

(unofficial translation from Swedish)

The Board of Directors and the CEO of

Arctic Blue Beverages AB

Org nr 559361-7078

Hereby establishes

Annual report and consolidated financial statements

for the financial year 1 January - 31 December 2024

<u>Content:</u>	<u>AIDS</u>
Board of Directors' Report	2
Income statement - Group	8
Balance sheet - Group	9
Report of Changes in Equity - Group	11
Cash Flow Statement - Group	12
Income Statement - parent company	13
Balance Sheet - parent company	14
Report of Changes in Equity - Parent Company	15
Cash Flow Statement - Parent Company	16
Accounting principles and Notes to the financial statements	17
Signatures	35

Arctic Blue Beverages AB

Org nr 559361-7078

Directors' Report**Information about the company**

The Company's company name and commercial designation is Arctic Blue Beverages AB (the "Company") and the Company's corporate identity number is 559361-7078. The company is a public limited liability company formed and registered under Swedish law with its registered office in Stockholm, Sweden. Arctic Blue Beverages AB has been listed on Nasdaq First Growth Market since May 2022.

Arctic Blue Beverages AB owns 100 percent of the shares in the operating subsidiary Arctic Blue Beverages Oy. Arctic Blue Beverages AB is dependent on Arctic Blue Beverages Oy as all production and sales are conducted through the subsidiary.

Arctic Blue Beverages Oy is a Nordic beverage company, known for its award-winning products Arctic Blue Gin, Arctic Blue Gin Navy Strength, Arctic Blue Gin Rose, Arctic Blue Laku and the world's first gin-based oat liqueur, Arctic Blue Gin Oat. The company was founded in 2017 and sells artisanal beverages such as gin, liqueurs and tonic, made from natural Finnish ingredients. The company's main product is gin, and from a global perspective, the gin market is considered to be one of the fastest growing segments in the global spirits market. The company focuses on international exports and its products are sold in Finland, Sweden, Continental Europe and Japan, among other countries. The products are mainly sold through distributors, both in traditional trade and via e-commerce.

Arctic Blue Beverages Oy is the parent company of two subsidiaries; Arctic Gateway Asia Pte. Ltd, which is 100 per cent owned, and Arctic Gateway India Private Limited (dormant), which is 70 per cent.

Development of the company's operations, results and position

<i>The Group (SEK thousand)</i>	2024	2023	2022	2021
Net sales	5130	6 415	9 441	8749
Operating margin %	-286	-269	-400	-176
Balance sheet total	14 766	12 861	24 639	20 777
Return on employed				
Capital %	-320	-156	-200	-95
Return on Equity %	-273	-156	-202	-95
Equity ratio %	-98	18	80	86

Definitions: see note 1

<i>Parent company (SEK thousand)</i>	2024	2023	2022
Net sales	0	0	0
Balance sheet total	63 640	49 437	46 100
Equity ratio %	60	85	97

Definitions: see note 1

Arctic Blue Beverages AB

Org nr 559361-7078

Significant events during the financial year**International Expansion - E-Commerce**

In October, the company launched a new Arctic Blue webshop, which allows customers across Europe to easily buy the brand's products directly. Arctic Blue's online store will initially serve consumers in Sweden, Denmark, Germany, France, the Netherlands, Austria and Switzerland. B2B ordering (bars, restaurants, etc.) is available in Sweden, Denmark, Germany, the Netherlands, Switzerland and Norway.

New Products

In April, the company launched two versions of the popular drink invented for the 1952 Helsinki Olympic Games, namely Arctic Blue Long Drink Grapefruit and Arctic Blue Longdrink Grapefruit Zero Sugar.

In April, the company launched Arctic Blue Gin Cask Vintage 2023, adding a new flavor to its award-winning portfolio. The product is an amber gin that has been aged for two years in American white oak barrels.

In December, the company launched Nightwish Gin, a super premium gin created in collaboration with the band Nightwish. Formed in Kitee, Finland, in 1996, the band has achieved international success by selling over 10 million records and earning more than 60 gold and platinum awards. With ten number one albums, thirteen number one singles and ten world tours that have captivated audiences all over the world, Nightwish is Finland's most internationally successful band. Nightwish Gin embodies the spirit of Nordic nature and Finnish heritage.

New distillery

In December, the company opened a brand new innovative distillery in collaboration with NoHo Partners, namely the Arctic Blue Showroom Distillery, in Helsinki at Kulttuurikasarmi. The distillery offers product tastings and cocktail workshops for groups and individuals interested in the distillation process or looking to dive into the art of cocktail making. A unique feature of the distillery is the ability for customers to create personalized gin products, which allows them to influence both the flavor profile and the design of the product. Arctic Blue's special editions will be available in the restaurants and at events organised at Kulttuurikasarmi.

Success in international competitions

In January, Arctic Blue Gin Northern Lights premium packages won the WorldStar 2024 award in the WorldStar competition organized by the World Packaging Organisation.

In February, Arctic Blue Beverages Navy Strength Gin was awarded a silver medal in the "Finnish Gins" category at UISGE 2024.

