



# ARCTIC BLUE BEVERAGES

PRESS RELEASE

11 November 2022 09:54:00 EET

## THE BOARD OF DIRECTORS OF ARCTIC BLUE BEVERAGES RESOLVES ON A FULLY SECURED RIGHTS ISSUE OF APPROXIMATELY SEK 5.2 MILLION

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The Board of Directors of Arctic Blue Beverages AB ("Arctic Blue Beverages" or the "Company") has today on November 11, 2022, with the authorization from the Annual General Meeting on April 8, 2022, decided to carry out a new share issue of a maximum of 5 628 514 shares with preferential rights for existing shareholders at a subscription price of SEK 0.92 (the "Rights Issue"). The Rights Issue is 100 percent covered by subscription and guarantee commitments from a consortium consisting of current shareholders, management, and Board members. The proceeds from the Rights Issue, approximately SEK 5.2 million before issue related costs, intends to accelerate sales, strengthen commercialization of the Company's main products on the existing and new markets, further development and launches of the new products. In conjunction with the Rights Issue, all participants of the subscription and guarantee commitments have agreed to enter into lock-up agreements for 100 percent of their shares subscribed for in the Rights Issue for a period of 9 months. In addition, the Board of Directors of the Company may carry out an over-allotment issue of approximately SEK 0.78 million corresponding to 15 percent of the Rights Issue (the "Over-allotment Issue") if the Rights Issue is oversubscribed. To secure the Company's working capital until the conclusion of the Rights Issue the Company has entered into loan agreements with shareholders amounting to approximately SEK 2.2 million that will be set off against shares in the Rights Issue.

### The Rights Issue in brief

- The Rights Issue comprises of a maximum of 5 628 514 shares, corresponding to an increase in the share capital of a maximum of SEK 270,168.672 and a dilution of approximately 23.1 percent of the total number of shares and votes in the Company.
- Shareholders who, on the record date for the Rights Issue on November 21, 2022, are entered in the share register, maintained by Euroclear Sweden AB has preferential rights to subscribe for new shares in the Rights Issue. One (1) existing share entitles to three (3) subscription rights. Ten (10) subscription rights give the right to subscribe for one (1) new share.
- The subscription price in the Rights Issue will be SEK 0.92 per share.

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- The subscription period for the Rights Issue runs from and including November 24, 2022, to and including December 8, 2022.
- Arctic Blue Beverages has received subscription commitments and guarantee commitments totaling approximately SEK 5.2 million, which corresponds to 100 percent of the initial issue volume, of which approximately SEK 2.2 million are subscription commitments and approximately SEK 3.0 million are guarantee commitments.
- In the event of full subscription in the Rights Issue, Arctic Blue Beverages will receive approximately SEK 5.2 million before costs for the Rights Issue.
- In the event of an oversubscription of the Rights Issue, the Board of Directors of Arctic Blue Beverages may carry out the Over-allotment Issue of approximately SEK 0.78 million corresponding to 15 percent of the Rights Issue.

### **CEO Valtteri Eroma, comments:**

We have continued our expansion into new markets despite of continuing challenging world- and economics situation. Our product development projects, and new product launches are progressing, however the current situation has led to some re-scheduling. Nevertheless, we have been progressing in accordance with our strategy although not in fully desired extent. We have won prizes with our products in major international competitions, which help Company's products' visibility, increase awareness and sales globally. Commercial launch of Arctic Blue Legacy Gin was a major milestone for the Company and the pre-sales campaign utilizing NFT technology has a great potential.

We want to thank all our current investors who have supported us so far and welcome new investors to join us on our expansion journey.

### **Background and reasons**

Arctic Blue Beverages has during the last years developed and commercialized a diverse, internationally awarded product portfolio targeting different markets and market segments. By producing innovative craft beverages, the goal setting for Arctic Blue Beverages is to have their products available globally, both through e-commerce and distributors. During the last year, three new products to three different market segments have been developed and launched on the market. In accordance with the Company's latest product launch, the Company positioned itself as one of the first Nordic companies entering the NFT space. The ultra-premium, limited-edition Legacy's purchase rights are distributed as unique NFTs.

