i-tech

Developers of Selektope®

We make marine transportation more sustainable

I-TECH AB | ANNUAL REPORT 2020

Content

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

2020

This is I-Tech

Selektope®

Selektope is an organic, metal-free active agent added to marine antifouling paints to prevent barnacles from settling on coated surfaces by temporarily activating the swimming behaviour of barnacle larvae. This bio-repellent effect makes Selektope the only type of technology of its kind available to the marine paint manufacturers.

Barnacle fouling is very detrimental for ship fuel consumption, emissions and invasive aquatic species transfer. The use of antifouling paints containing Selektope significantly reduces fuel consumption, which contributes to lowering emissions. It also enables ship operators to unlock financial savings associated with lower fuel bills and lower maintenance costs associated with hull cleaning.

Depending on the formulation, Selektope can also help to reduce emissions to water by reducing biocide release with up to 90 percent compared to other antifouling paints, without negatively impacting the performance of the paint.

I-Tech

I-Tech is a global biotechnology company operating in the marine paint industry. The company has developed and commercialised the product, Selektope. With Selektope, I-Tech is uniquely the first company to ever apply principles from biotechnology research in the marine paint industry to keep ship hulls free from marine fouling. Read more about our strategy on page 6.

"Barnacles can cause an increase of fuel consumption of over 40% and with an increasing risk of fouling, the problem has grown to new levels. Selektope is the natural alternative today and for the future."

selektope®

i-tech

An ocean of opportunities

100
million litres

Global use of antifouling products.

500
million USD

The market for Selektope® is valued at 500 MUSD.

>20
billion USD

In fuel-savings potential connected to fouling on the hull.

>100
million tonnes CO_2

Fuel savings potential relating to fouling on the hull corresponds to 0.3% of the global CO_2 emissions.

Events during the year

Per Svensson was appointed Sales Director for I-Tech. Per has extensive experience working globally with high-tech marine tank level gauging and automation products through various marketing and sales roles. In this key role at I-Tech, Per will be responsible for driving top-line revenues by supporting and expanding existing customer accounts within the global marine coatings industry, as well as progressing new customers to use Selektope®

Together with paint manufacturer, Pettit Marine Paint, I-Tech will develop a series of high-performance antifouling products for the leisure boat market. The long-term collaboration is an important step for I-Tech's expansion into the US market with annual antifouling sales of approximately USD 200 million
Read more on page 11 ⟶

62% 2018 **57%** 2019 **16%** 2020

Growth despite pandemic. Sales growth continues to be positive for the third year in a row, despite major challenges in the industry, mainly caused by the COVID-19 pandemic and its aftermath.
Read more on pages 4–5 ⟶

-6,392 2018 **1,220** 2019 **3,600** 2020

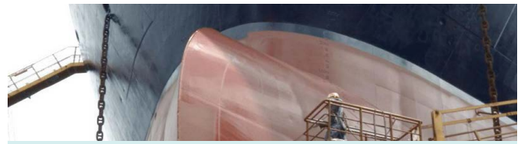
Significantly improved EBITDA over time. Recent years have been characterized by profitability improvements and I-Tech delivered profits in the operating activities in both 2019 and 2020.
Read more on pages 4–5 ⟶

Powered by Selektope®
The leading Norwegian paint manufacturer, Jotun, has launched two new marine paints containing I-Tech's proprietary antifouling component Selektope.
Read more on page 6 ⟶

On an even keel with the largest paint manufacturers. The I-Tech customers who bought commercial volumes during the year control more than 60% of the total world market for antifouling products.
Read more on page 10 ⟶

Chugoku Marine Paints moved approximately 20% of previously placed orders for 2020 to subsequent years. The postponement is related to the uncertainty created by the pandemic, giving rise to the Japanese paint company reviewing its stock situation. The volumes will instead be delivered during the first half of 2021.

Protected healthcare at sea. Global Mercy, which will be the world's largest civilian hospital vessel when launched in the autumn of 2021, is protected by Selektope®. I-Tech has donated the necessary volumes of the antifouling ingredient to the organisation Mercy Ships. *Read more on pages 24–25* ⟶



Proven efficiency. The oil tanker, Team Calypso, was the first vessel to be protected with a Selektope-enhanced antifouling coating. Even after the ship sailed and laid still in high-risk areas for marine growth for more than five years, the hull was still completely free of barnacles. Read more on pages *14–15* ⟶

CEO STATEMENT

Short-term challenges in a long-term business

The corona pandemic defined 2020 in many ways. After a strong start, the negative influences in the world around us affected a large part of I-Tech's financial year. Despite the challenges during 2020, we increased sales by 16% and made several investments and initiatives with the aim to increase long-term growth in the company. As such, I-Tech shows both growth and positive cash flows; a message of strength and clear proof of customers' continued increased interest in our unique technology.

In shipping, the term "slow steaming" is used to describe when a ship's cruising speed is slowed to reduce fuel consumption, save money and reduce emissions. In a year that was initially expected to result in a much steeper growth curve, slow steaming is quite an apt description of our year, especially the second half of 2020. The reason for the slower pace of development is of course the negative external factors that affected our operations during the year.

Oil crisis and pandemic affected the shipping industry

In connection with the new sulphur directive that was introduced at the beginning of 2020, fuel prices were expected to increase, with a consequent shift to greener alternatives and an increased focus on fuel-reducing technologies, such as antifouling. Instead, a politically-driven oil crisis sailed onto the radar, closely followed by the multidimensional Corona crisis. Logistics systems stopped, the willingness to invest disappeared and horizons were shifted from the future to the immediate present.

Signals of strength despite volatile environment

With a weaker dollar and a pandemic, external factors have had an unusually large impact on business in 2020. Despite these challenges, I-Tech is showing both growth and positive cash flows. Sales growth for the full year amounted to 16% compared with 2019 and reached a peak of SEK 52.8 (45.6) million. We showed a slightly improved gross margin of 48% (46%) despite major challenges in the logistics flow, especially during the second quarter. During the third quarter, we flagged a slowdown due to the pandemic, which manifested itself with a decrease in sales of 23% for the fourth quarter compared to the same quarter the previous year. However, we achieved a positive EBITDA and an operational cash flow that reversed negative figures in 2019 into SEK 5.4 (–4.8) million for 2020. Consequently, I see the full year's positive result as a real sign of strength for our technology and clear evidence of customers' continued growing interest.

Shipping should continue to grow

The shipping industry today accounts for about 85% of all global transport, but only just over 10% of the transport industry's total emissions. As such, shipping constitutes an important part of achieving global climate goals. It is by far the most efficient mode of transport for large volumes over longer distances. There are still significant opportunities for the shipping industry to reduce its negative environmental impact and thereby attain an unassailable position as the most sustainable mode of transport. Antifouling is likely to be one of the key technologies to meet the set emission targets and Selektope is an exciting component in this equation.

High-performance coatings, more relevant than ever

I-Tech's product, Selektope, provides increased performance to ships in the form of lower resistance thru the water. This means reduced fuel consumption. At the same time, the technology helps to prevent the spread of invasive species between marine environments and stricter legislation to protect biodiversity and marine ecosystems at a global level are expected to be seen in the future.

The increased protection that Selektope offers has probably never been more relevant, as a large number of ships have been affected by long stagnant periods in warm waters, leading to an increased risk of marine fouling. I believe that shipowners will assess the risk of suffering from fouling problems in a different way now, which benefits us and our technology.

Important events during the year

We continue to grow compared to previous years. The customer base consists of paint manufacturers who represent over 60% of the total market potential in antifouling. In 2020, industry leader, Jotun, launched two new products containing Selektope. The choice to use Selektope provides further evidence of the product's strength and effectiveness. At the end of the year, we also entered into a collaboration agreement with Pettit Marine Paints, a leading player in yacht coatings in the Americas, especially in the United States. Together, we will develop a series of Selektope-enhanced antifouling products adapted for leisure craft. We are proud of the partnership, which represents an important step in the expansion of our business in the United States. Moreover, it introduces our technology to the largest leisure boat market in the world with annual paint sales of approximately USD 200 million.

