

# Impact Coatings AB (publ)

## Interim Report January-March 2023

SEK 000	2023 Q1	2022 Q1	2022 Jan-Dec
Net sales	20 017	5 360	32 022
Net sales, excluding noble metals for electrolysis <sup>1)</sup>	17 269	5 360	30 672
Total revenue	20 137	9 464	57 047
Operating profit	-9 131	-9 715	-47 003
Operating profit after financial items	-9 130	-9 716	-47 002
Cash flow	132 191	-6 595	-68 259
Liquidity ratio	303%	630%	205%
Order backlog coating systems at period end <sup>2)</sup>	21 988	21 132	21 132
Order backlog Coating Services, excluding noble metals for electrolysis <sup>2)</sup>	7 364	<sup>3)</sup>	<sup>3)</sup>
Order backlog Coating Services, including noble metals for electrolysis <sup>1) 2)</sup>	16 800		

### Significant events<sup>4)</sup> during the first quarter 2023

- Extension of Joint Development Agreement within hydrogen applications with Hyundai
- Letter of Intent with Plug Power about coating services for electrolysis
- Completed rights issue of approximately SEK 130 million after transaction costs

### Other events during the quarter

- System order for radome coatings from European customer

### Significant events<sup>4)</sup> after the period

No significant events have occurred after the period.

1) Noble metals are invoiced in a cost-neutral manner and do not affect operating profit.

2) Currency exchange rate at period end.

3) Not reported.

4) Significant events refer to events that comprise insider information and shall be made public via press release.

## CEO's Commentary

### Sales growth and commercial achievements

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During the first quarter of the year, Impact Coatings took meaningful steps forward in our commercialization of the company. We signed a Letter of Intent for electrolysis coatings with Plug Power in the USA and, in parallel, continued production for the customer. We extended our Joint Development Agreement with Hyundai related to hydrogen. We delivered one coating system for radome coatings to a European customer and, at the end of the quarter, we received an additional system order for radome coatings from a European customer in the autonomous safety application area.



The rights issue completed in March raised approximately SEK 130 million after transaction costs, which positions us well to drive our efforts in technology development for green hydrogen and advance our position in the USA – an exciting growth opportunity.

#### Key figures with and without noble metals

The new application area electrolysis means that we perform coating services using noble metals, which affects the company's sales volume without affecting profitability. The metals are invoiced in a cost-neutral manner in agreement with relevant customers. The metals are reported as revenue and raw material costs and do not affect operating profit.

To facilitate comparability with previous quarters we are, starting with this interim report, reporting net sales both with and without noble metals for electrolysis coatings.

It is worth noting that the company's previous communications, in press releases and in the 2022 year-end report, have reported order values for Coating Services for electrolysis excluding noble metals, which represents the true value to the company.

#### Order backlog for Coating Services

As of the first quarter 2023, we are reporting the order backlog for Coating Services per the last day of the quarter in addition to the order backlog for coating systems. We are also in this case reporting the order

backlog value with and without the effects of noble metals used in electrolysis.

The order backlog for Coating Services provides increased transparency into the company's development, since Coating Services is an important pillar of our strategy with an increasing financial contribution. The flow of incoming and completed orders in Coating Services is much faster than that of coating systems. For example, a coating system can remain in the order backlog for 4-12+ months depending on the machine type and the customer's delivery time preferences. Coating Services orders are typically registered and completed within 1-4 months. We ended the first quarter with nearly SEK 30 million in the combined order backlog, excluding noble metals for electrolysis coatings, and we aim to continue increasing order flows in both system sales and Coating Services.

#### A strong first quarter

The first quarter of the year delivered sharp revenue growth. Net sales, excluding noble metals, amounted to SEK 17,269 thousand during Q1 2023 (SEK 5,360). The growth is a result of the final delivery of a system for radome coatings for automotive radar for a European customer and a high level of activity in our Coating Service Center in Linköping. The comparison period did not include any coating system deliveries.

Operating expenses increased due to continued investments in expertise and headcount, ongoing development projects, and increased production capacity. By continuing to industrialize the company, we are building a foundation that will enable us to increase revenue at a faster pace than costs – a central aspect of reaching profitability and an important tool in strengthening our sustainable competitive advantage.