Since the Company was listed at Nasdaq First North Growth market in Stockholm in May 2022, the distributor network has grown to cover new countries such as Canada and Malaysia. On the existing market Australia, the Company has made great progress together with its distributor where the distribution footprint has grown to cover over 150 stores and several online stores. In Sweden the Company has started the collaboration with their distribution partner and during next year the Company intends to increase the



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sales on the HoReCa field (hotels, restaurant, and catering). In Norway the Company has enhanced the collaboration with its distributor partner and the focus in Norway as well will be on increasing sales on the HoReCa field. On the new entered market, Canada, the Company's products are already being listed in several retail stores.

Despite great success with expansion and product development the continuing challenging world- and economic situation has in some extent impacted on the Company's business by lengthening lead-times of orders and some materials in combination with effecting consumers buying behaviors. The rationale for the offering is to secure investments for the Company's continuing expansion plan and to secure strategy driven improvement actions. The proceeds from the issue are intended to be used, mainly to:

- Implement selected focus market activities to accelerate sales by reinforcing marketing activities in Nordic countries for existing products (approximately 20 percent of the proceeds)
- Strengthen commercialization of the Company's main products in the existing and new markets by deepening co-operation with both selected hotel, restaurants and cafes sectors and selected distributors and business partners (approximately 40 percent of the proceeds)
- Further development and product launches of the new products in RTD and liqueur categories (approximately 40 percent of the proceeds)

Potential proceeds from the Over-allotment Issue will be used for the same purpose as the proceeds from the Rights Issue. Percentage allocations might be a subject to change.

#### **Terms of the Rights Issue**

The Board of Directors of the Company has resolved on the Rights Issue, based on the authorization given by the shareholders on the Annual General Meeting on April 8, 2022, in accordance with the following principal terms:

- Rights issue of a maximum of 5 628 514 shares corresponding to, upon full subscription, total proceeds of approximately SEK 5.2 million before issue costs.
- For each existing share held on the record date, three (3) subscription rights are received in the Rights Issue. Holding of ten (10) subscription rights entitles to subscribe for one (1) new share
- The subscription price has been determined to SEK 0.92 per share.
- The record date for the Rights Issue is November 21, 2022, with the last day of trading including the right to receive subscription rights on November 16, 2022, and the first day of trading excluding the right to receive subscription rights on November 17, 2022.
- The subscription period for the Rights Issue runs from and including November 24, 2022, to and including December 8, 2022.
- Trading in subscription rights will take place on the Nasdaq First North Growth Market from and including November 24, 2022, to and including December 5, 2022.
- In the event that not all shares have been subscribed for with subscription rights, the Board of Directors shall, within the maximum amount of the Rights Issue, decide on the allocation of shares subscribed for without subscription rights in accordance with the following order of priority:



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1. Allotment shall be made in the first instance to those who have also subscribed for shares with subscription rights, irrespective of whether the subscriber was a shareholder on the record date or not, and in the event of oversubscription in proportion to the number of subscription rights exercised by each person for the subscription of shares and, to the extent that this cannot be done, by drawing lots.
2. In the second instance, allotment shall be made to other persons who have subscribed for shares without the benefit of subscription rights and, in the event that they are unable to obtain full allotment, in proportion to the number of shares which each person has notified for subscription and, to the extent that this cannot be done, by drawing lots.
3. Finally, allocation shall be made to those who have entered into guarantee commitments, in proportion to such guarantee commitment and, to the extent that this cannot be done, by drawing lots.

### **The Over-allotment Issue**

In the event of an oversubscription of the Rights Issue, the Board of Directors of Arctic Blue Beverages may carry out the Over-allotment Issue of approximately SEK 0.78 million corresponding to 15 percent of the Rights Issue. To the extent the Over-allotment Issue is directed to persons covered by Chapter 16 of the Swedish Companies Act, the Board of Directors will convene an Extraordinary General Meeting to approve the issue.

The Over-allotment Issue comprises of a maximum of 844 277 shares, corresponding to an additional increase in the share capital of a maximum of SEK 40,525.296 and an additional dilution of approximately 3.3 percent of the total number of shares and votes in the Company.

In the event of a full subscription in the Over-allotment Issue, Arctic Blue Beverages will receive additionally approximately SEK 0.78 million.

