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Press release, 22 December 2022

## **Impact Coatings intends to carry out a fully secured rights issue of approximately SEK 148 million conditional on the approval of an extraordinary general meeting**

Today, the board of directors in Impact Coatings AB (publ) ("Impact Coatings" or the "Company") announces its intention to carry out a fully secured rights issue of shares of approximately SEK 148 million before transaction costs (the "Rights Issue"). An extraordinary general meeting is planned to be held on 9 February 2023 to give the board of directors an authorization to resolve on the Rights Issue. The subscription price has been set to SEK 4.80 per share. Shareholders in Impact Coatings on the record date have for each eleven (11) existing shares preferential rights to subscribe for six (6) newly issued shares in the Rights Issue. In total, subscription commitments amount to approximately SEK 19 million, corresponding to approximately 12.8 percent of the Rights Issue. The Company's largest shareholder, Accendo Capital, has also provided guarantee commitments on customary terms that in total amount to approximately SEK 129 million, corresponding to approximately 87.2 percent of the Rights Issue. Together with the subscription commitments, the Rights Issue is fully secured. The Company also announces that the year-end report will be postponed until 15 February 2023.

*"The planned capital raise is a proactive and bold step forward that supports continued investments in the industrialization and internationalization of Impact Coatings. It enables us to capture an emerging opportunity in the market, especially within the US green hydrogen market that is currently taking off and expected to grow tenfold by 2030. Overall, the proposed rights issue will improve the scalability of our business model, strengthening our position in all major markets, as we seek to expand our focus on our Coating Services offering. With more Coating Services Centers we will be able to work closer to customers, scaling up production in an appropriate way,"* said Torbjörn Sandberg, CEO of Impact Coatings

### **Summary**

- The board of directors in Impact Coatings has decided to carry out the Rights Issue. An extraordinary general meeting is proposed to authorize the board of directors to resolve on the Rights Issue and to change the limits of the Articles of Association for shares and share capital.
- The extraordinary general meeting is intended to be held on 9 February 2023 and the notice will be announced through a separate press release.
- The net proceeds are intended to be used for the following purposes stated in order of priority; (i) significant investments in electrolysis and the fast-growing green hydrogen market, (ii) expansion in North America focusing on establishing a new Coating Services Center, (iii) development of existing Coating Services Centers in other regions, and (iv) industrialization through automation, system solutions, secured components, and new facilities.
- Upon full subscription in the Rights Issue, Impact Coatings will receive approximately SEK 148 million before deductions for transaction costs.

- The subscription price is SEK 4.80 per share, which corresponds to a discount of approximately 19 percent compared to the theoretical price after separation of subscription rights, based on the closing price of Impact Coatings's share on Nasdaq First North Growth Market on 21 December 2022.
- All existing shareholders receives one (1) subscription right for each share held on the record date, which is expected to be determined to 7 March 2023. Eleven (11) subscription rights entitle the holder to subscribe for six (6) new shares.
- The subscription period in the Rights Issue is expected to take place from 9 March 2023, up to and including 23 March 2023.
- In total, the subscription commitments amount to approximately SEK 19 million, corresponding to approximately 12.8 percent of the Rights Issue.
- The Company's largest shareholder, Accendo Capital, has also provided guarantee commitments on customary terms that in total amount to approximately SEK 129 million, corresponding to approximately 87.2 percent of the Rights Issue. Together with the subscription commitments, the Rights Issue is fully secured.

### **Background and motive**

The purpose of the Rights Issue is twofold. First, it supports continued investments in the industrialization and internationalization of Impact Coatings, strengthening the scalability of the business model, which has been an overarching strategic pillar since 2021. Second, it enables the Company to capture an emerging opportunity within the US green hydrogen market – following the strong recent commercial and regulatory development in the region, including the USD 3.00 per kg green hydrogen tax credit included in the Inflation Reduction Act effective from August 2022.