Upgraded approval in the Japanese market

Japan is an important market for I-Tech, not least with the country's strong focus on marine transport. During the year, I-Tech upgraded the regulatory status of Selektope in Japan by being granted full approval under the Japanese Chemical Substance Control Law. This means that our Japanese customers' desire to further expand their business with our technology can be satisfied.

Future investments

With a clear increase in demand for fuel-reducing measures in the shipping industry and a continued strong cash flow, we view the development of our business positively and continue to invest in initiatives that are in line with our strategy. In addition to our newly started commitment to the American leisure craft market, we also made investments and recruitments in sales and development during the year, including the capacity to offer more paint formulation knowledge related to Selektope. The aim is to provide manufacturers with better guidance and effectively show the great benefits Selektope can offer when taking maximum advantage of all its features. In the future, more focus will be on reducing the total leakage from coatings into the marine environment. Selektope plays an important role here in taking the next steps towards more sustainable antifouling products. We also have the ambition to further develop Selektope as a performance ingredient brand that adds credibility and sustainable technology to the host brands.

Future expectations

Despite the many negative external events that took place in 2020, I can finally note an increased optimism in the entire industry. 2021 will bring with it important investments and a more interesting business climate, driven by a shipping industry with increased momentum and increased investment incentives towards a green transformation.

Based on that platform, we should be able to meet our long-term ambitious growth goals as soon as the world around us allows us to do so.

Mölndal, 15 April 2021

Philip Chaabane
CEO I-Tech

STRATEGY

Next step: knowledge-based integration

With a unique product, high scalability and proven business model, I-Tech will fulfil its vision to establish Selektope as the leading technology to prevent marine fouling in an efficient and sustainable way. I-Tech is now launching the next phase of its strategy: to offer knowledge to the paint manufacturers and take on the role of solution enabler to broaden Selektope's footprint in the product portfolios and thereby increase growth over term.

Powered by selektope®

I-Tech operates Selektope as an ingredient brand with a proven ability to repel marine fouling from ships. As an ingredient brand, Selektope is used as a component in numerous antifouling paints brands, i.e. "host brands."

With the completely unique and innovative Selektope solution and I-Tech's expertise, a great deal of trust has been built with customers and shipowners. In combination with Selektope's strong market position, this has resulted in some paint manufacturers starting to use Selektope in their marketing towards the end customer.

Chugoku Marine Paints, for example, uses the phrase "Powered by Selektope" in external communication to emphasise the technology content.

Thanks to a highly consolidated market consisting of a handful of paint companies with global sales networks, I-Tech can reach a large number of end customers and receive a high level of exposure, at a limited cost. As an ingredient brand, it is strategically important for I-Tech to associate with a number of host brands to increase awareness, consolidate our position, achieve profitability growth and spread risks.

Knowledge-based integration in the value chain

The next important step in the strategy is to develop a knowledge-based platform for customers. As a result, Selektope will be relevant for more brands on the market and be able to reach product groups beyond the premium products where Selektope is primarily included today.
How to mix antifouling paint to achieve the best possible benefit from Selektope and other ingredients can pose major challenges for paint manufacturers. In recent years, I-Tech has built up a team with extensive experience and expertise with the aim to further develop the company's commitment to customers' product development work, to achieve an increased integration of Selektope in the end products.

By utilising the knowledge that exists in the company, conceptual paint formulations can be developed that contribute to making the paint manufacturers' development work easier.

Solution enabler

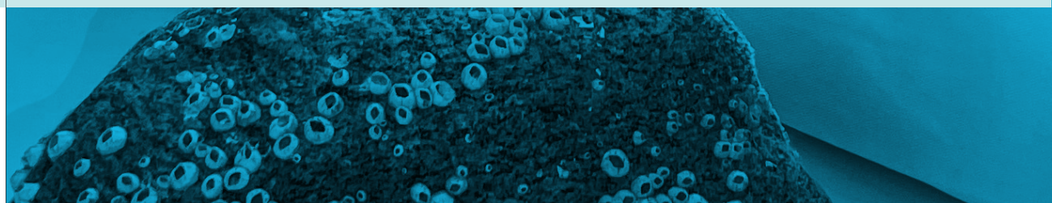
Also, part of the strategy is to offer I-Tech's expertise in customers' direct product development work through a role as a solution enabler, initially on a smaller scale. With the customers outsourcing some of their product development to I-Tech, the company can strengthen its revenue flow while at the same time further increasing insights and knowledge about the production of antifouling paint.

High scalability in production

I-Tech's role in the value chain, between manufacturers of intermediate substances where the production of Selektope takes place and the customers, enables an optimal supply flow. Delivery capacity is secured through long-term relationships with reputable manufacturers with enormous capacity in a production process for which I-Tech owns the patents. As such, I-Tech can quickly and dynamically meet and deliver increased volumes, while maintaining low production and inventory costs.

Opens markets and protects technology

In addition to I-Tech controlling the brand and sales, the company owns all intellectual property rights. Selektope is legally protected by a number of different patents and holds regulatory approvals in all relevant markets where global shipping businesses operate. As a regulatory approval means a huge threshold for the establishment of new active substances on the market, I-Tech's existing approvals provide strong competitive protection over a longer period of time and consolidate Selektope's position in the global market.



THE MARKET

Global trends benefit Selektope®

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 coming years, not least through a number of global trends impacting the shipping industry.

1

Increased global sustainability ambitions

Starting on 1 January 2020, the UN governing body for international shipping, IMO, introduced global requirements for reduced fuel sulphur content to reduce sulphur emissions. The IMO has also set a goal that international shipping must cut its carbon dioxide emissions by at least 40% before 2030, compared to the base year 2008, and that greenhouse gas emissions must be reduced by at least 50 percent by 2050 compared to 2008.

However, low-sulphur fuels or alternative fuels such as methanol or LNG are generally significantly more expensive than traditional heavy fuel oil (HFO), which can lead to increased fuel costs of 50 percent or more. To reach the 2050 target, ships will in reality have to emit 70–80% less CO_2 in 2050, compared to 2008, to compensate for the expected strong growth in marine transport

Result: The sustainability goals mean an increased focus on fuel consumption and fuel costs, as well as on a significant reduction in emissions and thereby drives the demand for effective antifouling.

At the same time as global trends are fundamentally impacting the shipping industry, the risks associated with marine fouling are increasing as are the costs for the extra fuel consumption it generates. This leads to increased demands being placed on efficient antifouling, giving I-Tech great opportunities to develop its offering, take market shares and increase growth and profitability going forward.

2

Increased pressure from interest groups

Shipowners are facing strong pressure from groups of financiers, shipping banks and charterers, such as the interest groups Poseidon Principles and SeaCargo Charters. Both initiatives are major steps to drive sustainable issues in the shipping industry and it is likely that more players will join in the coming years.

Poseidon Principles
Behind the initiative is a large group of world-leading shipping banks that have gathered around a new global framework for sustainable shipping financing, which will increase the transparency of the shipping business it finances.

Sea Cargo Charter
Launched in 2020, the initiative is setting new objectives for responsible chartered shipping, transparent climate reporting and improved decision-making in line with the UN's CO_2 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 mean increased focus on fuel consumption by shipping companies and are an incentive to drive the choice of high-performance antifouling products.

3

Increased purchasing power in the world influences shipping

Consumption of, above all, trade goods will increase, not least in line with increasing globalisation. The shipping industry accounts for about 85% of all freight today and freight needs are expected to grow to a large extent in the coming decades.

Result: Increased freight requirements lead to increased fuel consumption and, as such, intensifies the hunt to reduce costs and emissions.