In April, the company's product portfolio was awarded several awards at the prestigious San Francisco World Spirits Competition 2024. Arctic Blue Gin Rose secured a double gold medal, while the company's flagship product, Arctic Blue Gin, was awarded gold. In addition, the Arctic Blue Laku liqueur, produced in collaboration with Kouvolaan Lakritsi, received a silver medal.

Arctic Blue Beverages AB

Org nr 559361-7078

In June, the company's product portfolio was awarded several awards at the International Wine & Spirit Competition (IWSC 2024) held in the UK. The company's newly launched Arctic Blue Gin Cask Vintage 2023 was rewarded with a prestigious gold medal. In addition, Arctic Blue Beverage's products Arctic Blue Gin and Arctic Blue Laku received silver medals in the competition.

In September, Arctic Blue Beverages was awarded the title of the best premium gin brand in Finland for the second year in a row by the Luxury Lifestyle Awards 2024. The Luxury Lifestyle Awards is a prestigious global program that recognizes the finest luxury goods and services worldwide.

For Arctic Blue Beverages, the international competitions are significant and awards from the competitions are seen as universally recognized indicators of exceptional quality and craftsmanship. In addition, wins in the contests are valuable marketing tools for the company.

Progress in the markets

Although total sales in 2024 decreased compared to the previous year, we believe that we started to see positive signals in the form of improved sales development towards the end of 2024. Thanks to our strong brand, we have been able to maintain our market position and achieve many new HoReCa listings in Finland, also for our new Arctic Blue Long Drink products.

Instead of trying to make quick profits, the company focuses on the company's long-term success by improving current partnerships and signing new ones.

Financial arrangements

On 31 January 2024, the Company entered into two loan agreements totalling EUR 200,000 with the shareholders Grizzly Hill Capital AB, controlled by board member Gustaf Björnberg, and Heino Group Oy, controlled by board member Petri Heino (the "Lenders") to strengthen the Company's working capital. Each loan agreement amounts to EUR 100,000 with an annual interest rate of 10% and runs until 31 January 2025. The lenders are entitled, in the event that the Company carries out a new share issue before 31 January 2025 and provided that all necessary resolutions have been made, to convert the borrowed amount into shares in the Company. In such a case, the subscription price for conversion into shares shall correspond to the applicable subscription price in such issue.

On 25 March 2024, the Company entered into two loan agreements totalling EUR 150,000 with the shareholders Grizzly Hill Capital AB, controlled by board member Gustaf Björnberg, and Heino Group Oy, controlled by board member Petri Heino (the "Lenders") to strengthen the Company's working capital. Each loan agreement amounts to EUR 75,000 with an annual interest rate of 10% and runs until 31 January 2025. The lenders are entitled, in the event that the Company carries out a new share issue before 31 January 2025 and provided that all necessary resolutions have been made, to convert the borrowed amount into shares in the Company. In such a case, the subscription price for conversion into shares shall correspond to the applicable subscription price in such issue.

Arctic Blue Beverages AB

Org nr 559361-7078

On April 19, 2024, the Company entered into two loan agreements totaling EUR 150,000 with the shareholders Grizzly Hill Capital AB, controlled by board member Gustaf Björnberg, and Heino Group Oy, controlled by board member Petri Heino (the "Lenders") to strengthen the Company's working capital. Each loan agreement amounts to EUR 75,000 with an annual interest rate of 10% and runs until 31 January 2025. The lenders are entitled, in the event that the Company carries out a new share issue before 31 January 2025 and provided that all necessary resolutions have been made, to convert the borrowed amount into shares in the Company. In such a case, the subscription price for conversion into shares shall correspond to the applicable subscription price in such issue.

On May 27, 2024, the Company entered into two loan agreements totaling EUR 150,000 with the shareholders Grizzly Hill Capital AB, controlled by board member Gustaf Björnberg, and Heino Group Oy, controlled by board member Petri Heino (the "Lenders") to strengthen the Company's working capital. Each loan agreement amounts to EUR 75,000 with an annual interest rate of 10% and runs until 31 January 2025. The lenders are entitled, in the event that the Company carries out a new share issue before 31 January 2025 and provided that all necessary resolutions have been made, to convert the borrowed amount into shares in the Company. In such a case, the subscription price for conversion into shares shall correspond to the applicable subscription price in such issue.

On 26 June 2024, the Company entered into a loan agreement for a total of EUR 150,000 with the shareholder Grizzly Hill Capital AB, controlled by board member Gustaf Björnberg, (the "Lender") in order to strengthen the Company's working capital. The loan agreement amounts to EUR 150,000 with an annual interest rate of 10 percent and runs until 31 January 2025. The lender has the right, in the event that the Company carries out a new share issue before 31 January 2025 and provided that all necessary resolutions have been made, convert the borrowed amount into shares in the Company. In such a case, the subscription price for conversion into shares shall correspond to the applicable subscription price in such issue.