Hydrogen is taking off, unfolding as the fuel of the future and a cornerstone in the shift to sustainable, low carbon energy systems. The development of hydrogen technologies is largely driven by the need for transportation, storage and use of green energy. Electrolysis, the method used to produce green hydrogen from water, is emerging as a new, significant growth area – especially in the US and Europe.

The hydrogen market is still in its early stages, and the Company expects it to grow exponentially over the next decade. In the US, the green hydrogen market is expected to double by 2025 and tenfold by 2030. Against this background, Impact Coatings sees a window of opportunity, investing to meet demand for its electrolysis plate coating solutions. The Company has strong momentum in North America, following the recent order from a leading US company, which has created an expansion platform for it to leverage in the US market.

Strengthening the scalability of the business model will also improve the efforts in all major markets, as the Company seeks to further invest in Coating Services. This includes continuing the roll-out of new Coating Services Centers.

### **Use of proceeds**

If the Rights Issue is fully subscribed, the Company will receive a maximum of approximately SEK 148 million before deductions for costs related to the Rights Issue. Impact Coatings intends to use the net proceeds for the following purposes stated in order of priority:

- Significant investments in electrolysis and the fast-growing green hydrogen market
- Expansion in North America focusing on establishing a new Coating Services Center
- Development of existing Coating Services Centers in other regions
- Industrialization through automation, system solutions, secured components, and new facilities

It is the board of directors' assessment that the SEK 148 million of the Rights Issue covered by subscription commitments and guarantee commitments is sufficient to, according to the current business plan, finance the Company during the next twelve-month period.

### **Extraordinary general meeting**

Through a separate press release, the Company will convene an extraordinary general meeting intended to be held on 9 February 2023 to change the limits of the Articles of Association for shares and share capital and to authorize the board of directors to resolve on the Rights Issue.

### **Mandatory bid exemption**

The Swedish Securities Council has granted Accendo an exemption from the mandatory bid obligation, which could arise due to the subscription in the Rights Issue. Furthermore, the Swedish Securities Council has granted Accendo an exemption from the mandatory bid obligation, which could arise due to, in addition to their preferential rights, the subscription of shares due to the guarantee commitment. The exemption, as far as the guarantee commitment is concerned, is conditional on (i) the shareholders being informed before the extraordinary general meeting of the maximum capital and voting share that Accendo may obtain by subscribing for shares in the rights issue in addition to its preferential rights, and (ii) that the resolution to issue new shares is approved by the extraordinary general meeting and supported by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the extraordinary general meeting, whereby the shares held and represented at the meeting by Accendo shall be disregarded. Accendo's maximum capital and voting share can reach 43.6 per cent if the guarantee commitment is used in full. The Swedish Securities Council's decision (AMN 2022:57) will be made available on the Swedish Securities Council's website.

### **The Rights Issue**

Shareholders on the record date, which is expected to be determined to 7 March 2023, who are registered in the share register in Impact Coatings receives one (1) subscription right for each share held in the Company. The subscription right entitles the holder to subscribe for new shares with preferential rights. Eleven (11) subscription rights entitle the holder to subscription of six (6) new shares. The subscription price is SEK 4.80 per share, which means that Impact Coatings will receive gross proceeds of approximately SEK 148 million before deduction of transaction costs, provided that the Rights Issue is fully subscribed. In addition, investors are offered the opportunity to sign up for subscription of shares without the support of subscription rights.

Provided that the Rights Issue is fully subscribed, the number of shares in Impact Coatings will increase by 30,877,664, from 56,609,051, to 87,486,715, and the share capital will increase by a maximum of SEK 3,859,708.000, from SEK 7,076,131.375 to SEK 10,935,839.375. Shareholders who choose not to participate in the Rights Issue will have their ownership diluted by up to 35 percent through the Rights Issue (based on the total outstanding shares after the Rights Issue). These shareholders have the opportunity to compensate themselves financially for the dilution effect by selling their subscription rights received.