#### Letter of Intent with Plug Power strengthens our position in North America

In November 2022, we received a pilot order for coating services for electrolysis plates from the American company Plug Power – one of the world's leading producers of hydrogen fuel cells and electrolyzers. In February 2023, we took a step towards formalizing the cooperation when we signed a Letter of Intent regarding a supply or frame agreement with a value of USD 2-3.5 million during 2023. The total value is conditional on Impact Coatings' fulfilling the customer's technical requirements, and that Impact Coatings demonstrates delivery capabilities for the number of plates

corresponding to the stated value range. We are continuously producing coatings for electrolysis plates for the customer in our Coating Service Center.

This development is an important catalyst for our efforts in the North American market. In a short period of time, following strong commercial and regulatory development, the USA has become a key market for hydrogen applications. Through our recent commercial progress, we also have a strengthened position heading into our planned establishment of a new Coating Service Center in the USA. With a Coating Service Center in place, we will be able to offer an attractive ramp-up solution with a high degree of flexibility and service for North American customers.

### **Extension of Hyundai partnership**

In February, we extended the Joint Development Agreement from 2019 with Hyundai Motor Company in South Korea. The agreement involves joint research and development of new materials and processes for fuel cells and electrolysis. Hyundai, like several of our other fuel cell customers, has a well-developed strategy to expand in electrolysis. It is a natural development since fuel cells involve hydrogen utilization while electrolysis involves hydrogen production. For a hydrogen-electric vehicle to be free of fossil fuels, the hydrogen must be made using renewable energy sources. We expect many vehicle manufacturers and other fuel cell adopters to also develop technology for green hydrogen production.

There are similarities between PEM (proton exchange membrane) fuel cells and PEM electrolyzers. For example, both processes use metal plates that require advanced coatings for conductivity and durability. Impact Coatings has the advantage of providing machines *and* coating technology that meet rigorous customer requirements for both applications. We therefore see opportunities to grow with our existing fuel cell customers as many of them extend their scope into electrolysis.

### **New machine in place in China**

In March, we shipped an INLINECOATER™ IC500 machine from Linköping to our Coating Service Center in Shanghai. We expect to start production later this spring. Coating Services at our own facility in Shanghai increases our ability to meet the needs of existing as well as new customers in the dynamic Chinese market. With

the new machine, we will be able to continuously deliver to fuel cell customers in China, where there is a well-developed supply chain for fuel cell vehicles.

### **High activity level in Linköping**

There was a high level of activity during the first three months of the year at our facility in Linköping. Our Coating Service Center has, as reported earlier, been running with a high utilization, which is why we plan to increase capacity with a second shift during the second quarter. Three coating machines were completed and shipped from Linköping during the quarter, of which one has been delivered and installed at the customer; a second will be delivered and installed at the customer during the second quarter; and the third will be deployed at our own Coating Service Center in Shanghai. Development activities have also been running at a higher level during the past several quarters than previously, facilitated by, among other dynamics, the dedicated R&D machine that was deployed during 2022. Our development work is both customer-specific and focused on our long-term coatings roadmap that supports our strategic business areas.

### **Rights issue accelerates hydrogen initiatives**

We are pleased with the completion of the rights issue during the quarter. Accendo Capital – our largest shareholder since 2017 – increased its ownership stake through the transaction, which contributes to stability and continuity in the company, benefiting all stakeholders.

With financing secured and an active start to the year, we have created a solid platform for a strong 2023 and beyond. The completed rights issue will accelerate investments in the rapidly growing market for green hydrogen as well as expansion in North America – a strategic region that will play a key role in the future, both for Impact Coatings as a company and for our industry as a whole.

We have achieved a strong competitive position and are capturing the compelling business opportunities that hydrogen presents. Combined with our commercial activities in autonomous safety and other applications where our coating expertise delivers customer value, we have an exciting growth journey ahead.

*Torbjörn Sandberg, CEO*

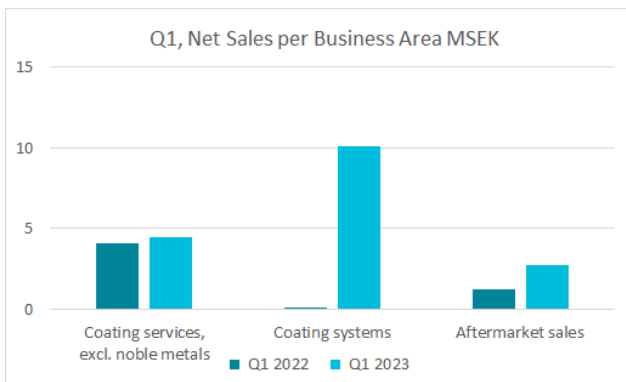
## Financial Result

### FIRST QUARTER 2023

Net sales for the first quarter 2023 amounted to SEK 20,017 thousand (5,360). It includes Coating Services revenue of SEK 7,244 thousand (4,062), delivery of a coating system to a European customer and rental revenue from a coating system amounting to SEK 10,122 thousand (0), as well as aftermarket sales of SEK 2,651 thousand (1,298).