On 2 August 2024, the Company entered into a loan agreement for a total of EUR 150,000 with the shareholder Heino Group Oy, controlled by board member Petri Heino (the "Lender") to strengthen the Company's working capital. Loan-
The agreement amounts to EUR 150,000 with an annual interest rate of 10 percent and runs until January 31, 2025. The Lender is entitled, in the event that the Company carries out a new share issue before 31 January 2025 and provided that all necessary resolutions have been made, to convert the borrowed amount into shares in the Company. In such a case, the subscription price for conversion into shares shall correspond to the applicable subscription price in such issue.

On August 28, 2024, the Company entered into two loan agreements totaling EUR 125,000 with the shareholders Grizzly Hill Capital AB, controlled by board member Gustaf Björnberg, and Heino Group Oy, controlled by board member Petri Heino (the "Lenders") to strengthen the Company's working capital. Each loan agreement amounts to EUR 62,500 with an annual interest rate of 10% and runs until 31 January 2025. The lenders are entitled, in the event that the Company carries out a new share issue before 31 January 2025 and provided that all necessary resolutions have been made, to convert the borrowed amount into shares in the Company. In such a case, the subscription price for conversion into shares shall correspond to the applicable subscription price in such issue.

Arctic Blue Beverages AB

Org nr 559361-7078

On 25 September 2024, the Company entered into two loan agreements totalling EUR 125,000 with the shareholders Grizzly Hill Capital AB, controlled by board member Gustaf Björnberg, and Heino Group Oy, controlled by board member Petri Heino (the "Lenders") to strengthen the Company's working capital. Each loan agreement amounts to EUR 62,500 with an annual interest rate of 10% and runs until 31 January 2025. The lenders are entitled, in the event that the Company carries out a new share issue before 31 January 2025 and provided that all necessary resolutions have been made, to convert the borrowed amount into shares in the Company. In such a case, the subscription price for conversion into shares shall correspond to the applicable subscription price in such issue.

On 6 November 2024, the Company entered into two loan agreements totalling EUR 100,000 with the shareholders Grizzly Hill Capital AB, controlled by board member Gustaf Björnberg, and Heino Group Oy, controlled by board member Petri Heino (the "Lenders") to strengthen the Company's working capital. Each loan agreement amounts to EUR 50,000 with an annual interest rate of 10% and runs until 31 January 2026 (maturity date extended on 27 January 2025). The lenders have the right, in the event that the Company carries out a new share issue before 31 January 2026 and provided that all necessary resolutions have been made, convert the borrowed amount into shares in the Company. In such a case, the subscription price for conversion into shares shall correspond to the applicable subscription price in such issue.

On 19 December 2024, the Company entered into two loan agreements totalling EUR 90,000 with the shareholders Grizzly Hill Capital AB, controlled by board member Gustaf Björnberg, and Heino Group Oy, controlled by board member Petri Heino (the "Lenders") to strengthen the Company's working capital. Each loan agreement amounts to EUR 45,000 with an annual interest rate of 10% and runs until 31 January 2026 (maturity date is extended on 27 January 2025). The lenders have the right, in the event that the Company carries out a new share issue before on 31 January 2026 and provided that all necessary resolutions have been made, convert the borrowed amount into shares in the Company. In such a case, the subscription price for conversion into shares shall correspond to the applicable subscription price in such issue.

Structural changes

No structural changes in 2024.

Expected future development

For 2025, the company will start building its offering through its new Arctic Blue Showroom Distillery in Helsinki together with NoHo Partners Plc. Developing e-commerce capabilities and increasing global reach will be a new kind of challenge, but a positive one. With such a strong portfolio of multi-award-winning Arctic Blue products, a new product like Nightwish Gin and RTDs like Arctic Blue Long Drinks, it will put the company in a very good position to gain market share and grow even in a declining market environment.

Arctic Blue Beverages AB

Org nr 559361-7078

The launch of new products and increased delivery volumes of the Company's products will increase revenues and improve profitability. Changes in the global economic situation, geopolitical risks and competition may have a weakening effect on demand and thus have a negative impact on the Company's earnings development.

Significant risks and uncertainties**The geopolitical situation**

A generally uncertain geopolitical situation can have a weakening impact on the global economic situation and demand for the company's products.

Future funding

The resources required to execute Arctic Blue Beverage's business plan, including product development, expansion into new markets, and other investments, depend on several factors. Product development or launch in new markets can be more expensive and take longer than expected. The company has generated a negative result and may need to raise additional capital in the future to finance its growth plans. The Company may have to seek alternative financing in the form of debt financing or additional capital raising.

Access to high-quality raw materials

The Company is dependent on the availability of quality raw materials, such as Finnish blueberries, and in cases where the availability of raw materials on which the Company depends for the production of its products decreases or deteriorates, it may cause difficulties in producing and delivering its products in accordance with its commitments to customers.

Dependence on key personnel

Arctic Blue Beverages is a relatively small organization and its future growth is highly dependent on the expertise of management, the board of directors and other key personnel.

Competition

The state monopolies in the Nordic countries and especially in Finland are important revenue channels for the Company. Despite the extensive legislation that applies in the state retail monopolies and other international markets where the company operates, the gin industry is exposed to competition.

Currency risks

Currency risk arises in the form of translation exposure when purchases and sales are not always in the same currency and translation exposure when restating subsidiaries' income statements and balance sheets, primarily from EUR to the accounting currency, which is SEK.