4

Biofouling hotspots

Global warming is increasing water temperatures in the world oceans. This leads to higher risk of marine fouling, such as barnacles on ships, and to more difficult conditions for the shipping industry. A recent study shows that 44% of a group of 249 vessels had about 10% of the hull covered by barnacles.

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

5

Increased transports in warm waters

Due to changing production patterns with more and more companies locating production in Asia, the shipping routes of freight vessels are also being moved to more equatorial latitudes. This increases the time for freighters in warm waters where the risk of growth is greater than in colder waters.

Result: Increased growth leads to an increased need for effective antifouling.

6

World crises cause idling

Idling ships increased in 2020. COVID-19 caused reduced quantities of transported goods and the world was hit by an oil crisis that resulted in stationary tankers. Factors such as lack of infrastructure in ports, strikes, wars and other trouble spots also force ships to lie at anchor.

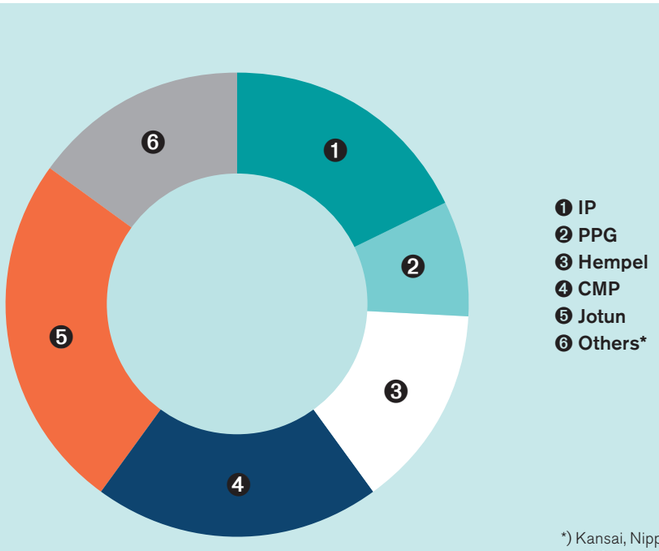
Result: Increased idling means more fouling on the ships, which leads to an increased need for effective antifouling paint.

On an even keel with the largest paint manufacturers

The marine paint market consists, predominantly, of six major commercial players. They control around 80 percent of the world market, of which the market for Selektope is valued up to USD 500 million. The premium segment, which is the primary market for Selektope products today, constitutes 30%. This leaves space and large opportunities for growth in other segments.

Customers' development work

Our customers' development work ahead of a product release is extensive and paint formulations are usually on the market for a long time. A highly compatible ingredient technology such as Selektope has great potential to be included in many types of paint products over a long period of time.



Four of the six largest manufacturers are I-Tech customers: Chugoku Marine Paints (CMP), Jotun, Hempel, as well as an additional major player that cannot be named.

Large and recurring demand from shipowners

Most types of ships and boats use antifouling paints, as do marine installations within the oil/gas sector and wave power installations. In total, there are approximately 100,000 IMO-registered ships worldwide (including service, cruise and industrial ships). I-Tech estimates that all 100,000 ships are potential end customers for Selektope-powered antifouling paint. The number of newbuild ships varies greatly from year to year. In 2020, around 1,300 new ships were built.

I-Tech estimates that ocean-going cargo ships consume around 70 percent of the demand for antifouling paint since huge amounts of paint are required to cover their hulls. 30% of the market for cargo ship antifouling paints consists of the premium segment, in which Selektope is currently mainly – but not exclusively - included. In addition, there are indications that demand for premium paints is increasing and is likely to pass the 50 percent market share point in the near future, as a result of the above-mentioned factors.

All merchant ships need to be dry docked at least every five years for maintenance, repairs and inspections. Every year, around 25,000 dry dockings are made by IMO-registered ships, and the need to dock ships is constant. This means that the need for antifouling paints is stable over time and not particularly cyclical, which provides solid conditions for stable cash flows and growth for the manufacturers of antifouling paints, and thereby also for Selektope.

I-Tech enters the leisure boat segment

In 2020, I-Tech entered 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 jointly develop a series of antifouling products containing Selektope for the leisure craft market. The agreement represents an important step for I-Tech in expanding its business to the United States and the world's largest market for leisure craft, with annual sales of antifouling approx. USD 200 million.

Good conditions for gearing up

All in all, the extensive market, a non-cyclical business model, current market conditions and global trends indicate that there is considerable potential for I-Tech as a company and Selektope as a product to grow and take increased shares in the market for antifouling.

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.

1,300

During 2020, approximately 1,300 new ships were built.

200 million

Annual sales of antifouling paint on the US leisure boat market amount to USD 200 million.

SELEKTOPE

Next generation antifouling

Selektope is an organic molecule developed by I-Tech over more than 20 years. Selektope's powerful, repellent effect on marine fouling keeps the ship's hull clean—which reduces frictional resistance between the ship's hull and water, reducing fuel consumption.

The organic molecule, Selektope, is a pioneering and innovative solution that offers marine paint companies a more sustainable alternative to traditional antifouling products.

Greater freedom for paint manufacturers

Selektope's unique characteristics offer marine paint companies numerous possibilities to formulate high-performance, antifouling paint systems for ships' hulls with reliable and continuous protection against barnacles. Selektope can also enable increased protection against other marine fouling. I-Tech's customers, global paint manufacturers, can combine Selektope with several other substances and polymers in their formulation to create optimal protection.

Selektope is unique since it builds on advanced biotechnology in marine paints where a repellent-mechanism is activated through one of the barnacle larvae's natural receptors being stimulated temporarily. When Selektope leaches out from an antifouling paint, barnacle larvae are temporarily affected as they approach the hull surface. The larvae become hyperactive and cannot attach to the surface of the hull, instead they are forced to swim away and find another place to settle.

Along with only seven other substances, Selektope is approved, for use in antifouling, according to the very comprehensive EU biocidal legislation, the EU-BPR. Selektope is also approved for use in a number of other countries, including China, Japan and South Korea where a majority of all antifouling paints are applied.

Considerable reduction of biocide leakage

Selektope is a technology characterised by its selective action and enormous efficacy even at extremely low concentrations. This creates new opportunities, that in some cases, can reduce biocide release from a paint by up to 90 percent compared to traditional antifouling paints, whilst still improving the paint's overall performance.

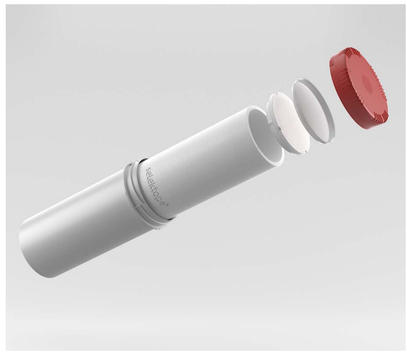
No side-effects on paint properties

The effect of Selektope on a paint system is in most cases insignificant, which means that the paint and its application method are not affected. Selektope gives I-Tech´s customers greater freedom to formulate different types of antifouling products. For example, it is possible to formulate Selektope with or without cuprous oxide, and functional materials can also be formulated. For example, the Chukogo product, SEAFLO NEO CF-PREMIUM, in which all cuprous oxide is replaced, shows a particularly good ability to also reduce soft/primary fouling.

Selektope's contribution

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

- Reduced emissions of airborne emissions
- Reduced emissions of biocides into the marine environment



With its own soluble packaging solution, Selektope can be added directly into the antifouling paint production system and is dissolved immediately. This innovative approach minimises the risk of exposure at the paint manufacturing facilities which contributes to a better work environment.

When a barnacle larva comes into contact with Selektope, the larva becomes hyperactive and performs about 100 kicks per minute. In this way, the larva simply cannot attach to the surface. The effect is reversible, and the larva quickly returns to its normal state when not exposed to Selektope.