Revenue for Coating Services during the first quarter includes SEK 2,748 thousand (0) from noble metals for electrolysis coatings. These metals are invoiced in a cost-neutral manner for Impact Coatings in agreement with relevant customers and are reported as revenue and raw material cost and thus do not affect operating profit.

Of the aftermarket sales, SEK 1,513 thousand (0) is from the subsidiary in China.



Total revenue amounted to SEK 20,137 thousand (9,464). The difference between net sales and total revenue is mainly from capitalized work for own account in the amount of SEK 65 thousand (4,846) and the change of work in progress in the amount of SEK -280 thousand (-1,196).

Operating expenses amounted to SEK -29,114 thousand (-19,321), reflecting higher personnel costs and other external costs, in line with the growth strategy.

Currency translation losses amounted to SEK -128 thousand (141), the result of EUR currency fluctuations during the quarter. Financial items amounted to SEK 1 thousand (-1). Operating result after financial items amounted to SEK -9,130 thousand (-9,716).

### FINANCIAL POSITION AND LIQUIDITY

Cash and liquid assets at period end amounted to SEK 193,648 thousand (122,872). The liquidity ratio amounted to 303% (630%).

Cash flow from operations for the quarter amounted to SEK 3,537 thousand (-1,749).

Cash flow from investments amounted to SEK -1,161 thousand (-4,846), which mainly refers to investments to complete our new Coating Service Center in China.

Cash flow from financing activities amounted to SEK 129,814 thousand (0). Total cash flow for the period was SEK 132,191 thousand (-6,595).

The company estimates that it has the liquidity needed for at least the next 12 months.

### ORDER BACKLOG AND REVENUE

The value of the order backlog for coating systems was at the end of the period EUR 1,950 thousand (1,899), corresponding to SEK 21,988 (21,132) based on the period-end exchange rate. The order backlog for coating systems includes agreed rental income for coating systems.

The value of the order backlog for Coating Services, excluding noble metals for electrolysis, was at the end of the period SEK 7,364 thousand, based on the period-end exchange rate. Including noble metals, the order backlog for Coating Services was SEK 16,800 thousand. Future invoicing of noble metals may deviate from the order backlog due to fluctuations in exchange rate, metal value and actual consumption, but will be invoiced in a cost-neutral manner for Impact Coatings without affecting operating profit.

The order backlog for aftermarket services is not reported.

### THE PARENT COMPANY'S FINANCIAL DEVELOPMENT, POSITION AND LIQUIDITY

The parent company's financial result, position and liquidity are largely similar to those of the group. Added to the group's accounts are costs and cash flow in the newly formed subsidiary in China. During the quarter, a write-down of shares in the subsidiary was made corresponding to the running costs in China. The write-down is matched by contributions from the parent company to cover these costs.

## Events During the First Quarter

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On February 15, the company announced that it had signed an extension to its Joint Development Agreement (JDA) with Hyundai Motor Company (South Korea). The initial agreement was described in a press release on October 30, 2019. According to the JDA, the companies will "...jointly research and develop novel materials, processes and equipment for coatings for applying it into bipolar plates for a variety of applications including fuel cells and/or hydrogen production."

Plug Power and Impact Coatings on February 21 signed a Letter of Intent regarding a supply or framework agreement, where Impact Coatings may be awarded orders for coating services on metal plates for electrolysis, both so-called separator plates and porous transport layer plates, to a value of USD 2-3.5 million in 2023. The total value is conditional on Impact Coatings' fulfilling the customer's technical requirements, and that Impact Coatings demonstrates delivery capabilities for the number of plates corresponding to the stated value range.

During the first quarter, the rights issue that was first announced in a press release on December 22, 2022, was completed. Through the rights issue, the company received approximately SEK 130 million after transaction costs. For more information, see press releases regarding the rights issue on the company's website.