Proposal for profit allocation

The Board of Directors proposes that non-restricted equity, SEK 36,732,823, be treated as follows:

Balanced in a new account (SEK thousand)		<u>36 733</u>
	Net	<u>36 733</u>

Regarding the results and position of the Group and the Parent Company in general, reference is made to the subsequent income statements and balance sheets and related notes.

Arctic Blue Beverages AB

Org nr 559361-7078

Income statement - Group

<i>Amount in thousand SEK</i>	<i>Note</i>	<i>2024</i>	<i>2023</i>
Net sales	2	5 130	6 415
Other operating income	3	<u>—</u>	<u>265</u>
		5 130	6 680
Operating expenses			
Material and services		-3 793	-5 006
Other external costs	4	-7 883	-8 751
Personnel costs	5	-6 666	-7 894
Depreciation and amortisation of tangible and intangible assets		<u>-1</u>	<u>-2</u>
		<u>452</u>	<u>284</u>
Operating profit/loss	6	-14 664	-17 255
<i>Profit/loss from financial items</i>			
Profit or loss from securities and receivables that are non-current assets		—	-987
Other interest income and similar profit and loss items	7	7	178
Interest expenses and similar profit and loss items	8	<u>-2 045</u>	<u>-293</u>
Profit after financial items		-16 702	-18 357
Profit before tax		<u>-16 702</u>	<u>-18 357</u>
Tax on profit for the year	9	<u>—</u>	<u>-2</u>
Profit for the year		-16 702	-18 359
Attributable to			
Parent company's shareholders		-16 702	-18 361
Minority interests		0	1

Arctic Blue Beverages AB

Org nr 559361-7078

Balance sheet - Group

<i>Amount in thousand SEK</i>	<i>Note</i>	<i>2024-12-31</i>	<i>2023-12-31</i>
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Concessions, patents, licenses, trademarks and similar rights	10	69	399
Goodwill	11	<u>2 507</u>	<u>3 498</u>
		2 575	3 897
<i>Property, plant and equipment</i>			
Ongoing new installations and advances on property, plant and equipment	12	<u>1 792</u>	<u>—</u>
		1 792	—
<i>Financial fixed assets</i>			
Ownership interests in other companies		-	—
Participations in associates and jointly controlled companies		490	473
Other long-term securities holdings	14	451	437
Deferred tax asset	15	0	—
Other long-term receivables	16	<u>134</u>	<u>148</u>
		1 075	1 058
Total fixed assets		5 442	4 955
Current assets			
<i>Inventories</i>			
Finished goods and materials		<u>5 143</u>	<u>2 406</u>
		5 143	2 406
<i>Current receivables</i>			
Accounts receivable		3 071	3 003
Other receivables		345	1 455
Deferred expenses and accrued income	17	<u>1</u>	<u>675</u>
		3 417	5 133
<i>Cash and bank</i>			
Cash and bank		<u>764</u>	<u>367</u>
		764	367
Total current assets		9 324	7 906
TOTAL ASSETS		14 766	12 861

Arctic Blue Beverages AB

Org nr 559361-7078

Balance sheet - Group

<i>Amount in thousand SEK</i>	<i>Note</i>	<i>2024-12-31</i>	<i>2023-12-31</i>
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital		1 258	1 258
Reserve for invested non-restricted equity		49 832	49 832
Reserves		1 228	1 303
Retained earnings including profit for the year		<u>-66 814</u>	<u>-50 118</u>
Equity attributable to parent company shareholders		-14 496	2 274
Minority interests		<u>—</u>	<u>—</u>
<i>Total equity</i>		-14 496	2 274
<i>Current liabilities</i>			
Liabilities to credit institutions		328	446
Other loans		21 068	5 074
Accounts payables		1 331	974
Other liabilities		1 116	993
Accrued expenses and deferred income	18	<u>5 419</u>	<u>3 100</u>
		<u>29 262</u>	<u>10 587</u>
TOTAL EQUITY AND LIABILITIES		<u>14 766</u>	<u>12 861</u>

Arctic Blue Beverages AB

Org nr 559361-7078

Report on changes in equity - Group

2023-12-31						
	<i>Share capital</i>	<i>Invested unrestricted capital</i>	<i>Reserves</i>	<i>Retained earnings incl. profit for the year</i>	<i>Minority interest</i>	<i>Total Equity</i>
Opening balance	1 171	49 090	1 156	-31 757	7	19 667
Profit for the year				-18 361	1	-18 359
<i>Changes directly against equity</i>						
Translation difference			160		–	160
<i>Total</i>	–	–	160	–	–	160
<i>Transactions with owners</i>						
New share issue	87	742				829
Change in in ownership in subsidiary			-13			-13
<i>Total</i>	87	742	-13	–	-8	808
At the end of the year	1 258	49 832	1 303	-50 118	–	2 274
2024-12-31						
	<i>Share capital</i>	<i>Other Contributed capital</i>	<i>Reserves</i>	<i>Bal.res. incl profit for the year</i>	<i>Non-controlling holdings influence</i>	<i>Total own capital</i>
Opening balance	1 258	49 832	1 303	-50 118	–	2 274
Profit for the year				-16 702	–	-16 702
<i>Changes directly against equity</i>						
Translation difference			-75		–	-75
<i>Total</i>	–	–	-75	–	–	-75
At the end of the year	1 258	49 832	1 228	-66 814	–	-14 496