EU-BPR-approved

Along with only seven other substances, Selektope is approved, for use in antifouling, according to the very comprehensive EU biocidal legislation, the EU-BPR.

Selektope in paint

Selektope is an ingredient technology in paint systems which binds to various pigment particles that are evenly distributed in the paint. As the paint is polished off, there is a constant amount of Selektope in the paint's surface, ready to continuously repel the barnacle. Long development times for antifouling paints are required to achieve a balanced polishing speed of the paint under all conceivable operating conditions and water temperatures, as well as to have a linear release of biocides. To date, there are more than 10 commercial products on the market that contain Selektope, some of which have a relatively short range of use (optimised for 1 year of functionality for newbuilds), while waiting for more data from ongoing long-term tests.

Test-patch

A coastal ship in Japan after 12 months in operation with a test patch coated with antifouling paint containing Selektope. The ship had a low level of activity, i.e. long periods at anchor in the area in and around Tokyo Bay, which is considered to be an area of intense marine fouling. The result on the test area is to be contrasted with the hull in general which uses an antifouling paint without Selektope, albeit adapted for the current operating conditions. The increased resistance through the water is estimated to be 60% or more due to the fouling.

CASE

Barnacle-free after 5 years in operation

After 5 years of operation, the first ship coated with a Selektope-containing antifouling paint went in for regular maintenance at a Chinese shipyard. The hull was completely free of barnacles, this after the ship both sailed and lay at anchor in high-risk areas for the growth of barnacles.

TEAM CALYPSO:

Type:
chemical/oil tanker (46067DWT IMO II)

Name:
TEAM CALYPSO (IMO: 9411290)

Size:
27061 GR Ton, 183 m.

Built: 2010

Painted with:
Selektope-containing antifouling paint: November 2015

Antifouling product:
SEAFLO NEO CF PREMIUM

Shipyard:
Singapore yard Sembcorp.

Dry docked:
February 2021

Place: Port of Nansha, China

Thanks to Selektope in the antifouling paint, the ship's hull has received outstanding protection against barnacles, even at anchor and low speeds (below 6 knots) in high risk areas with high water temperatures.

In November 2015, the vertical sides and bottom of the Team Calypso tanker hull were painted with a 60-month Selektope-containing and copper-free antifouling product at the Sembcorp shipyard in Singapore.

Thereafter, the vessel was in active operation over a wide range of global routes for a period of 63 months. The vessel has frequently sailed in high-risk areas for marine growth. It has also spent long periods at anchor in these zones, generating an extremely high risk of hard marine fouling by barnacles whose larvae can only attach to the hull when the vessel is at anchor or moving at slow speeds (up to 6 knots).

It takes only small amounts of marine fouling on the hull for the water friction to increase and negatively affect the ship's fuel consumption. During Team Calypso's 5 years in operation, regular measurements of the ship's resistance in the water were made. These measurements indicate that Selektope effectively protected the hull from fouling. When Team Calypso was compared with 9 of its sister vessels in Team Tanker's fleet, Team Calypso's speed losses, which are an effect of increased water resistance, turned out to be significantly lower than with the other tankers (only -0.7% compared to -1.9% — -4.8%).

The ship's hull was not cleaned at any time during the promised service life of the paint technology, neither mechanically nor with divers. In addition, Team Calypso lay at anchor off the coast of China for 1 month before dry docking. During this month, the hull was exposed to a very high risk of hard marine fouling.

When the ship was taken to dry dock and inspected in February 2021, after 63 months of operation, the hull's paint showed a normal amount of wear but there was no growth of barnacles.

I-Tech's CEO, Philip Chaabane, comments on Team Calypso's strong results.

"Despite the fact that Team Calypso has been active in the harshest conditions for marine fouling for the past 63 months, data on the ship's sustained performance show that the Selektope-containing antifouling paint has helped maintain the ship's efficiency. The owner of this tanker will benefit from the fuel savings that can be associated with the power of Selektope's ability to protect the hull from barnacles. Data analysis and inspections of the hull provide strong evidence that proves Selektope's high-performance protection against hard marine fouling, regardless of the ship's activity or movement patterns."

I-TECH ANNUAL REPORT 2020

When the ship was inspected in a dry dock in February 2021, after 63 months of operation, the hull's paint showed a normal amount of wear but there was no growth of barnacles.

Powered by selektope®

MARINE FOULING

A growing environmental problem

Marine biofouling is a biological process which immediately affects every surface submerged in sea water. Ship hulls attract different types of organisms, with barnacles as the main issue, but algae, bacteria and weeds also pose a problem. Over time, a thick layer of fouling can form on the ship hull which significantly increases friction against the water when a ship is sailing. This leads to major consequences for the shipowners. Marine fouling is not only a problem for ships, it also affects all types of marine installations.

Marine biofouling and its consequences are an age-old problem. The problem has existed for thousands of years. Over 1,700 species pose a fouling risk in all global waters. Marine fouling is normally divided into two main categories:

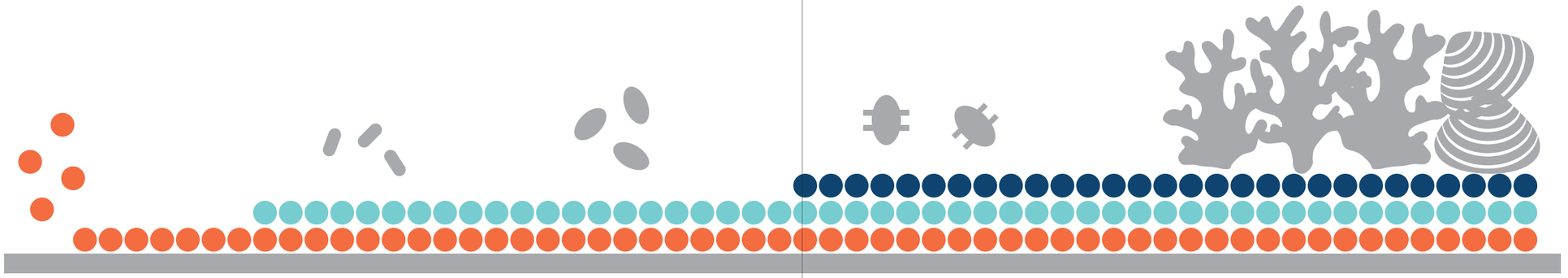
Hard fouling – usually shell building organisms and animals with a large effect on the surface structure. Barnacles are the main species and the biggest problem for ships. They are a sort of crustacean that like to settle on boat hulls, where they immediately build a protective calcite shell. The age and size of the barnacle has a correlational effect on the friction; the longer it has settled, the bigger the friction against the water.

Soft fouling – bacteria and algae that attach to exposed surfaces within a couple of hours. After a couple of weeks, these are often defined as slime or seaweeds.

The scale and extent of marine fouling depends on the temperature of the water and the availability of light and nutrition. Fouling takes place significantly faster in warm, tropical waters. Ships exposed to longer periods at anchor waiting for cargo or access to port face a larger risk of fouling than those that are moving.

Costly removal increases risk for new fouling

Marine fouling also means that ships need to be cleaned regularly by divers or underwater robots. This is difficult to carry out on hulls without damaging the antifouling and increasing the risk for additional fouling. Fouling generates direct operating costs for cleaning services, as well as missed cargo revenue as the ship must be stationary while being cleaned. Ocean-going ships are usually dry docked every three to five years. Avoiding extra cleaning during the period in between dry docking creates significant financial savings since each cleaning can cost between USD 15,000 to USD 45,000 depending on the size of the ship.



REDUCED EMISSIONS

The shipping industry's climate impact

Increased fuel consumption and associated increased emissions are a growing problem for the global shipping industry. Besides the negative impact on the environment, increased fuel consumption also brings financial stress for shipowners.