A system order was received from a European customer at the end of the quarter. The order is for a coating system for the application area radomes.

In February, Impact Coatings entered into an agreement with Wilzéns Fastighetsförvaltning AB for a new headquarters facility in Linköping. The premises are being built and optimized for Impact Coatings' operations and will be located in Kåparp, in close proximity to Mjärdevi Science Park and Linköping University. The agreement relates to the construction and management of new production and office premises on two floors, including a production facility with double the current area. The facility is expected to be ready for occupancy during the second half of 2024.

## Events After Period End

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Registration of the newly issued shares from the rights issue took place with Euroclear after the end of the period. On April 14, after the registration of newly subscribed shares, the largest owners were Accendo

Capital with 34.37 percent of the share capital and votes, followed by Avanza Pension with 6.67 percent and Hyundai Motor Company with 6.17 percent.



## Other Information

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### AUDIT AND ACCOUNTING POLICIES

The report has been prepared in accordance with the Annual Accounts Act and with the application of the Swedish Accounting Standards Board's general advice BFNAR 2012: 1 Annual Report and consolidated accounts (K3).

This interim report has not been subject to auditor review.

#### Principles for consolidated accounting

Due to the fact that a subsidiary was formed during the second quarter of 2022, consolidated accounts are now reported.

Companies where the company holds a majority of votes at the general meeting are consolidated in the consolidated accounts. The subsidiaries are included in the consolidated accounts from and including the day when the controlling influence is transferred to the group.

The group's financial statements are prepared according to the acquisition method. The time of acquisition is the time when the controlling influence is obtained. Identifiable assets and liabilities are initially valued at fair value at the time of acquisition.

Intermediate operations between group companies are eliminated in their entirety.

Subsidiaries in other countries prepare their accounts in foreign currency. During the consolidation, the items in these companies' balance sheets and profit and loss statements are recalculated to the balance sheet rate and the spot rate for the day and the business event took place, respectively. The exchange rate differences that arise are reported in accumulated exchange rate differences in the group's equity.

In addition to the above, the accounting principles are unchanged from previous periods.

### UPCOMING FINANCIAL EVENTS

Release of Annual Report 2022	April 28, 2023
Interim report for the second quarter 2023	August 25, 2023
Interim report for the third quarter 2023	October 20, 2023
Year-end report for 2023	February 16, 2024

### ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting will be held in Linköping on Wednesday, May 24, 2023.

### FOR MORE INFORMATION CONTACT:

Torbjörn Sandberg, CEO  
Tel: +46 76 843 43 76

Bengt Vernerson, Interim CFO  
Tel: +46 70 365 00 45

E-mail: [investors@impactcoatings.com](mailto:investors@impactcoatings.com)

This and other Interim reports and Annual reports are available on the company's website at [www.impactcoatings.com/finansiella-rapporter-arkiv/](http://www.impactcoatings.com/finansiella-rapporter-arkiv/).

## Consolidated Income Statement - Impact Coatings Group

<i>(All amounts in SEK 000)</i>	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Net sales	20 017	5 360	32 022
Capitalized work for own account	65	4 846	20 635
Change of work in progress	-280	-1 196	3 751
Other operating income	336	454	639
<b>Total revenue</b>	<b>20 137</b>	<b>9 464</b>	<b>57 047</b>
Raw materials	-10 569	-4 254	-37 075
Gross margin %	0,48	0,55	0,35
Other external costs	-7 961	-4 569	-25 055
Personnel costs	-9 623	-9 783	-42 333
Write off and depreciation of tangible and intangible assets	-961	-714	-2 849
Profit / Loss on Exchange rate	-128	141	3 263
Other operating expenses	-25	0	0
<b>Operating profit</b>	<b>-9 131</b>	<b>-9 715</b>	<b>-47 003</b>
Interest income and similar items	0	0	0
Interest expenses and similar items	1	-1	1
Operating profit after financial items	-9 130	-9 716	-47 002
Tax expenses on profit in the period	0	0	0
<b>Net income for the period</b>	<b>-9 130</b>	<b>-9 716</b>	<b>-47 002</b>
Earnings per share (kr)	-0,16	-0,17	-0,83
Average shares outstanding during the period	56 609 051	56 609 051	56 609 051
Shares outstanding at period end	56 609 051 <sup>1)</sup>	56 609 051	56 609 051

<sup>1)</sup> 30 877 662 new shares from the share issue in March 2023 not yet registered by Euroclear at the end of the period.

