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Press release, 28 February 2023

Impact Coatings resolves on a rights issue of approximately SEK 148.2 million

The Board of Directors in Impact Coatings AB (publ) ("Impact Coatings" or the "Company") has today, making use of the authorisation by the Extraordinary General Meeting on 16 February 2023, resolved on a right issue of up to 30,877,662 shares (the "Right Issue") with a subscription price of SEK 4.80 per share. The Company's largest shareholder, Accendo Capital SICAV RAIF ("Accendo Capital"), has provided a guarantee commitment on customary terms that amounts to approximately SEK 128.7 million, corresponding to approximately 86.8 percent of the Rights Issue. In addition, Accendo Capital as well as shareholding members of the Board of Directors and senior management have entered into subscription commitments, which in aggregate amount to approximately SEK 19.5 million, corresponding to approximately 13.2 percent of the Rights Issue. The Rights Issue is therefore covered to a total of 100 percent by both subscription- and guarantee commitments. Assuming full subscription in the Rights Issue, the Company's proceeds will amount to approximately SEK 148.2 million before transaction costs of approximately SEK 17.5 million. It is the Board of Directors' assessment that the Company's existing working capital is not sufficient to cover the capital requirements for the upcoming twelve (12) months, why the Company carries out the Rights Issue. The Rights Issue will secure continued investments in the industrialization and internationalization of Impact Coatings as well as enable an emerging opportunity within the US green hydrogen market.

Summary of the Rights Issue:

- Subscription period from 9 March 2023, up to and including 23 March 2023.
- Subscription price SEK 4.80 per share. No commission will be charged.
- Record date is 7 March 2023. Last day of trading in Impact Coatings' share including the right to receive subscription rights is 3 March 2023. The first day of trading excluding the right to receive subscription rights is 6 March 2023. Trading in subscription rights and BTAs (paid subscription shares) will take place on Nasdaq First North Growth Market.
- Those who are registered as shareholders in the share register in Impact Coatings on the record day will receive 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, whereby eleven (11) subscription rights entitle the holder to subscribe for six (6) new shares.
- The Rights Issue comprises up to 30,877,662 shares and the proceeds will be approximately SEK 148.2 million, before transaction costs of approximately SEK 17.5 million, provided that the Rights Issue is fully subscribed.
- Investors have the possibility to subscribe for shares without the support from subscription rights.

Background and motive

The purpose of the Rights Issue is twofold. First, it secures 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 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 within electrolysis, following the received pilot order on 12 November 2022 and following the signed letter of intent on 21 February 2023 regarding a supply or frame agreement, 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.

It is the Board of Directors' assessment that the Company with its current cash possesses sufficient liquid funds until September 2023, why the Company's existing working capital is not sufficient to cover the capital requirements for the next twelve (12) months and the Rights Issue is being carried out.

Use of proceeds

If the Rights Issue is fully subscribed, the Company will receive a maximum of approximately SEK 148.2 million before deductions for transaction costs of approximately SEK 17.5 million. Impact Coatings intends to use the net proceeds of approximately SEK 130.7 million for the following purposes stated in order of priority:

- Significant investments in electrolysis and the fast-growing green hydrogen market, approximately 30 percent;
- Expansion in North America focusing on establishing a new Coating Services Center, approximately 30 percent;
- Development of existing Coating Services Centers in other regions, approximately 25 percent; and
- Industrialization through automation, system solutions, secured components, and new facilities, approximately 15 percent.

It is the Board of Directors' assessment that the SEK 148.2 million of the Rights Issue covered by subscription and guarantee commitments is sufficient to, according to the current business plan, finance the Company during the next twelve-month period.

Terms for the Rights Issue

Shareholders who are registered in the share register in Impact Coatings on the record date 7 March 2023 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 and Impact Coatings will receive gross proceeds of approximately SEK 148.2 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 30,877,662, from 56,609,051, to 87,486,713, and the share capital will increase by a maximum of SEK 3,859,707.750, from SEK 7,076,131.375 to SEK 10,935,839.125. Shareholders who choose not to participate in

the Rights Issue will have their ownership diluted by up to approximately 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' 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 up to and including 20 March 2023 and trading in BTAs (paid subscribed shares) will take place on Nasdaq First North Growth Market during the period from 9 March 2023 up to and including 4 April 2023.

The full terms and conditions and information about Impact Coatings will be presented in the prospectus that the Company plans to publish in relation to the Rights Issue on, or about, 3 March 2023. The prospectus will be available on Impact Coatings' website (<https://impact-offer.com/>), Finansinspektionen's website (<https://www.fi.se/>) and Pareto Securities AB's website (<https://www.paretosec.com>).

Subscription and guarantee commitments

In total, subscription commitments amount to approximately SEK 19.5 million, corresponding to approximately 13.2 percent of the Rights Issue and has been entered into by Accendo Capital and shareholding members of the Board of Directors and senior management. Accendo Capital has also provided a guarantee commitment on customary terms that amounts to approximately SEK 128.7 million, corresponding to approximately 86.8 percent of the Rights Issue. The Rights Issue is therefore covered to a total of 100 percent by both subscription and guarantee commitments. A guarantee fee of eight (8) percent of the guaranteed amount will be paid in cash under the guarantee commitment. No fee is to be paid for the subscription commitments that have been entered into. Submitted subscription and guarantee commitments can be fulfilled by subscription and payment of shares in the Rights Issue, or by the shareholder providing to the company an unconditional shareholder contribution corresponding to the commitment. Neither the subscription commitments nor the guarantee commitments are secured.

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. The Swedish Securities Council's decision (AMN 2022:57) is available on the Swedish Securities Council's website. The percentage of shares and votes held by Accendo Capital, at fully utilization of the guarantee commitment, will not exceed 43.6 percent of the total number of shares and votes in the Company.

Lock-up undertakings

Prior to the Rights Issue being carried out, Accendo Capital and the Board of Directors and senior management of the Company have entered into lock-up undertakings, which, inter alia and subject to customary exceptions regarding, among other things, intra-group transfers, sales in connection with public takeover offers or sales of allocated subscription rights, mean that they will undertake not to sell shares in the Company without consent from Pareto Securities AB. The lock-up undertakings expire on the day that falls six (6) months after the end of the subscription period in the Rights Issue.

The Company has undertaken towards Pareto Securities AB, subject to customary exceptions, not to issue additional shares or other share-related instruments without consent from Pareto Securities AB, for a period of twelve (12) months after the end of the subscription period in the Rights Issue.

Indicative timeplan for the Rights Issue

Publication of the prospectus	3 March 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
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 preliminary outcome in the Rights Issue	23 March 2023
Expected announcement of the final outcome in the Rights Issue	24 March 2023

Advisers

Pareto Securities AB acts as Sole Manager and Bookrunner, 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.

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The information was submitted for publication on 28 February 2023, at 3:00 p.m. 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 Securities AB have authorised, nor do they authorise, the making of any offer of the Securities through any financial intermediary, other than that Pareto Securities AB 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 Securities AB 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.