Today, the global shipping industry is responsible for approximately 2.3% of total global CO_2 emissions – as much as the aviation industry.

At the same time, the shipping industry accounts for about 85 percent of the world's transports of commercial goods. If globalisation and consumption continue to increase at the same rate, according to the European Environment Agency, shipping's share of global emissions could amount to as much as 17 percent by 2050.

This is how much fuel production can be reduced

Case studies show that, protecting the hull with a Selektope-containing antifouling coating generally leads to lower fuel consumption. The reference vessel in one study halved its hull resistance compared to an equivalent product. Fuel consumption due to the reduced hull resistance for this vessel is 375 tonnes lower per year, which corresponds to 1000 tonnes less CO_2 emissions.

- The shipping industry must, through mandatory rules adopted by the IMO in 2018, decrease their emissions of greenhouse gases by 50 percent compared to 2008 levels by 2050. This provides a strong incentive for shipowners to invest in measures which have a positive effect on the environment and reducing fuel consumption.
- Since January 1, 2020, IMO has introduced global requirements for lower sulphur emissions in the shipping industry. This means that shipowners must use a larger proportion of low-sulphur fuel, which demands a higher cost. Optimal hull performance will therefore contribute to an even greater financial savings potential.
- The commercial shipping fleet has several possible options for improvements, with a low investment barrier and a short repayment period (see illustration).
- Other efficiency measures that can be applied, depending on operating conditions are a new bulbous bow, upgrading of propellers, a new rudder, sail/wind rotors, waste heat recycling systems, alternative fuels, etc.

1,000 tonnes less CO_2 emissions

Fuel consumption due to the reduced hull resistance for this vessel is 375 tonnes lower per year, which corresponds to 1000 tonnes less CO_2 emissions.

Optimal hull performance has an average saving potential of about 10-15% for the entire shipping fleet. Antifouling paints powered by Selektope demonstrate that savings can be even higher than this on certain ship types.

10–15%

Route and autopilot optimisations have a savings potential of 5–10%.

5–10%

Optimised propulsion (engine and propeller control) can give a saving potential of 3–15%.

3–15%

A propeller free from marine fouling can deliver savings of around 3–8%.

3–8%

SUSTAINABILITY

Selektope® paves the way for large environmental benefits

The savings from effective antifouling systems are estimated at more than 100 million tonnes of carbon dioxide for the entire shipping industry annually. As such, I-Tech has enormous potential to contribute to sustainable development at sea. Sustainability is an obvious part of I-Tech's business model that strives to work in an ethically, socially and environmentally responsible manner, and to ensure sustainable innovation that contributes to a better society.

I-Tech works towards the UN's global development goals

8 Decent work and economic growth

To achieve globally sustainable economic growth requires sustainable employment conditions. I-Tech's goal is therefore to protect employees' rights at all stages of the business, ensure decent working conditions and create good conditions for innovation and entrepreneurship.

9 Sustainable industry, innovation and infrastructure

Technological development and innovation are crucial for creating sustainable solutions to the world's economic and environmental challenges as well as contributing to more efficient use of resources. For I-Tech, it is obvious to focus on a sustainable industry where research, the pursuit of more environmentally friendly technology and innovation are fundamental components.

13 Climate action

If greenhouse gas emissions continue, climate change will cause serious consequences for ecosystems, food production, water supply, human safety and health, while increasing the risk of natural disasters. Through I-Tech's innovation, Selektope, emissions of greenhouse gases are reduced, one vessel at a time.

14 Life below water

70 percent of the planet is covered by oceans and how they are managed is crucial in the fight to balance the effects of climate change. Over 3 billion people are also dependent on marine resources for their livelihoods. As I-Tech's customers are active in the shipping sector, there are great opportunities to influence emissions into the oceans and protect this vital resource. I-Tech also helps protect marine environments from the spread of invasive species.

Three sustainable focus areas

1

Sustainable innovation

Selektope was developed with sustainability in focus within a research project specifically designed to develop marine fouling protection for the future. I-Tech has since continued to work in the same spirit and further refined its knowledge. Together with customers, Selektope has opened up possibilities to create more effective antifouling products.

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

2

Sustainable production

The production process used for Selektope was developed by Cambrex Karlskoga, part of a global company that produces active substances for pharmaceuticals. Cambrex Karlskoga was initially also responsible for production. Since 2017, Selektope has been manufactured by two large capacity producers in Asia. The majority of I-Tech's customers also have their production there, and thereby logistics have been streamlined. The manufacturers, who also supply products to some of the world's largest pharmaceutical companies, have been selected after extensive evaluation processes. They work systematically with quality, environment, work environment and subcontracting requirements, and are certified according to ISO 9001, ISO 14001 and ISO 45001/OHSAS 18001.

An important part of I-Tech's sustainability strategy concerns emissions from the production of Selektope. I-Tech works continuously to minimise the emissions generated during the process, from raw material production and energy supply to waste incineration. Examples are: using more renewable energy sources, recycling solvents and scrubbing emissions from waste incineration.

3

Sustainable entrepreneurship and good work environment

I-Tech integrates good business practice, legal commitments and protection of people and the environment in all strategic decisions and in day-to-day work. The company also demands from subcontractors, suppliers and customers that their working conditions correspond to I-Tech's expectations.

One goal going forward is to perform more on-site audits, and that all relevant subcontractors, suppliers and customers are certified according to ISO 45001/OHSAS 18001. To minimise risks and simplify the management of Selektope by paint manufacturing customers, I-Tech has developed a smart packaging solution that involves minimal contact with the product.

Sustainability challenges for marine transports

1

High fuel consumption leads to high emission levels

Each year, the shipping industry consumes 350 million tonnes of bunker fuel oil. The industry accounts for, on average, roughly 2.3 percent of the world's global CO_2 emissions – about the same amount as the aviation industry.

Marine fouling on the hull increases friction against the water. To compensate for the friction and maintain the desired speed, fuel consumption increases. As little as 10% coverage of hard marine fouling, such as barnacles, requires a 36% increase in shaft power to maintain the same speed thru water and about the same increase in fuel consumption.

Opportunity

Hull performance can be optimised using effective antifouling paint. With the right antifouling paint on all cargo ships, CO_2 emissions could decrease by 100 million tonnes 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 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, for example: invasive crabs, oysters, etc. negatively disrupt the animal life and existing ecosystems at the destination.

Opportunity

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

3

Lower leakage results in less environmental impact from antifouling paints

Traditional antifouling generally uses active biocides, which make up anything from a few percent to more than half the weight of the paint. These biocides gradually leak into marine environments.

Opportunity

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

CASE

Hospital ship protected by Selektope

Mercy Ships is a global charitable organisation whose volunteers provide medical treatment and undertake urgent operations onboard hospital ships docked at local ports in some of the poorest countries in the world. The charity, which has helped people in need for over 40 years, operates onboard the converted passenger ship, Africa Mercy. During 2021, a new, purpose-built hospital ship, Global Mercy, will enter into active service and more than double their capacity to provide help those in need.

GLOBAL MERCY:

Type:
Passenger ship

Name:
GLOBAL MERCY
(IMO: 9726499)

Size:
36 600 GR Ton, 174m

Built: 2020

Painted with:
Antifouling paint containing Selektope: 2020

Shipyard:
Tianjin Xingang, China

The proliferation of COVID-19 has put a heavy strain on the already fragile healthcare system in Africa, making Mercy Ship's mission to strengthen healthcare systems more important than ever.

"We not only carry out surgical operations and rehabilitation on board, but we are also an important player through our healthcare education initiatives where local doctors and surgeons receive training in new technologies, new methods and routines for increased safety," explains Tomas Fransson who is Sweden Manager for Mercy Ships.

The new purpose-built hospital ship, Global Mercy, is a unique vessel equipped with 6 operating rooms, 102 emergency care beds and 90 self-care beds. Onboard there are also state-of-the-art training facilities, including a VR and AR-supported simulation laboratory for surgeons. The ship accommodates a crew of up to 641 volunteers and treats around 2,500 patients during a ten-month period in port.