## Consolidated Balance Sheet - Impact Coatings Group

<i>(All amounts in SEK 000)</i>	2023-03-31	2022-03-31	2022-12-31
<b>Assets</b>			
<b>Long term assets</b>			
Capitalized development expenditures	396	1 062	417
Machines and technical equipment	25 699	7 510	27 064
Assets under construction	8 024	6 450	6 440
<b>Financial assets</b>			
Shares in subsidiary	0	0	0
<b>Total long term assets</b>	<b>34 119</b>	<b>15 021</b>	<b>33 921</b>
<b>Short term assets</b>			
Raw materials	31 414	14 518	28 285
Work in progress	12 448	7 782	12 728
Finished goods	0	0	0
Other short term receivables	40 114	12 152	16 025
Cash and liquid assets			
Unrestricted cash	193 648	122 872	58 689
Restricted cash	0	0	2 748
<b>Total short term assets</b>	<b>277 624</b>	<b>157 324</b>	<b>118 476</b>
<b>Total assets</b>	<b>311 743</b>	<b>172 345</b>	<b>152 397</b>
<b>Shareholder equity and liabilities</b>			
Shareholder equity	234 571	150 922	113 867
Pre-payment from customers			
Paid	29 483	6 316	20 068
Short term liabilities	47 689	15 107	18 463
<b>Total shareholder equity and liabilities</b>	<b>311 743</b>	<b>172 345</b>	<b>152 397</b>

## Consolidated Changes in Shareholder Equity - Impact Coatings Group

<i>(All amounts in SEK 000)</i>	2023-03-31	2022-03-31	2022-12-31
Opening balance	113 867	160 639	160 639
Share issuance / warrants (after emission costs)	129 814	0	0
Period result	-9 130	-9 716	-47 002
Translation Difference	20	0	230
<b>Closing Balance</b>	<b>234 571</b>	<b>150 923</b>	<b>113 867</b>
Average shares outstanding during the period	56 609 051	56 609 051	56 609 051
Shares outstanding at period end	56 609 051 <sup>1)</sup>	56 609 051	56 609 051

<sup>1)</sup> 30 877 662 new shares from the share issue in March 2023 not yet registered by Euroclear at the end of the period.



## Consolidated Statement of Cash Flows - Impact Coatings Group

<i>(All amounts in SEK 000)</i>	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Operating profit after depreciation	-9 131	-9 715	-47 003
Financial items (net)	1	-1	1
Adjustments for non cash items	962	714	2 882
<b>Cash flow from operations before change in working capital</b>	<b>-8 167</b>	<b>-9 002</b>	<b>-44 119</b>
Change in working capital	11 704	7 253	1 741
<b>Cash flow from operations</b>	<b>3 537</b>	<b>-1 749</b>	<b>-42 378</b>
Cash flow from investments	-1 161	-4 846	-25 881
Cash flow from financing activities	129 814	0	0
<b>Cash flow for the period</b>	<b>132 191</b>	<b>-6 595</b>	<b>-68 259</b>
Liquid assets, opening balance	61 437	129 467	129 467
Exchange Rate Difference in Liquid Assets	20	0	230
<b>Liquid assets ending balance</b>	<b>193 648</b>	<b>122 872</b>	<b>61 438</b>
<b>Liquidity ratio, %</b>	<b>303</b>	<b>630</b>	<b>205</b>

## Consolidated Income Statement - Parent Company

<i>(All amounts in SEK 000)</i>	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Net sales	18 504	5 360	31 867
Capitalized work for own account	65	4 846	20 635
Change of work in progress	-280	-1 196	3 751
Other operating income	332	454	639
<b>Total revenue</b>	<b>18 621</b>	<b>9 464</b>	<b>56 892</b>
Raw materials	-10 344	-4 254	-37 075
Gross margin %	0,44	0,55	0,35
Other external costs	-7 030	-4 569	-23 508
Personnel costs	-8 046	-9 783	-39 275
Write off and depreciation of tangible and intangible assets	-949	-714	-2 828
Profit / Loss on Exchange rate	-105	141	3 130
Other operating expenses	-25	0	0
<b>Operating profit</b>	<b>-7 879</b>	<b>-9 715</b>	<b>-42 664</b>
Impairment of shares in group companies	<b>-1 250</b>	<b>0</b>	<b>-4 345</b>
Interest income and similar items	0	0	0
Interest expenses and similar items	0	-1	-2
Operating profit after financial items	-9 129	-9 716	-47 011
Tax expenses on profit in the period	0	0	0
<b>Net income for the period</b>	<b>-9 129</b>	<b>-9 716</b>	<b>-47 011</b>
Earnings per share (kr)	-0,16	-0,17	-0,83
Average shares outstanding during the period	56 609 051	56 609 051	56 609 051
Shares outstanding at period end	56 609 051	56 609 051	56 609 051