The preliminary timeplan is as follows. The last day of trading in Impact Coatings's shares including the right to receive subscription rights in the Rights Issue is 3 March 2023. The shares are traded excluding the right to receive subscription rights in the Rights Issue as of 6 March 2023. The subscription period, with or without the support of subscription rights, runs from 9 March 2023 up to and including 23 March 2023. Trading in subscription rights will take place on Nasdaq First North Growth Market during the period from 9 March 2023 to 20 March 2023 and trading in BTAs (paid subscribed share) will take place on Nasdaq First North during the period from 9 March 2023 to 4 April 2023.

The complete terms and conditions and the final timeplan of the Rights Issue and information about the Company will be presented in a prospectus that is expected to be published around 3 March 2023.

### **Subscription commitments and guarantee commitments**

In total, the subscription commitments amount to approximately SEK 19 million, corresponding to approximately 12.8 percent of the Rights Issue and has been entered into by exiting shareholder Accendo Capital.

In addition, shareholding members of the board of directors and senior management has indicated their intention to subscribe for their pro-rata share in the Rights Issue.

The Company's largest shareholder, Accendo Capital, has also provided guarantee commitments on customary terms that in total amount to approximately SEK 129 million, corresponding to approximately 87.2 percent of the Rights Issue. Together with the subscription commitments, the Rights Issue is fully secured.

A guarantee fee will be paid to the guarantors of eight (8) percent of the guaranteed amount in cash. No fee is to be paid for the subscription commitments that have been entered into. Neither the subscription commitments nor the guarantee commitments are secured.

Further information regarding the parties who have entered into subscription commitments and guarantee commitments will be presented in the prospectus to be made public before the commencement of the subscription period.

## Undertakings

Prior to the execution of the Rights Issue, the board of directors and senior management of the Company intends to enter into lock-up undertakings, which, among other things and with customary exceptions, mean that they will undertake not to sell shares in the Company. The lock-up undertakings expire on the day that falls 180 days after the announcement date of the outcome in the Rights Issue.

The shareholders who have entered subscription commitments have simultaneously entered into lock-up commitments which mean that they have, with certain customary exceptions, undertaken not to sell shares in the Company. The lock-up commitments cease to apply on the day that falls 180 days after the publication of the outcome of the Rights Issue.

Furthermore, the Company has undertaken towards Pareto Securities AB, subject to customary exceptions, not to issue additional shares or other share-related instruments for a period of twelve (12) months after the end of the subscription period.

## Indicative timeplan

Announcement of notice to extraordinary general meeting	9 January 2023
Extraordinary general meeting	9 February 2023
Last day of trading in shares including right to receive subscription rights	3 March 2023
First day of trading in shares excluding right to receive subscription rights	6 March 2023
Planned publishing date of prospectus	3 March 2023
Record date for the Rights Issue	7 March 2023
Trading in subscription rights	9 March – 20 March 2023
Subscription period	9 March – 23 March 2023
Trading in BTAs (paid subscribed share)	9 March – 4 April 2023
Expected announcement of the outcome in the Rights Issue	23 March 2023

## Advisers

Pareto Securities AB ("Pareto") acts as Sole Manager and Bookrunner and KANTER Advokatbyrå KB is legal adviser to the Company and Advokatfirman Schjødt is legal adviser to Pareto Securities AB in connection with the Rights Issue.

## For more information, please contact

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*This information is information that Impact Coatings is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 22 December 2022, at 07:45 CET.*

## About Impact Coatings AB (publ)

Impact Coatings offers customer-focused coating services, clean coating technologies, and flexible coating systems with focus on hydrogen solutions, autonomous safety functions, and tailored coating solutions for high-end applications.

The company utilizes vacuum deposition methods - sustainable processes to apply thin layers of metal or ceramic coatings that improve performance and durability. Impact Coatings markets coating equipment under the trademark INLINECOATER™ and coating materials under the trademark MAXPHASE™. The company's service models and systems are flexible and scalable to fit the fast-paced markets the company operates within.