Arctic Blue Beverages AB

Org nr 559361-7078

Cash flow statement - Group

<i>Amount in thousand SEK</i>	<i>Note</i>	<i>2024</i>	<i>2023</i>
Ongoing operations			
Profit after financial items		-16 702	-18 357
Adjustment for non-cash items	23	<u>2 899</u>	<u>2 887</u>
		-13 803	-15 470
Tax paid		<u>—</u>	<u>-2</u>
Cash flow from operating activities before changes in working capital		-13 803	-15 472
<i>Cash flow from changes in working capital</i>			
Increase(-)/Decrease(+) in inventories		-2 639	2 177
Increase(-)/Decrease(+) in operating receivables		736	2 854
Increase(+)/Decrease(-) in operating liabilities		<u>1 127</u>	<u>500</u>
Cash flow from operating activities		<u>-14 579</u>	<u>-9 941</u>
Investment activities			
Acquisition of property, plant and equipment		-1 783	—
Disposal of property, plant and equipment		1 220	—
Divestment of subsidiary/business, net cash impact	23	—	13
Acquisition of financial assets		-57	-140
Divestment of financial assets		<u>—</u>	<u>2 489</u>
Cash flow from investing activities		<u>-620</u>	<u>2 361</u>
Financing activities			
New share issue		—	409
Borrowings		16 286	5 885
Amortization of loans		<u>-692</u>	<u>—</u>
Cash flow from financing operations		<u>15 594</u>	<u>6 294</u>
Cash flow for the year		395	-1 286
Cash and cash equivalents at the beginning of the year		367	1 633
Exchange Difference in Cash and Cash Equivalents		<u>2</u>	<u>20</u>
Cash and cash equivalents at year-end		764	367

Arctic Blue Beverages AB

Org nr 559361-7078

Income statement - parent company

<i>Amount in thousand SEK</i>	<i>Note</i>	<i>2024</i>	<i>2023</i>
Net sales	2	–	–
Other operating income	3	–	–
Operating expenses			
Other external costs	4	-1 729	-2 626
Personnel costs	5	-908	-895
Operating income	6	-2 637	-3 521
Profit from financial items			
Interest income and similar income items	7	86	263
Interest expenses and similar profit and loss items	8	-1 708	-151
Profit after financial items		-4 259	-3 409
Profit before tax		-4 259	-3 409
Tax on profit for the year	9	–	–
Profit for the year		-4 259	-3 409

Arctic Blue Beverages AB

Org nr 559361-7078

Balance sheet - parent company

<i>Amount in thousand SEK</i>	<i>Note</i>	<i>2024-12-31</i>	<i>2023-12-31</i>
ASSETS			
Fixed assets			
Financial fixed assets			
Participations in Group companies	13	<u>58 235</u>	<u>43 885</u>
		<u>58 235</u>	<u>43 885</u>
Total fixed assets		58 235	43 885
Current assets			
Current receivables			
Accounts receivables		1 071	1 486
Receivables from Group companies		3 674	3 466
Other receivables		–	278
Deferred expenses and accrued income	17	<u>1</u>	<u>1</u>
		<u>4 746</u>	<u>5 231</u>
Cash and bank			
Cash and bank		<u>659</u>	<u>321</u>
		<u>659</u>	<u>321</u>
Total current assets		5 405	5 552
TOTAL ASSETS		63 640	49 437

Balance sheet - parent company

<i>Amount in thousand SEK</i>	<i>Note</i>	<i>2024-12-31</i>	<i>2023-12-31</i>
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital		<u>1 257</u>	<u>1 257</u>
		<u>1 257</u>	<u>1 257</u>
<i>Unrestricted equity</i>			
Unrestricted share premium reserve		49 831	49 831
Retained earnings		-8 839	-5 436
Profit for the year		<u>-4 259</u>	<u>-3 409</u>
		<u>36 733</u>	<u>40 986</u>
		<u>37 990</u>	<u>42 243</u>
Current liabilities			
Accounts payable		48	50
Other liabilities		21 092	5 099
Accrued expenses and deferred income	18	<u>4 510</u>	<u>2 045</u>
		<u>25 650</u>	<u>7 194</u>
TOTAL EQUITY AND LIABILITIES		63 640	49 437