## Consolidated Balance Sheet - Parent Company

<i>(All amounts in SEK 000)</i>	2023-03-31	2022-03-31	2022-12-31
<b>Assets</b>			
<b>Long term assets</b>			
Capitalized development expenditures	396	1 062	417
Machines and technical equipment	25 585	7 510	26 938
Assets under construction	1 781	6 450	1 729
<b>Financial assets</b>			
Shares in subsidiary	25 368	0	12 586
<b>Total long term assets</b>	<b>53 130</b>	<b>15 021</b>	<b>41 670</b>
<b>Short term assets</b>			
Raw materials	31 270	14 518	28 175
Work in progress	12 448	7 782	12 728
Finished goods	0	0	0
Other short term receivables	33 337	12 152	10 758
Cash and liquid assets			
Unrestricted cash	180 888	122 872	55 250
Restricted cash	0	0	2 748
<b>Total short term assets</b>	<b>257 943</b>	<b>157 324</b>	<b>109 659</b>
<b>Total assets</b>	<b>311 073</b>	<b>172 345</b>	<b>151 329</b>
<b>Shareholder equity and liabilities</b>			
Shareholder equity	234 313	150 922	113 627
Pre-payment from customers			
Paid	29 483	6 316	20 072
Short term liabilities	47 277	15 107	17 630
<b>Total shareholder equity and liabilities</b>	<b>311 073</b>	<b>172 345</b>	<b>151 329</b>

## Summary of Financial Development

The financial development of Impact Coatings AB (publ) for the full years 2019-2022 and the group's consolidated financial development for the period January-March 2023 are summarized below.

All figures related to the operating years 2019-2022 are based on material from previously published annual reports.

<i>(All amounts in SEK 000)</i>		2023 Jan-Mar	2022 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec	2019 Jan-Dec
Net sales		20 017	32 022	57 198	39 515	49 084
Revenue		20 137	57 047	54 549	54 355	39 366
Operating profit		-9 129	-47 003	-32 083	-22 970	-26 368
Result after financial items (net)		-9 130	-47 002	-32 092	-22 975	-26 387
Operating margin	%	Neg	Neg	Neg	Neg	Neg
Intangible assets		396	417	1 373	2 195	3 440
Tangible assets		33 723	33 504	9 516	8 779	17 034
Financial assets		0	0	0	0	100
Inventory		43 862	41 014	18 512	27 363	12 372
Pre payment from customers		29 483	20 068	0	5 621	2 350
Short term assets		40 114	15 753	14 580	7 785	2 483
Cash and liquid assets		193 648	61 437	129 467	49 632	78 785
Shareholder equity		234 571	113 867	160 638	79 030	102 006
Long term liabilities		0	0	0	0	0
Short term liabilities		47 689	18 191	12 810	11 102	9 858
Total assets		311 743	152 125	173 449	95 754	114 213
Return on assets	%	Neg	Neg	Neg	Neg	Neg
Return on equity		Neg	Neg	Neg	Neg	Neg
Equity/asset ratio		75,2%	74,9%	1	82,5%	89,3%
Debt ratio	times	0	0	0	0	0
Interest coverage ratio		Neg	Neg	Neg	Neg	Neg
Liquidity ratio	%	303	202	1 124	343	666
Employees		48	45	37	30	32
Investments						
Intangible assets		0	0	424 <sup>2</sup>	0	0
Tangible assets		1 161	25 881	1 676	-101	172
Financial assets		0	0	0	0	0
Earnings per share	SEK	-0,16	-0,83	-1	-0,44	-0,61
Average shares outstanding during the period		56 609 051	56 609 051	55 809 051 <sup>3</sup>	51 809 051	43 008 425 <sup>1</sup>
Shares outstanding at period end		56 609 051 <sup>4</sup>	56 609 051	56 609 051	51 809 051	51 809 051

<sup>1</sup> Share issuance of 9,257,143 shares, subscribed October 29, 2019, and registered December 13, 2019.