### **Subscription and guarantee commitments**

Certain existing shareholders such as the Company's CFO, Board members, among others Gustaf Björnberg via Grizzly Hill Capital Ab (board member), Petri Heino via Heino Group Oy (board member), Ilari Schouwvlieger (board member), Petri Hirvonen via Elk Invest Oy (CFO) and Peter Seligson via Baltiska Handels Sverige AB have undertaken to subscribe for shares in the Rights Issue. Additionally, the same group of existing shareholders have provided guarantee commitments, which in aggregate with the subscription commitments, amount to approximately SEK 5.2 million, corresponding to 100 percent of the Rights Issue. The commitments have not been secured by bank guarantee, blocked funds, pledges or similar arrangements. No compensation is paid for the subscription commitments or the guarantee commitments.



### Information memorandum

An information memorandum with full terms and conditions for the Rights Issue and the Over-allotment Issue including a subscription form will be made available on the Company's website [www.arcticbluebeverages.com](http://www.arcticbluebeverages.com) before the beginning of the subscription period. Preliminary date for the publication of the information memorandum is November 23, 2022.

### Shareholder loan

To secure the Company's working capital until the conclusion of the Rights Issue, the Company has received a shareholder loan of approximately SEK 2.2 million from Gustaf Björnberg via Grizzly Hill Capital Ab, Petri Heino via Heino Group Oy, Ilari Schouwvlieger, Petri Hirvonen via Elk Invest Oy and Peter Seligson via Baltiska Handels Sverige AB. The shareholder loan carries an annual interest rate of 10 percent. The shareholder loan is subject to market terms and will be set off against shares in the Rights Issue.

### Indicative timetable

- November 16, 2022: Last day of trading including the right to receive subscription right
- November 17, 2022: First day of trading excluding the right to receive subscription rights
- November 21, 2022: Record date for obtaining subscription rights
- November 24- December 8, 2022: Subscription period for the Rights Issue
- November 24, 2022: Trading in subscription rights and paid subscription shares starts
- December 5, 2022: Trading in subscription rights ends
- December 12, 2022: Press release on the outcome of the Rights Issue

### Advisers

In conjunction with the Rights Issue, the Company has engaged [Eminova Partners AB](#) as Financial Adviser and Eversheds Sutherland Advokatbyrå AB as legal adviser to the Company. Eminova Fondkommission AB acts as issuing agent.

### For more information, please contact

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# ARCTIC BLUE BEVERAGES

## About us

Arctic Blue Beverages AB is a Nordic beverage company whose best-known products are the multi-award winning Arctic Blue Gin, Arctic Blue Gin Navy Strength and the world's first dairy-free gin-based oat liqueur, Arctic Blue Oat. The company invests heavily into international export and its products are sold in Finland, Sweden, Japan, Australia and more than a dozen other countries. For more information, visit Arctic Blue Beverages webpage <https://arcticbluebeverages.com>

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### **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 THE COMPANY 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 “TARGET MARKET ASSESSMENT”). NOTWITHSTANDING THE TARGET MARKET ASSESSMENT, DISTRIBUTORS SHOULD



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NOTE THAT: THE PRICE OF THE SHARES IN THE COMPANY MAY DECLINE AND INVESTORS COULD LOSE ALL OR PART OF THEIR INVESTMENT; THE SHARES IN THE COMPANY OFFER NO GUARANTEED INCOME AND NO CAPITAL PROTECTION; AND AN INVESTMENT IN THE SHARES IN THE COMPANY 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 SHARE ISSUE. FURTHERMORE, IT IS NOTED THAT, NOTWITHSTANDING THE TARGET MARKET ASSESSMENT, THE JOINT BOOKRUNNERS 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 (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 THE COMPANY.

EACH DISTRIBUTOR IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE SHARES IN THE COMPANY AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

**For more information, please contact**

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## About Us

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Arctic Blue Beverages AB is a Nordic beverage company whose best-known products are the multi-award winning Arctic Blue Gin, Arctic Blue Gin Navy Strength and the world's first dairy-free gin-based oat liqueur, Arctic Blue Oat. The company invests heavily into international export and its products are sold in Finland, Sweden, Japan, Australia and more than a dozen other countries. For more information, visit *Arctic Blue Beverages* webpage <https://arcticbluebeverages.com>

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*This information is information that Arctic Blue Beverages 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 2022-11-11 09:54 EET.*

## Attachments

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The Board of Directors of Arctic Blue Beverages resolves on a fully secured rights issue of approximately SEK 5.2 million