Medetomidine). I-Tech expects that an extension of the current market approval for Medetomidine, which ends in June, will be announced during Q2. This is a standard procedure for the SCPB and will ensure there is sufficient time to complete all the necessary steps of the ongoing re-registration process.



In terms of the timeline, I-Tech still expects more clarity on the outcome of the current process during the second half of 2025.

Market expansion:

There is good progress on the business development activities in the portfolio of new opportunities. Organic growth projects are advancing through the innovation funnel, and inorganic growth opportunities are being actively evaluated. The team is exploring both product and market adjacencies, as well as more transformative ideas.

Markus Jönsson
CEO I-Tech

Business and structure

I-Tech AB (publ) is a biotech company active in the materials and chemical sector. The company develops and sells the product Selektope, an active ingredient to counteract marine growth used in coating systems for the commercial shipping industry. The company's business is primarily focused on antifouling coatings. The company's customers are the leading global marine coating companies. Asia is the dominant market.

I-Tech owns the rights to Selektope and has the necessary manufacturing expertise. The company was founded in 2000 as a spin-off company from the University of Gothenburg and Chalmers University of Technology, and is now located at GoCo Health Innovation City in Mölndal, just south of Gothenburg in Sweden.

Since the listing on Nasdaq First North Growth in 2018, the company has grown both customer-wise and financially. The market is dominated by

nine major paint companies where nearly all work actively with the company's technology. Seven of them are commercially active and the others are in the development stage. Thanks to a continued stable financial position, clear investments have been made in the core business. Within the regulatory area, the geographical coverage is increased step by step at the same time as upgrades and renewals of existing approvals are required at regular intervals. The company also invests in research and development in line with the strategy of offering a higher level of knowledge about Selektope's formulation properties in antifouling coatings. The continuous improvement work has also led to an increased delivery capacity and efficiency in the production chain.



Images: The European Coating Show Conference

During the first quarter of the year, I-Tech presented at several important industry conferences to share knowledge and insights around biofouling challenges and paint development with Selektope.

In March, our Director R&D, Markus Hoffmann, ended the first quarter with a presentation at the esteemed European Coatings show conference. A leading event for the coatings industry in Europe to discuss the latest advancements in pigments, additives, raw materials, and more.

The ECS offers an unparalleled opportunity to connect with key stakeholders, share insights, and explore new collaborations. By participating in the ECS, I-Tech aimed to highlight the benefits of Selektope in marine coatings, emphasizing its efficacy, regulatory compliance, and environmental impact.

Other information

Share information

At the start of 2025, I-Tech's share capital amounted to SEK 23 816 914 distributed across 11 908 457 shares. The ratio value of all the shares amounts to SEK 2 and they have equal rights in the company's assets and profit/loss. I-Tech's shares were listed on the Nasdaq First North Growth Market at Nasdaq Stockholm as of 29 May 2018.

As of 31 March 2025, the number of shareholders amounted to 2,662 (2,482). With a closing price for the share on 31 March 2025 of SEK 84.5 (47.8), the company's market capitalisation amounted to SEK 1,006 (569) million.

Risk factors

The company's risks are primarily related to the market development of Selektope®, production risks related to partners' production and production capacity, as well as risks in regulatory permissions, other intangible assets and product development. For a more detailed description of significant risks and uncertainty factors, please see I-Tech's prospectus, which was published in conjunction with the public offering and the company's annual report for 2024.

Certified Adviser

I-Tech has engaged Carnegie Investment Bank as the Certified Adviser on First North at Nasdaq Stockholm

Long-term incentive programs

The Annual General Meeting 2022 adopted a long-term incentive program for management and other staff in the form of warrants. The program amounted to a maximum of 89,320 shares, of which all were issued and paid for.

The warrants may lead to a dilution of a maximum of 0.8%. The exercise price is SEK 46.01 per share. Each warrant gives the right to acquire one share.

Audit review

This report has not been reviewed by the company's auditors.

List of stakeholders

The list of stakeholders shows the status in the company as of 31 March 2025.

Largest owners

Owner	No. of shares	Share capital %
Pomona-gruppen	1.756.417	14.75%
Swedbank Robur	885.000	7.43%
Futur pension	859.554	7.22%
Handelsbanken Funds	725.000	6.09%
Second Swedish National Pension Fund	643.400	5.40%
NEA Partners	624.000	5.24%
Unionen	450.000	3.78%
Stefan Sedersten incl. Companies	441.330	3.71%
UBS AG	434.534	3.65%
Avanza pension	412.675	3.47%
Nordnet pension	373.780	3.14%
Alcur funds	372.127	3.12%
Fontenelles Holding	348.831	2.93%
IBKR Financial Services	270.225	2.27%
Öhman Funds	218.195	1.83%
Others	3.093.389	25.98%
Total shares	11.908.457	100.00%
Antal ägare	2 765	

Financial information

Turnover and profit/loss

Sales for the period amounted to SEK 56,880 (38,270) thousand, which gives a net sales increase with 49% (24%) and adjusted for currency effects, this corresponds to a growth with approx. 48%. The development is primarily a result of continued strong growth of the company's larger customers.