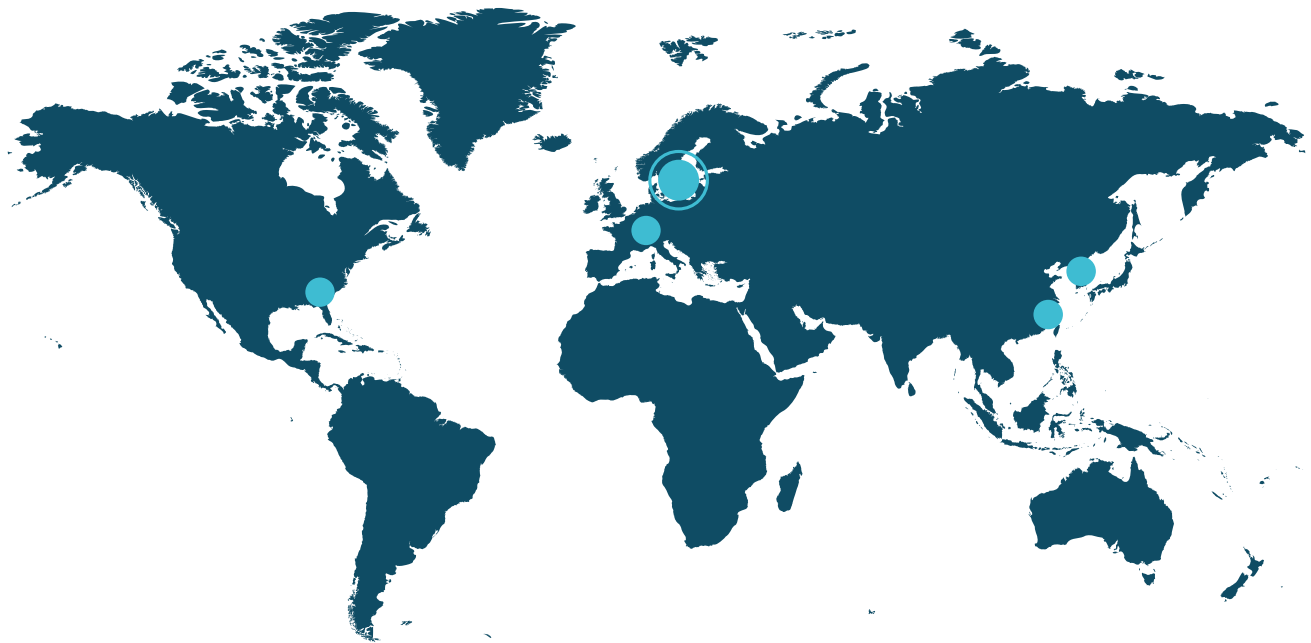
<sup>2</sup> Investment of SEK 424 thousand represents a re-classification from development expenses to intangible assets.

<sup>3</sup> Share issuance of 4,800,000 shares, subscribed February 24, 2021, and registered February 26, 2021.

<sup>4</sup> 30 877 662 new shares from the share issue in March 2023 not yet registered by Euroclear at the end of the period.

## Definition of terms:

Operating margin	Operating profit after financial items divided by revenue
Shareholder equity	Sum total of shareholder equity, restricted reserves and non-restricted equity
Return on assets	Operating profit before interest divided by average capital employed
Return on equity	Net income after tax divided by average shareholder equity
Equity / assets ratio	Shareholder equity divided by balance sheet total
Debt ratio	Interest bearing debts divided by shareholder equity
Interest coverage ratio	Operating profit before interest expenses divided by interest expenses
Earnings per share	Net income after tax divided by average number of shares
Liquidity ratio	Cash and short-term assets excl. inventory divided by short term liabilities



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.

**IMPACT COATINGS AB**  
Westmansgatan 29G  
SE-582 16 Linköping, Sweden  
E-mail: [info@impactcoatings.com](mailto:info@impactcoatings.com)  
[www.impactcoatings.com](http://www.impactcoatings.com)  
[www.linkedin.com/company/impact-coatings](http://www.linkedin.com/company/impact-coatings)

