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Impact Coatings completes a directed new share issue of approximately SEK 120 million

Impact Coatings AB (publ) ("Impact Coatings" or the "Company") has, as communicated in the Company's press release earlier today, carried out a directed new share issue of 4,800,000 shares, corresponding to approximately SEK 120 million (the "Directed New Share Issue"). The subscription price of the shares in the Directed New Share Issue amounts to SEK 25.00 per share. A large number of Swedish and international institutional investors, including Länsförsäkringar Fonder and existing shareholder Accendo Capital, participated in the Directed New Share Issue.

The board of directors of the Company has, as announced in the Company's press release earlier today, resolved on a directed share issue of 4,800,000 new shares. The subscription price in the Directed New Share Issue was SEK 25.00 and has been determined through an accelerated bookbuilding procedure carried out by the Company's financial advisor Pareto Securities AB ("**Pareto Securities**"). It is therefore the board of directors' assessment that the terms for the Directed New Share Issue and the subscription price were set in accordance with current market conditions. The subscription price in the Directed New Share Issue constitutes a discount of approximately 7.7 percent compared to closing price on Nasdaq First North Growth Market on 24 February 2021. Through the Directed New Share Issue Impact Coatings will receive approximately SEK 120 million before deduction of transaction costs.

A large number of Swedish and international institutional investors, including Länsförsäkringar Fonder and existing shareholder Accendo Capital, participated in the Directed New Share Issue.

The reasons for the deviation from the shareholders' preferential rights are to diversify the shareholder base among reputable Swedish and international institutional investors and at the same time raise capital in a time and cost efficient manner. The net proceeds from the Private Placement are intended to enable increased investments in the Company's internationalization as well as in its commercial, technical, and production capabilities, in order to capitalize on significant growth opportunities presented by the migration from fossil-fuel to hydrogen-based energy systems and the advancement of automotive safety and related applications.

Through the Directed New Share Issue, the number of outstanding shares and votes will increase by 4,800,000 from 51,809,051 to 56,609,051. The share capital will increase by SEK 600,000, from SEK

6,476,131.375 to SEK 7,076,131.375. The Directed New Share Issue entails a dilution of approximately 8.5 percent of the number of shares and votes in the Company based on the number of shares and votes following the Directed New Share Issue.

In connection with the Directed New Share Issue, the Company has undertaken, with customary exceptions, not to issue additional shares for a period of 12 months after the announcement of the outcome of the Directed New Share Issue. Board members, shareholding senior executives and certain larger existing shareholders, namely Accendo Capital and Hyundai Motor Company, have undertaken not to sell any shares in Impact Coatings for a period of 90 calendar days after the announcement of the outcome of the Directed New Share Issue, with customary exceptions.

Advisers

Pareto Securities AB acts as Sole Manager and Bookrunner and Kanter Advokatbyrå KB acts as legal counsel to the Company and Baker McKenzie Advokatbyrå KB acts as legal counsel to Pareto Securities in connection with the Directed New Share Issue.

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About Impact Coatings AB

Impact Coatings develops and delivers world-leading technology for industrial PVD-coatings with a focus on fuel cell, decorative, metallization, and reflector applications. PVD is a method of, under vacuum, producing thin layers of metals and ceramics – surface coatings that maximize performance and durability. Impact Coatings markets coating equipment under the trade name INLINECOATER™ and coatings under MAXPHASE™.

The company's shares trade on Nasdaq First North Growth Market. The company's Certified Adviser is Redeye AB, reachable via Certifiedadviser@redeye.se or +46 8 121 576 90.

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 2021-02-24 22:00 CET.

Important information

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This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Directed New Share Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by Pareto Securities (the "Manager"). The Manager is acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Directed New Share Issue or any other matter referred to herein.

This press release does not constitute an invitation to warrant, subscribe, or otherwise acquire or transfer any securities in any jurisdiction. This press release does not constitute a recommendation for any investors' decisions regarding the Directed New Share Issue. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

Forward-looking statements

This press release contains 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.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Impact Coatings have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “EU Target Market Assessment”). Solely for the purposes of each manufacturer’s product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“UK MiFIR”); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the “UK Target Market Assessment” and, together with the EU Target Market Assessment, the “Target Market Assessment”) Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in Impact Coatings may decline and investors could lose all or part of their investment; the shares in Impact Coatings offer no guaranteed income and no capital protection; and an investment in the shares in Impact Coatings is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed New Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Manager will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Impact Coatings.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Impact Coatings and determining appropriate distribution channels.

Attachments

[Impact Coatings completes a directed new share issue of approximately SEK 120 million](#)