In line with what was previously communicated, there is a continued improvement in the gross margin, which for the period amounts to 56% (53%). The change is an effect of the investments made regarding the development of production and the introduction of more producers.

Other external costs continue to increase. Activities related to the re-registration of the company's EU BPR approval continue, but for the period, exchange rate losses are also shown in working capital as an effect of the strengthened krona during the period. The increase in personnel costs is in line with the reinforcements the company has made on the personnel side.

As a result of the increase in sales, the gross margin improvement and despite the increased costs, the company continues to show strong EBITDA, 19,649 (11,180) thousand SEK. It is also worth noting that the EBITDA margin has increased to 35 (29)%.

Cash flow

The cash flow from operating activities for the period amounted to SEK 26,082 (14,562) thousand where the earnings amount to SEK 19,334 (12,265) thousand and the working capital amounts to SEK 6,784 (2,297) thousand.

During the period, I-Tech invested SEK -83 (-85) thousand in fixed assets. Net SEK 0 (0) thousand has been deducted from the cash flow. This gives a total cash flow for the period of SEK 25,999 (14,477) thousand.

Financial summary

Cash and cash equivalents in the company at the end of the period amounted to SEK 126,163 (97,739) thousand and equity amounted to SEK 171,256 (144,424) thousand. The change in cash and cash equivalents and equity is directly related to the company's results and other operating changes.

Principles of preparation

The accounts in this report have been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board BFNAR 2012:1 annual report and consolidated accounts (K3). The principles of preparation are described in more detail in the company's annual report for the financial year 2024.

Upcoming financial reports

22 August 2025	Interim report, quarter 2
17 October 2025	Interim report, quarter 3
5 February 2026	Year-end report 2025

Income statement

Amounts in kSEK	2025 Jan-Mar	2024 Jan-Mar	2024 Jan-Dec	2023 Jan-Dec
Operating income etc.				
Net sales	56,880	38,270	179,451	120,861
Other operating income	513	197	2,325	2,154
	57,393	38,467	181,776	123,015
Cost of goods sold	-24,971	-18,097	-84,228	-57,324
Other external costs	-5,901	-5,411	-22,185	-15,293
Personnel expenses	-4,289	-3,554	-17,767	-15,827
Depreciations amortizations and impairments	-1,993	-2,061	-8,223	-7,982
Other operating expenses	-2,583	-225	-3,883	-3,200
	-39,737	-29,348	-136,286	-99,626
Operating income	17,656	9,119	45,490	23,389
Financial items				
Interest income and similar items	472	1,191	3,724	3,154
Interest expense and similar items	-644	-	-38	-1,049
	-172	1,191	3,686	2,105
Result after financial items	17,484	10,310	49,176	25,494
Tax on result from the year	-3,616	-2,124	-10,163	-5,291
NET RESULT	13,868	8,186	39,013	20,203

Balance sheet

Amounts in kSEK	2025 Mar-31	2024 Mar-31	2024 Dec-31	2023 Dec-31
ASSETS				
Intangible assets	20 947	28 324	22 731	30 120
Tangible assets	2 268	2 640	2 394	2 820
Deferred tax assets	-	7 208	-	9 332
Total fixed assets	23 215	38 172	25 125	42 272
Inventory	7 385	3 538	9 869	4 280
Short-term receivables	36 945	23 274	37 956	22 629
Cash and bank balances	126 163	97 739	100 164	83 262
Total current assets	170 493	124 551	147 989	110 171
Total assets	193 708	162 723	173 114	152 443
EQUITY AND LIABILITIES				
Share capital	23 817	23 817	23 817	23 817
Restricted equity	1 545	1 482	1 545	1 482
Unrestricted equity	132 026	110 939	93 013	90 736
Result	13 868	8 186	39 013	20 203
Total equity	171 256	144 424	157 388	136 238
Short-term liabilities	22 452	18 299	15 726	16 205
Total liabilities	22 452	18 299	15 726	16 205
Total equity and liabilities	193 708	162 723	173 114	152 443