Arctic Blue Beverages AB

Org nr 559361-7078

Change in Equity Report - Parent Company

2023-12-31	Restricted equity			Unrestricted equity			Total equity
	Share capital, ongoing new share issue	Revaluation reserve	Reserve for invested unrestricted equity	Share premium reserve	Fund for fair value	Retained earnings incl profit for the year	
Opening balance	1 171	–	–	49 090	–	-5 436	44 825
Profit for the year						-3 409	-3 409
<i>Transactions with owners</i>							
New share issue	86	–	–	741			827
<i>Total</i>	86	–	–	741	–	–	827
At the end of the year	1 257	–	–	49 831	–	-8 845	42 243
2024-12-31	Restricted equity			Unrestricted equity			Total equity
	Share capital, ongoing new share issue	Write-up fund	Reserve Fund Fund for Development Issue	Premium reserve	Fund for fair value	Retained earnings incl profit for the year	
Opening balance	1 257	–	–	49 831	–	-8 845	42 243
Profit for the year						-4 259	-4 259
<i>Changes directly against equity</i>							
Revaluations of the defined benefit							
Net debt						6	6
<i>Summa</i>	–	–	–	–	–	6	6
At the end of the year	1 257	–	–	49 831	–	-13 098	37 990

Arctic Blue Beverages AB

Org nr 559361-7078

Cash Flow Statement - Parent Company

<i>Amount in thousand SEK</i>	<i>2024</i>	<i>2023</i>
Ongoing operations		
Profit after financial items	-4 259	-3 409
Adjustment for non-cash items	23 <u>1 597</u>	<u>-176</u>
	-2 662	-3 585
Income tax paid	<u>—</u>	<u>—</u>
Cash flow from operating activities before changes in working capital	-2 662	-3 585
<i>Cash flow from changes in working capital</i>		
Increase(-)/Decrease(+) in operating receivables	279	887
Increase(+)/Decrease(-) in operating liabilities	<u>894</u>	<u>913</u>
Cash flow from operating activities	<u>-1 489</u>	<u>-1 785</u>
Investment		
Shareholder contribution	-13 900	—
Acquisition of financial assets	<u>—</u>	<u>-4 500</u>
Cash flow from investing activities	<u>-13 900</u>	<u>-4 500</u>
Financing activities		
Exercised share options	—	—
New share issue	—	409
Borrowings	<u>15 727</u>	<u>5 424</u>
Cash flow from financing operations	<u>15 727</u>	<u>5 833</u>
Cash flow for the year	338	-452
Cash and cash equivalents at the beginning of the year	<u>321</u>	<u>773</u>
Cash and cash equivalents at year-end	659	321

Arctic Blue Beverages AB

Org nr 559361-7078

Notes*Amount in SEK thousands, unless otherwise stated***Note 1 Accounting principles**

The Annual Report has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3).

The parent company applies the same accounting policies as the group except in the cases listed below under the section "Accounting policies in the parent company".

The accounting principles are unchanged compared with previous years.

Assets, provisions and liabilities have been measured at cost unless otherwise stated below.

Intangible assets*Expenditure on research and development*

Expenses for research, i.e. planned and systematic search with the aim of obtaining new scientific or technical knowledge and insight, are reported as costs when they arise.

Other intangible fixed assets

Other intangible non-current assets acquired are recognised at cost less accumulated depreciation and amortisation.

Expenses for internally generated goodwill and brands are recognized in the income statement as an expense when they arise.

Depreciation

Depreciation takes place on a straight-line basis over the asset's estimated useful life.

Depreciation is recognized as an expense in the income statement.

Acquired intangible assets

Trade marks	5 years
Goodwill	5 years

Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and impairment. In addition to the purchase price, the acquisition cost also includes expenses directly related to the acquisition. No depreciation has been made for ongoing new construction in 2024.

Leasing*Lessee*

All leases are classified as financial or operating leases. A financial lease is a lease under which the risks and rewards associated with owning an asset are essentially transferred from the lessor to the lessee. An operating lease is a lease that is not a financial lease.

Operating leases

Lease payments under operating leases, including increased first-time rent but excluding expenses for services such as insurance and maintenance, are reported as costs on a straight-line basis over the lease period.

Arctic Blue Beverages AB

Org nr 559361-7078

Foreign currency*Foreign currency items*

Monetary items in foreign currency are converted at the exchange rate of the balance sheet date.

Non-monetary items are not restated but are reported at the exchange rate at the time of acquisition.

Exchange differences arising from the adjustment or translation of monetary items are recognised in the income statement in the financial year in which they arise.

Translation of foreign operations

Assets and liabilities, including goodwill and other group-related surplus and undervalue, are translated into the accounting currency at the balance sheet date. Revenues and expenses are converted to the deferred rate per each day of the business events unless a rate that approximates the actual rate is used (e.g., average rate). Exchange rate differences arising from the translation are recognised directly against equity.

Inventories

Inventories are recorded at the lower of the acquisition cost and the net sales value. In doing so, the risk of obsolescence has been taken into account. The acquisition cost is calculated according to the first-in-first out principle. In addition to purchasing expenses, the acquisition value also includes expenses for bringing the goods to their current location and condition.

Financial assets and liabilities

Financial assets and liabilities are reported in accordance with Chapter 11 (Financial instruments measured by cost) of BFNAR 2012:1.

Accounting in and removal from the balance sheet

A financial asset or financial liability is recorded on the balance sheet when the company becomes a party to the contractual terms of the instrument. A financial asset is removed from the balance sheet when the contractual right to the cash flow from the asset has expired or been settled. The same applies when the risks and benefits associated with the holding have been transferred to another party in all material respects and the company no longer has control over the financial asset. A financial liability is removed from the balance sheet when the agreed obligation has been fulfilled or terminated.