Protected with Selektope

The contract to build Global Mercy was awarded to the Xingang shipyard in Tianjin, China in 2014, with Stena RoRo appointed by Mercy Ships as project manager. When considering the hull coating for the Global Mercy, Stena RoRo selected an antifouling coating containing Selektope® that would protect the hull from hard fouling during extensive static periods. In support of the charity's vital work, I-Tech AB has donated the required volumes of Selektope® to Mercy Ships.

For any ship spending time at anchor for extended periods, the risk of barnacle colonisation on the hull is very high. The nature of the voluntary aid Mercy Ships provides means that its hospital ships are often stationary in port for up to 10 months. This means that barnacle fouling could be a costly nuisance for Mercy Ships, both due to increased fuel costs when the hospital ship is sailing between ports due to increased frictional resistance on the hull, in addition to costs associated with drydocking the ship to mechanically remove hard fouling, if required.

"Mercy Ships has, of course, an extensive sustainability profile, and I-Tech's donation in support of our assignment further contributes to being able to carry out our work in a more sustainable way," says Tomas Fransson. He continues, "The use of the latest technological innovations to protect Global Mercy against fouling during static conditions is of great importance to us. It's also a fun story that the active ingredient in Selektope is a molecule that is also used in the pharmaceutical industry. Medetomidine is used as a sedative for veterinary purposes and one of the ingredients, dex-medetomidine, is widely used by our anaesthetists on board.

Stena RoRo decided to use an antifouling paint containing Selektope to protect the hull from hard fouling during the long static periods when Global Mercy stays in port.

Powered by selektope®

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 30 December 2020, the number of shareholders was 3,400 (2,378).

Development of the share

At the end of the year, the I-Tech share stood at 82.00 SEK, which means a rise for the year of 23%. Since listing in 2018, the share has increased by around 364%. The highest price during 2020 was 115.00 SEK which occurred on 3 June, and the lowest price was 52.40 SEK on 12 March. At the end of the year, the market capitalisation was SEK 976 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 9.2 (7.3) million shares.

Share capital and ownership

The share capital in I-Tech was, at the end of 2020, SEK 23,816,914 divided over 11,908,457 shares. All shares carry equal voting rights, as well as right to dividend. The main shareholder is Pomona-gruppen AB who at the end of 2020 held 11.4 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.

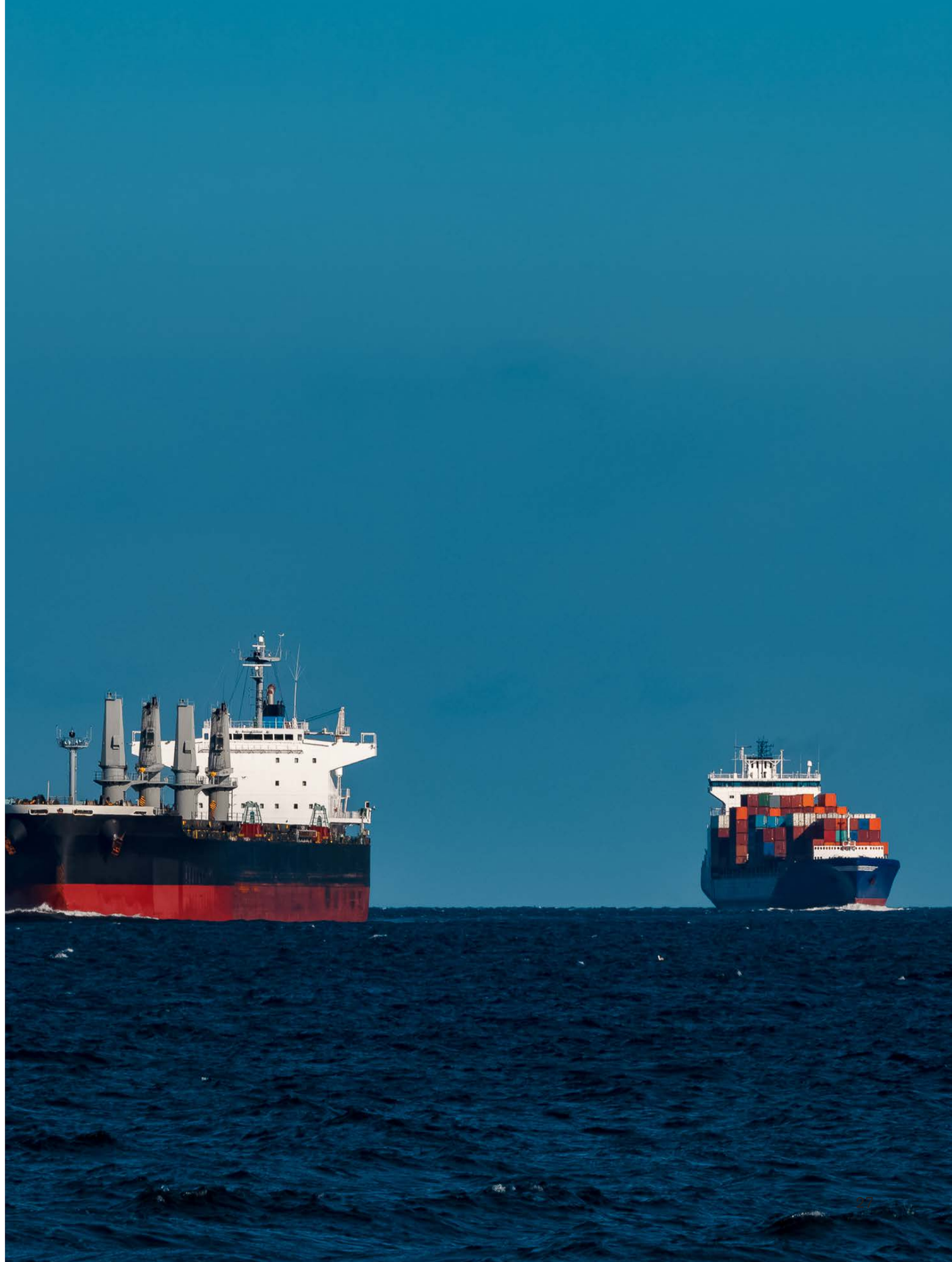
Shareholder information

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

Owner	Number of shares	Share capital %
Pomona-gruppen	1,357,528	11.40%
Handelsbanken funds	954,500	8.02%
Swedbank Robur	932,500	7.83%
Länsförsäkringar funds	616,638	5.18%
Futur pension	590,303	4.96%
Stefan Sedersten, incl. shares in companies	451,330	3.79%
Unionen	450,000	3.78%
Second Swedish National Pension Fund	390,837	3.28%
Aquamarine	371,390	3.12%
Avanza Pension	355,010	2.98%
Fourth Swedish National Pension Fund	325,133	2.73%
Alcur funds	271,072	2.28%
Almi Invest	240,466	2.02%
Öhman funds	226,213	1.90%
Lancelot funds	215,000	1.81%
Others	4,160,537	34.94%
Total number of shares	**11,908 457**	**100.00%**

Analysts who follow I-Tech: REDEYE



Board of Directors

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.

Education: Master of Science in Mechanical Engineering, Chalmers University of Technology.

Other assignments: Chairman of the board in Berg Propulsion Group, Lean Marine Sweden AB and Chess Capital AB. Board member in Blå Skrinet AB, Gula 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 Group AB and several of its subsidiaries. Before that he was the CEO of Pomona Group AB for 17 years.

Education: Economics at Stockholm University.

Other assignments: Chairman of the board in G. Krantz AB, EHL Prolist AB and Tedgren Consult AB. Board member in Pomona Group AB, Modulpac AB, Primekey Solutions AB and Prolist Nordic AB.