Cash-flow analysis

Amounts in kSEK	2025 Jan-Mar	2024 Jan-Mar	2024 Jan-Dec	2023 Jan-Dec
Operating activities				
Operating result	17,656	9,119	45,490	23,389
Adjustments for non-cash items	1,993	2,061	8,223	7,982
Interest received	342	1,118	3,806	2,896
Interest paid	-644	-	-38	-1,049
Income tax paid/received	-13	-33	28	-42
Changes in working capital				
Change in inventories	2,484	742	-5,589	-1,867
Change in operating receivables	1,141	-572	-15,409	-5,294
Change in operating liabilities	3,123	2,127	-1,338	9,128
Cash flow from operating activities	26,082	14,562	35,173	35,143
Investment activities				
Investments in non-current assets	-83	-85	-408	-2,383
Cash flow from investment activities	-83	-85	-408	-2,383
Financing activities				
Amortization/issue loan	-	-	-	-2,252
Dividend to shareholders	-	-	-17,863	-
Cash flow from financing activities	-	-	-17,863	-2,252
The period's cash flow	25,999	14,477	16,902	30,508
Cash and cash equivalents at beginning of period	100,164	83,262	83,262	52,754
Cash and cash equivalents at end period	126,163	97,739	100,164	83,262
Adjustments for non-cash items				
Depreciation and amortizations	1,993	2,061	8,223	7,982
Other items not affecting cash flow	-	-	-	-
	1,993	2,061	8,223	7,982

Equity changes

All amounts in kSEK	Restricted equity			Unrestricted equity		Total equity
	Share capital	Statutory reserve	Development expense fund	Share premium reserve	Other unrestricted equity	
2024-01-01	23 817	753	729	143 276	-32 337	136 238
Capitalization of development expenses	-	-	63	-	-63	-
Net result for the year	-	-	-	-	39 013	39 013
2024-12-31	23 817	753	792	143 276	-11 250	157 388
2025-01-01	23 817	753	792	143 276	-11 250	157 388
Net result for the period	-	-	-	-	13 868	13 868
2025-03-31	23 817	753	792	143 276	2 618	171 256

Financial ratios

Amounts in kSEK	2025 Jan-Mar	2024 Jan-Mar	2024 Jan-Dec	2023 Jan-Dec
Turnover growth %	49%	24%	48%	45%
Gross margin %	56%	53%	53%	53%
Operating margin %	31%	24%	25%	19%
Profit margin %	24%	21%	22%	17%
Solidity	88%	89%	88%	89%
Cash liquidity	726%	661%	878%	653%
Return on average total capital	8%	5%	24%	15%
Return on average total equity	8%	6%	27%	16%
Average of outstanding shares	11,908,457	11,908,457	11,908,457	11,908,457
Outstanding shares end of period	11,908,457	11,908,457	11,908,457	11,908,457
Result per share	1.2	0.7	3.3	1.7
Result per share fully diluted	1.2	0.7	3.3	1.7
Equity per share	14.4	12.1	14.4	13.2
Equity per share fully diluted	14.3	12.0	14.3	12.0
Dividend per share	-	-	1.5	-

DEFINITIONS OF KEY FIGURES

Net sales growth

The percentage increase in sales for the past period compared with the corresponding previous period.

Gross margin

Gross profit for the period in relation to the period's net sales.

Gross profit

Net sales of the period decreased by raw materials and supplies.

Operating margin

Operating income for the period in relation to the period's net sales.

Profit margin

Profit for the period in relation to the period's net sales.

Solidity

Shareholders' equity as a percentage of total assets.

Cash liquidity

Current assets, excluding inventories, in relation to current liabilities, without adjustment for proposed dividend.

Return on average total capital

Net profit for the period, as a percentage of average total capital.

Return on average total equity

Net profit for the period, as a percentage of average shareholders' equity.

Result per share

Profit for the period divided by the average number of outstanding shares during the year.

Equity per share

Total equity divided by the number of shares at the end of the period.

The board and the managing director
assures that the interim report provides a fair overview
of the Company's position and results

Möln dal 8 May 2025

Philip Chaabane, Chairman of the board
Mikael Laurin, Member of the board
Tomas Tedgren, Member of the board
Chatarina Schneider, Member of the board
Tomas Bergdahl, Member of the board
Raouf Kattan, Member of the board
Markus Jönsson, Chief Executive Officer

Address

I-Tech AB
GoCo Health Innovation City
Förändringens gata 10
SE 431 53 Möln dal
Tel: 010-3303999
org.nr: 556585-9682

www.i-tech.se

Contact

Magnus Henell, CFO
Tel: +46(0)73 910 37 03
magnus.henell@i-tech.se

Markus Jönsson, CEO
Tel: +46(0) 72 977 96 25
markus.jonsson@i-tech.se