Valuation of financial assets

Financial assets are measured at cost at first recognition, including any transaction expenses directly attributable to the acquisition of the asset.

Financial current assets are valued after the first accounting date at the lower of the acquisition value and the net sales value on the balance sheet date.

Trade receivables and other receivables that constitute current assets are valued individually at the amount that is estimated to accrue.

Financial fixed assets are measured at cost after the first accounting date, less any write-downs and the addition of any revaluations.

Interest-bearing financial assets are measured at amortised cost using the effective interest method.

Arctic Blue Beverages AB

Org nr 559361-7078

Valuation of financial liabilities

Financial liabilities are measured at amortised cost. Expenses directly attributable to raising a loan adjust the cost of the loan and are accrued according to the effective interest method.

Employee benefits*Compensation to employees after termination of employment*

In cases where the pension obligations are solely dependent on the value of an owned asset, the pension obligation is reported as a provision corresponding to the carrying value of the asset.

Classification

Post-employment compensation plans are classified as either defined contribution or defined benefit plans.

In the case of defined benefit plans, the company has an obligation to provide the agreed remuneration to current and former employees. In all material respects, the company bears the risk that the remuneration will be higher than expected (actuarial risk) and the risk that the return on the assets deviates from expectations (investment risk). Investment risk exists even if the assets have been transferred to another company.

Defined contribution plans

The fees for defined contribution plans are reported as costs. Unpaid fees are reported as debts.

Defined benefit plans

Companies have chosen to apply the simplification rules contained in BFNAR 2012:1.

Plans for which pension premiums are paid are reported as defined-contribution plans, which means that the contributions are expensed in the income statement.

Compensation in the event of termination

Compensation in the event of redundancies, to the extent that the compensation does not provide the company with any future financial benefits, is only recognised as a liability and a cost when the company has a legal or informal obligation to either:

- a) terminate the employment of an employee or group of employees before the normal time of termination of employment, or
- b) provide compensation in the event of termination through an offer to encourage voluntary resignation. Compensation for redundancies is only recognized when the company has a detailed plan for the termination and has no realistic possibility of canceling the plan.

Share-based remuneration

Share-based remuneration refers to remuneration to employees in accordance with an employee stock option program that was initiated in 2021.

Personnel costs are reported for the value of services rendered, accrued over the vesting periods of the programmes, calculated as the fair value of the allocated equity instruments. The real thing The value is determined at the time of allotment, i.e. when the company and the employees have agreed on the terms and conditions of the programmes. As the programmes are regulated by equity instruments, they are classified as "equity regulated" and an amount corresponding to the reported personnel cost is recognised directly in equity (retained earnings).

Arctic Blue Beverages AB

Org nr 559361-7078

When exercising options and matching shares, social security contributions must be paid in certain countries for the value of the employee's benefit. A cost and provision are reported accrued over the accrual period for these social security contributions. The provision for social security contributions is based on the number of options/share rights that are expected to vest and on the fair value of the options/share rights at the time of each report and finally at exercise/matching.

Tax

Tax on profit for the year in the income statement consists of current tax and deferred tax. The tax in question is income tax for the current financial year, which refers to the year's taxable profit and the part of the previous financial year's income tax that has not yet been reported. Deferred tax is income tax on taxable profit for future financial years resulting from past transactions or events.

Deferred tax liability is recognized for all taxable temporary differences, but not for temporary differences arising from the first recognition of goodwill. Deferred tax assets are reported for deductible temporary differences and for the possibility of using tax loss carry-forwards in the future. The valuation is based on how the carrying amount of the corresponding asset or liability is expected to be recovered or regulated. The amounts are based on the tax rates and tax rules decided on the balance sheet date and have not been calculated at present value.

Deferred tax assets have been measured at no more than the amount that is likely to be recovered based on current and future taxable results. The valuation is reassessed every balance sheet date.

In the consolidated balance sheet, untaxed reserves are divided into deferred tax and equity.

Provisions

A provision is recognised in the balance sheet when the company has a legal or informal obligation as a result of an event that has occurred and it is likely that an outflow of resources is required to settle the obligation and a reliable estimate of the amount can be made.

At the first time of recognition, provisions are valued at the best estimate of the amount that will be required to settle the obligation on the balance sheet date. The provisions are reassessed every balance sheet date.

The provision is recognised at the present value of the future payments required to settle the obligation.

Take

The inflow of economic benefits that the company has received or will receive on its own account is recognized as revenue. Revenue is valued at the fair value of what has been or will be received, less discounts.

In cases where the terms of purchase imply that the buyer receives financing, the fair value of the income is the present value of all future payments.

Sale of goods

When selling goods, the revenue is reported on delivery.

Arctic Blue Beverages AB

Org nr 559361-7078

Public grants

A public grant that is not associated with requirements for future performance is reported as income when the conditions for receiving the grant are met. A public grant that is associated with requirements for future performance is reported as income when the performance is performed. If the grant has been received before the conditions for reporting it as revenue have been met, the grant is reported as a liability.