The Impact Coatings share is listed on Nasdaq First North Growth Market (Nasdaq Nordic). The company's Certified Adviser is Redeye AB.

### **Important information**

The information in this press release does not constitute an offer or invitation to acquire or subscribe for any subscription rights, paid subscription shares or shares ("Securities") in any jurisdiction. Any invitation to the persons concerned to subscribe for shares in Impact Coatings will only be made through the prospectus that Impact Coatings intends to publish.

This press release may not be released, published or distributed, directly or indirectly, in or into the United States, Canada, Australia, Hong Kong, New Zealand, South Africa, South Korea, Switzerland, Singapore, Japan, Russia, Belarus, or any other jurisdiction where participation in the Rights Issue would require additional prospectuses, registrations or other actions in addition to what follows from Swedish law. Nor may the information in this press release be forwarded, reproduced or disclosed in a manner that contravenes such restrictions or would entail such requirements. Failure to comply with this instruction may result in a violation of applicable securities laws. The recipient of this press release is responsible for using this press release, and the information herein, in accordance with applicable rules in the respective jurisdiction.

Securities have not been and will not be registered under the United States Securities Act of 1933, as amended ("Securities Act"), or under the securities laws of any state or other jurisdiction in the United States and may not be offered, subscribed, used, pledged, sold, resold, allotted, delivered or transferred, directly or indirectly, in or into the United States absent exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with securities laws of the relevant state or other jurisdiction in the United States. There will be no public offering of Securities in the United States. The Securities referred to herein have not been approved or disapproved by the U.S. Securities and Exchange Commission (SEC), any state regulatory authority in the United States or any other U.S. regulatory authority nor have any of the foregoing authorities passed upon or endorsed the Rights Issue or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offense in the United States.

No public offer of Securities is made in the United Kingdom and into any countries within the European Economic Area ("EEA") other than Sweden. In other member states of the European Union ("EU") or the United Kingdom, such an offer may only be made in accordance with the exemption in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "Prospectus Regulation") or Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "UK Prospectus Regulation"). In other countries in the EEA that have implemented the Prospectus Regulation in their national legislation, such an offer may only be made in accordance with the exemption in the Prospectus Regulation and/or in accordance with each relevant implementing measure. In other countries in the EEA that have not implemented the Prospectus Regulation in their national legislation, such an offer may only be made in accordance with the applicable exemption in national legislation.

This press release is prepared on the basis that any offer of Securities in the United Kingdom or any Member State of the EEA which has implemented the Prospectus Regulation (each, a "Relevant Member State"), or the UK Prospectus Regulation, will be made pursuant to an exemption under the Prospectus Regulation, from the requirement to publish a prospectus for offers of Securities. Accordingly, any person in the United Kingdom or that Relevant Member State, which are the subject of the offer and participates in in the Rights Issue, may only do so in circumstances in which no obligation arises for Impact Coatings or any other third party to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or UK Prospectus Regulation, in each case, in relation to such offer. Neither Impact Coatings nor Pareto have authorised, nor do they authorise, the making of any offer of the Securities through any financial intermediary, other than that Pareto and other securities institutions with requisite licenses will provide brokerage services in connection with the purchase and sale of subscription rights and paid subscribed shares. Neither Impact Coatings nor Pareto have authorised, nor do they

authorise, the making of any offer of Securities in circumstances in which an obligation arises for Impact Coatings or any other third party to publish or supplement a prospectus for such offer.

In the United Kingdom this press release is directed only at persons who (i) are outside the United Kingdom, (ii) have professional experience in matters relating to investments which fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (iii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "Relevant Persons"). The information in this press release is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with Relevant Persons.

#### **Forward-looking statements**

This press release may contain forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq First North Growth Market's rule book for issuers.

Potential investors should therefore not attach undue confidence to the forward-looking information herein, and potential investors are urged to read the parts of the prospectus that include a more detailed description of factors that may affect the Company's operations and the market in which the Company operates.