

# IMPACT COATINGS AB (PUBL), INTERIM REPORT JULY-SEPTEMBER 2020

## FINANCIAL RESULTS THIRD QUARTER 2020

- Net revenue amounted to SEK 9,432 thousand (3,003)
- Total income amounted to SEK 8,976 thousand (7,394)
- Operating profit amounted to SEK -5,539 thousand (-7,878)
- Operating profit after financial items amounted to SEK -5,539 thousand (-7,883)
- Cash flow amounted to SEK -15,450 thousand (-6,479)
- Liquidity ratio amounted to 301% (86)
- Coating system order backlog at period end amounted to EUR 3,025 thousand (2,144)

## FINANCIAL RESULTS JANUARY-SEPTEMBER 2020

- Net revenue amounted to SEK 19,471 thousand (28,509)
- Total income amounted to SEK 25,277 thousand (31,297)
- Operating profit amounted to SEK -17,727 thousand (-22,383)
- Operating profit after financial items amounted to SEK -17,730 thousand (-22,397)
- Cash flow amounted to SEK -22,600 thousand (-27,577)
- Liquidity ratio amounted to 301% (86)

## SIGNIFICANT EVENTS THIRD QUARTER 2020

- Per Wassén nominated to the Board of Directors by main shareholders Accendo Capital and Hyundai Motor Company, to be elected at Extraordinary General Meeting of shareholders (EGM)

## SIGNIFICANT EVENTS AFTER THE PERIOD

- EGM held on October 7, Per Wassén elected to the Board of Directors

## CEO'S COMMENTARY

The period was characterized by intense work to manufacture and deliver coating systems – the result of the strong order inflow during the first half of the year. As we have communicated previously, order flow and sales continue to vary from quarter to quarter. We are working toward a business model and customer base that yield more stability over time. At the close of the third quarter, the order backlog for coating systems was EUR 3,025 thousand.

We have over a long period of time noted a significant potential for applications in the DMR segment (Decorative, Metallization & Reflector coatings) in Spain, Italy and France. To address the demand we see in the region, we have recruited Andrea Grilli to Impact Coatings. Andrea is from October 1 Sales Director - Southern Europe, based in Italy. Andrea has an extensive and relevant industrial background from companies including Hennecke, General Electric, and Applied Materials.

COVID-19 continues to affect our ability to travel. Apart from the effect on our sales pipeline, we see that quarantine rules and other restrictions can affect and potentially delay deliveries of coating systems on order. We are working actively on solutions, including more video conferences, considering using local representatives in certain markets, and incorporating into our planning quarantine time for work internationally.

Impact Coatings' office in South Korea, part of the joint development agreement with Hyundai, is now planned to open during the fourth quarter. With our personnel on location, the efficiency in our cooperation with Hyundai will increase. The joint development work has earlier during the year been conducted remotely due to COVID-19. Our presence in the region will also generate increased activity with our potential customers in Korea, as well as in China and Japan.

Per Wassén was elected after the period end to the Impact Coatings Board of Directors. Per, who has been both CEO and Chairman of PowerCell Sweden AB, will contribute through his valuable knowledge and contacts in the Fuel Cells business segment, as well as through his extensive experience in developing innovative companies with growth potential.

In connection with the f-cell conference in Stuttgart during September, Impact Coatings participated with our Hyundai NEXO fuel cell vehicle in a 24-hour hydrogen rally – an event that generated positive PR and media attention for Impact Coatings' fuel cell coating solutions. A bonus was that we together with the team's sponsors donated EUR 6,000 to World Childhood Foundation. The rally proved that the hydrogen fueling infrastructure has already advanced considerably in several countries on the European continent, and that hydrogen mobility is a reality.

Now in the fourth quarter we are fully focused on completing and delivering coating systems. As we look ahead to the start of 2021, our highest priority is the timely completion and launch of Hyundai's new fuel cell coating machine and that our staff on location in Korea can accelerate the joint development work in fuel cell coatings. Beyond that, the entire organization will be driving toward increased sales and growth.

Torbjörn Sandberg

The full report is attached, and can be retrieved on the company's website at [www.impactcoatings.com/finansiella-rapporter-arkiv/](http://www.impactcoatings.com/finansiella-rapporter-arkiv/).

For more information contact:

Torbjörn Sandberg, CEO

Tel: +46 (0)768-43 43 76

Marie Dhayer Teikmans, CFO

Tel: +46 (0)70-812 71 96

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

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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](mailto:Certifiedadviser@redeye.se) or +46 8 121 576 90.