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 has worked for several consultancy firms with focus on supply chain management, business strategy and management.

He is today the CEO for Lean Marine. Prior to that, he worked for 11 years as the CEO for Laurin Maritime who ran a modern tank fleet for oil products and chemicals worldwide with 16 x 45k-50k dead weight tonne chemical classed vessels.

Mikael was also one of the founders of Consiglio AB, a consulting company focused on strategy and management. In addition to this, Mikael has been a board member in a number of listed and unlisted companies, as well as industry organizations.

Education: Master of Science in Industrial Engineering and Management, Chalmers University of Technology-

Other assignments: Board member in Team Tankers International.

Shareholding in I-Tech: 2,649*

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

* Inklusive innehav i närstående företag

I-TECH ANNUAL REPORT 2020

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.

Has worked for Cambrex in various leadership roles since 1997 and is now the CEO for Cambrex' Swedish operations.

Education: Master of Science in Industrial Engineering and Management, Luleå University of Technology.

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.

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.

She has also been responsible for a business within Akzo Nobel in Asia.

Chatarina Schneider is currently CEO of the chemical distributor AmphoChem AB and Pemco Additives AB.

Education: Chemistry, University of Linköping.

Other assignments: Chairman of the board of Swedish Algae Factory AB and Jovitech invest AB. Board member in Svenska Aerogel AB, AmphoChem AB, BGM Logistics AB, Pemco Additives AB, Temper Technology AB, BoTo Förvaltning AB and Dive Madhouse AB.

Shareholding in I-Tech: 6,000

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.

Thomas has worked for 17 years at Sherwin Williams, the world's largest paint company with the most recent position as VP and General Manager EMEAI.

Since 2018, Thomas has been CEO of Herenco AB, a privately owned industrial group that supplies packaging to the chemical industry.

Education: MBA, Jönköping International Business School.

Other assignments: Several board assignments within the Herenco Group and the aid organization Human Bridge.

Shareholding in I-Tech: 2,649*

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

*) Inklusive innehav i närstående företag

Management

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 considerable 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*

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*

* Including holdings in associated enterprises

I-TECH ANNUAL REPORT 2020

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 Würzberg, Germany, and a post-doc position at Kyoto University, Japan.

Shareholding in I-Tech:
-

Catherine Austin

Marketing & Communications Director since 2017.

Catherine has a Master of Research degree in Environmental Management. She has worked in the international maritime industry for ten years. Before Catherine started at I-Tech, she was the CEO for Fathom Maritime Intelligence, a publishing and events company concerned with clean technology information provision for the marine industry. She is a well renowned technical author and journalist both in marine and environmental sectors.

Education: Master of Research degree in Environmental Management and Bachelor of Science degree in Zoology from Swansea University.

Shareholding in I-Tech:
1,500*

Per Svensson

Sales 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:
100*

* Including holdings in associated enterprises

Administration report

I-Tech AB corporate identity no. 556585-9682.
The annual report is in kSEK.

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*

	2020	2019	2018	2017	2016
Revenues	52,819	45,574	28,947	17,849	17,027
Profit after financial items	-6,043	-7,096	-13,737	-8,418	-7,145
Balance sheet total	120,178	131,323	123,526	59,927	60,765
Solidity (%)	*88.70*	*84.84*	*83.36*	*61.67*	*57.40*
Total equity	106,602	111,408	102,981	36,955	34,883

*Definitions of key figures, see notes

Ownership

Shareholder with more than 10% ownership is Pomona-gruppen AB 11.40%.

Significant events during the financial year

- In March, the leading Norwegian paint manufacturer, Jotun, launched two new marine paints based on I-Tech's proprietary antifouling component Selektope®.
- In March, Per Svensson was appointed Sales Director for I-Tech. Per joined us from Emerson Automation Solutions where he was Director, Global Sales and Aftermarket Marine Solutions.
- I-Tech renewed and upgraded the regulatory status of Selektope® in Japan.
- I-Tech presented its report from the Annual General Meeting. Chatarina Schneider and Tomas Bergdahl were elected as new board members and replaced Leif Darner and Mats Enegren.
- I-Tech announced that deliveries for the order to Chugoku Marine Paints, communicated in August 2019, have been partially delayed due to the current pandemic.
- In December, I-Tech announced a long-term collaboration with US paint manufacturer, Pettit Marine Paint, regarding the development and approval of Selektope®-based paints for the leisure boat market.
- The ongoing COVID-19 pandemic has, during the year, created uncertainty in the market, which has led to reduced willingness to invest and increased prudence. This has led to reduced sales growth and, to some extent, higher logistics costs. The company did not receive any financial public support during the year.

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 actively work to further refine the production processes introduced during 2018, for the purpose of gaining the best possible production cost and 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 becomes protracted and escalates 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 non-restricted equity
Amount at the start of the year	23,817	1,411	77,753	8,427	86,180
Surplus according to decision at annual general meeting			8,427	-8,427	-
Provision for fund for development expenditure		-125	125		125
Loss for the year				-4,806	-4,806
Amount at the end of the year	**23,817**	**1,286**	**86,305**	**-4,806**	**81,499**

Allocation of surplus (SEK)

SUGGESTION FOR ALLOCATION OF THE COMPANY PROFIT	
At the disposal of the annual general meeting is	
Loss brought forward	-56,971,159
Share premium account	143,275,995
Loss for the year	-4,806,220
	81,498,616
The board of directors suggest to be carried forward	81,498,616
	81,498,616

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 2020– 31 Dec 2020**	1 Jan 2019– 31 Dec 2019
Operating income etc.			
Net turnover		52,819	45,574
Other operating income	2	841	1,219
		53,660	**46,793**
Operating expenses			
Costs of goods sold		-27,638	-24,383
Other external costs		-10,503	-11,192
Personnel costs	3	-10,427	-9,094
Depreciations, amortisations and impairments		-8,767	-8,239
Other operating costs		-1,492	-904
		-58,827	**-53,812**
Operating income		**-5,167**	**-7,019**
Result of financial items			
Other interest income and similar items	4	-	243
Interest expense and similar items	5	-876	-320
		-876	**-77**
Result after financial items		**-6,043**	**-7,096**
Tax on profit for the year	6	1,237	15,523
Annual result		**-4,806**	**8,427**

Balance sheet

	Note	31 Dec 2020	31 Dec 2019
ASSETS			
Fixed assets			
Intangible assets			
Expenditures on development brought forward	7	21,064	24,255
Patents	8	31,545	36,636
Total intangible assets		**52,609**	**60,891**
Tangible assets			
Inventories, tools and installations	9	192	119
Total tangible assets		**192**	**119**
Financial fixed assets			
Deferred tax assets	10	16,760	15,523
Total financial fixed assets		**16,760**	**15,523**
Total fixed assets		**69,561**	**76,533**
Current assets			
Inventory			
Finished goods and commodities		4,278	1,265
Total inventory.		**4,278**	**1,265**
Short-term receivables			
Accounts receivables		4,485	7,754
Other receivables		353	5,370
Prepayments and accrued income		520	1,461
Total short-term receivables		**5,358**	**14,585**
Cash and bank balances			
Cash and bank balances		40,981	38,940
Total cash and bank balances		**40,981**	**38,940**
Total current assets		**50,617**	**54,790**
TOTAL ASSETS		**120,178**	**131,323**

	Note	31 Dec 2020	31 Dec 2019
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		23,817	23,817
Legal reserve		753	753
Reserve for development expenditure		533	658
Total restricted equity		**25,103**	**25,228**
Unrestricted equity			
Share premium reserve		143,276	143,276
Result brought forward		-56,971	-65,523
Loss for the year		-4,806	8,427
Total unrestricted equity		**81,499**	**86,180**
Total equity		**106,602**	**111,408**
Long-term liabilities	11		
Liabilities to credit institutions	11	4,361	8,618
Total long-term liabilities		**4,361**	**8,618**
Short-term liabilities			
Liabilities to credit institutions	11	4,258	2,789
Accounts payables		1,158	5,536
Current tax liabilities		274	135
Other liabilities		656	322
Accruals and deferred income		2,869	2,515
Total short-term liabilities		**9,215**	**11,297**
TOTAL EQUITY AND LIABILITIES		**120,178**	**131,323**

Cash flow analysis

	Note	31 Dec 2020	31 Dec 2019
Operating activities			
Operating result		-5,167	-7,019
Adjustments for non-cash items		8,767	8,239
Interest received		-	243
Interest paid		-876	-320
Income tax paid		139	121
Cash flow from operating activities before changes in working capital		**2,863**	**1,264**
Cash flow from changes in working capital			
Increase of inventories current activities		-3,013	-962
Decrease/increase of accounts receivables		3,269	-217
Decrease/increase of other receivables		5,958	-6,068
Decrease/increase of accounts payables		-4,378	870
Increase of short-term liabilities		689	350
Cash flow from operating activities		**5,388**	**-4,763**
Financing activities			
Acquisition of expenditures brought forward for development and similar work.	7	60	-140
Acquisition of concessions, patents, licenses etc..	8	-513	-590
Acquisition of inventories, tools and installations	9	-105	-134
Cash flow from investing activities		**-558**	**-864**
Financial activities			
Amortisation of long-term borrowings		-2,789	-1,971
Cash flow from financial activities		**-2,789**	**-1,971**
Change in liquid assets		2,041	-7,598
Liquid assets at the start of the year		38,940	46,538
Liquid assets at the end of the year		**40,981**	**38,940**

Notes

NOTE 1. ACCOUNTING PRINCIPLES

The annual report is prepared in accordance with the accounting law 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.

Lessee

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 of Directors and management regularly evaluate the company's intangible assets, expenditures on development brought forward and patents, and deferred tax assets. In the valuation, several significant estimates and assessments must be taken into account 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

INDIVIDUAL NOTES TO FINANCIAL STATEMENTS

NOTE 2. OTHER OPERATING REVENUE

	2020	2019
Other operating revenue divided over category of revenue		
Foreign exchange gains	872	1,062
Re-invoiced costs	-31	157
	841	1,219

NOTE 3. 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.

	2020	2019
Average number of employees has been	7.00	7.00
Of which were women	2.00	2.00
Of which were men	5.00	5.00

Salaries, remuneration, etc.

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

	2020	2019
Board of Directors and CEO		
Salaries and remuneration	2,193	1,879
Pension costs	307	279
	2,500	**2,158**
Other employees		
Salaries and remuneration	4,952	4,155
Pension costs	723	538
	5,675	**4,693**
Social security expenses	2,121	2,059
Total Board of Directors and others	**10,296**	**8 910**

NOTE 4. OTHER REVENUE AND SIMILAR LINE ITEM

	2020	2019
Interests	-	17
Exchange difference	-	226
	-	**243**

NOTE 5. INTEREST COST AND SIMILAR LINE ITEMS

	2020	2019
Other interest cost	296	320
Exchange difference	580	-
	876	**320**

NOTE 6. TAX ON RESULT FROM THE YEAR

	2020	2019
Deferred tax	1,237	15,523
	1,237	**15,523**
Reconciliation of effective tax		
Loss before tax	-6,043	-7,096
Tax cost 21.40% (22.00%)	1,293	1,519
Tax effect of:		
Non-deductible expenses	-8	-27
Current year loss carried forward	-1,285	-1,492
Deferred tax adjustment	1,237	15,523
Total	**1,237**	**15,523**

NOTE 7. EXPENDITURES BROUGHT FORWARD FOR DEVELOPMENT AND SIMILAR WORK

	2020-12-31	2019-12-31
Opening acquisition value	31,962	31,822
Purchases	-60	140
Outgoing accumulated acquisition value	**31,902**	**31,962**
Opening depreciations	-7,707	-4,584
Depreciations during the year	-3,131	-3,123
Outgoing accumulated depreciations	**-10,838**	**-7,707**
Outgoing reported value	**21,064**	**24,255**
Assets acquired through public contributions are included at reported acquisition value	**8,908**	**8 908**

NOTE 8. PATENTS

	2020-12-31	2019-12-31
Opening acquisition value	47,339	46,749
Purchases	513	590
Sales/disposals	-1,298	-
Outgoing accumulated acquisition value	**46,554**	**47,339**
Opening depreciations	-10,703	-5,623
Sales/disposals	508	-
Depreciations during the year	-4,814	-5,080
Outgoing accumulated depreciations	**-15,009**	**-10,703**
Outgoing reported value	**31,545**	**36,636**

NOTE 9. INVENTORIES, TOOLS AND INSTALLATION

	2020-12-31	2019-12-31
Opening acquisition value	370	284
Purchases	105	134
Sales/disposals	-	-49
Outgoing accumulated acquisition value	**475**	**369**
Opening depreciations	-251	-263
Sales/disposals	-	49
Depreciations during the year	-32	-36
Outgoing accumulated depreciations	**-283**	**-250**
Outgoing reported value	**192**	**119**

NOTE 10. DEFERRED TAX

31 DEC 2020	Temporary difference	Deferred tax asset	Deferred tax liability
Tax losses	-	16,760	-
	-	**16,760**	**-**

31 DEC 2019	Temporary difference	Deferred tax asset	Deferred tax liability
Tax losses	-	15,523	-
	-	**15,523**	**-**

NOTE 11. LONG TERM LIABILITIES

	31 Dec 2020	31 Dec 2019
Almi Företagspartner		
Amortisation within 1 year	600	600
Amortisation within 2-5 years	450	1,050
	1,050	**1,650**
Energy Agency no. 1	2,145	4,335
	2,145	**4,335**
Energy Agency no. 2	5,423	5,423
	5,423	**5,423**
Total long-term liabilities	**8,619**	**11,407**

Energy Agency No. 1

Amortisation of the loan amounts to 5% of the company's reported net sales in the previous year, which means that the remaining amount, 2,145 TSEK, will be amortised during 2021.

Energy Agency no. 2

Amortisation of the loan will take place with the start of year 3 from the decision year, which means 2020. Amortisation takes place with 3% of the company's reported net sales and is limited to a 10-year period unless full repayment has been made earlier.

NOTE 12. COLLATERAL

	31 Dec 2020	31 Dec 2019
Business mortgages	4,600	3,000

NOTE 13. SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

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

NOTE 14. DEFINITION OF KEY FINANCIAL FIGURES

Solidity

Adjusted equity as a percentage of balance sheet total.

Mölndal 15 April 2021

Tomas Tedgren | Chatarina Schneider | Philip Chaabane, *Chief Executive Officer*

Bjarne Sandberg | Tomas Bergdahl | Mikael Laurin

Stefan Sedersten
Chairman of the Board

Our audit report has been delivered on 15 April 2021
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, 2020 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 administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Chief Executive Officer shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

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

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

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

Gothenburg, 15 April 2021

Ernst & Young AB

Andreas Mast
Authorised accountant

Production:
I-Tech in collaboration with Narva
Print: Elanders Sverige 2021
Images: Shutterstock and iStock

IR contact
Philip Chaabane, CEO
Tel: +46(0)73 910 37 08
E-mail: philip.chaabane@i-tech.se

Financial calendar

Annual General Meeting	20 Maj 2021
Interim report, Q1	21 Maj, 2021
Interim report, Q2	25 August 2021
Interim report, Q3	22 October, 2021
Year-end report 2021	23 February 2022

I-Tech AB
c/o Astra Zeneca AB
Pepparedsleden 1
431 83 Mölndal
Sweden

Tel: +46 10 30 33 999
E-mail: info@i-tech.se

Corporate identity number:
556585-9682