Consolidated financial statements*Subsidiary*

Subsidiaries are companies in which the parent company directly or indirectly holds more than 50% of the voting rights or otherwise has a controlling influence. Controlling influence means the right to formulate a company's financial and operational strategies with a view to obtaining economic benefits. The reporting of business combinations is based on the unitary view. This means that the acquisition analysis is prepared as of the time when the acquirer acquires a controlling influence. From this point on, the acquirer and the acquired entity are considered an accounting entity. The application of the unitary view also means that all assets (including goodwill) and liabilities, as well as income and expenses, are included in their entirety also for part-owned subsidiaries.

The acquisition value of subsidiaries is calculated as the sum of the fair value at the time of acquisition of the assets paid, plus liabilities incurred and assumed, as well as equity instruments issued, expenses directly attributable to the business combination and any additional purchase price. The acquisition analysis determines the fair value, with a few exceptions, at the time of acquisition of identifiable assets and assumed liabilities as well as minority interests. Minority interests are valued at fair value at the time of acquisition. From the date of acquisition, the consolidated financial statements include the acquired company's income and expenses, identifiable assets and liabilities, as well as any goodwill or negative goodwill accrued.

Goodwill

Group-based goodwill arises when the acquisition value of shares in subsidiaries exceeds the value of the acquired company's identifiable net assets as determined in the acquisition analysis. Goodwill is recognised at cost less accumulated depreciation and any impairment.

Earn-out

If, at the time of acquisition, it is likely that the purchase price will be adjusted at a later date and the amount can be reliably estimated, the amount shall be included in the estimated final cost of the acquired entity.

Adjustment of the value of the earn-out within twelve months from the date of acquisition affects goodwill. Adjustments later than twelve months after the date of acquisition are reported in the consolidated income statement.

Acquisition analysis adjustment

In the event that the assumptions for the acquisition analysis are incomplete, it will be adjusted to better reflect actual conditions at the time of acquisition. The adjustments will be made retroactively within twelve months of the acquisition date. Adjustments later than twelve months after the acquisition date are reported as a changed estimate and assessment.

Arctic Blue Beverages AB

Org nr 559361-7078

Changes in ownership

In the case of acquisitions of additional shares in companies that are already subsidiaries, no new acquisition analysis is prepared because the parent company already has a controlling influence. Since changes in the holding in companies that are subsidiaries are only a transaction between the owners, no profit or loss is recognized in the income statement, but the effect of the transaction is recognized only in equity.

When acquiring additional shares in a company so that the company becomes a subsidiary, an acquisition analysis is prepared. The previously owned shares are considered divested. Shares in a subsidiary have been acquired. Profit or loss, calculated as the difference between fair value and consolidated carrying amount, shall be recognized in the consolidated income statement.

If shares in a subsidiary are divested or controlling interest ceases in some other way, the shares are considered to be divested in the consolidated financial statements and the gain or loss on the sale is recognised in the consolidated income statement. If shares remain after the controlling influence has ceased, they are recognised with the fair value at the time of acquisition as acquisition value.

Consolidation of special purpose enterprises

A special purpose vehicle (SPE) is a company that is formed to achieve a limited and well-defined purpose. The consolidated financial statements include the SPEs over which the parent company has a controlling influence, with the exception of pension and personnel foundations.

The parent entity has a controlling influence over an SPE because:

- The business is carried out on behalf of the parent company in accordance with its needs.
- The parent company has the final decision-making power over the business even if decisions on day-to-day operations have been delegated.
- The parent company is entitled to receive the majority of the benefits of the company and may therefore be exposed to the risks associated with the activities of that company.
- The parent company bears the majority of the risks associated with the ownership of the company or its assets.

Associates

Shareholdings in associated companies, in which the Group has a minimum of 20% and a maximum of 50% of the votes or otherwise has a significant influence on the operational and financial management, is reported according to the equity method. The equity method means that the carrying amount of shares in associated companies in the Group corresponds to the Group's share in the associated companies' equity, any residual values of Group surplus and undervalue, including goodwill and negative goodwill, reduced by any internal profits. In the Group's income statement, the Group's share in the associated companies' profit after tax is reported as "Share in associated companies' profit after tax, adjusted for any amortisation or dissolution of acquired surplus and undervalue, including amortisation of goodwill/dissolution of negative goodwill.

Dividends received from associated companies reduce the carrying value. Profit shares accrued after the acquisitions of associated companies that have not yet been realised through dividends are allocated to the equity fund.

Arctic Blue Beverages AB

Org nr 559361-7078

Jointly Controlled Enterprises

A joint venture is a joint venture that involves the formation of a limited liability company, partnership or any other form of company in which each joint owner owns shares. A joint venture is a contractual partnership in which two or more parties jointly carry out an economic activity and have a joint controlling influence over the activity.

Shareholdings in jointly controlled undertakings are consolidated using the demerger method. The splitting method means that the companies are reported as if they were subsidiaries, with the difference that only the Group's ownership share of the companies' income and expenses and assets and liabilities is reported in the Group's income statements and balance sheets.

Elimination of transactions between group companies, associated companies and jointly controlled companies

Intra-group receivables and liabilities, income and expenses, and unrealised gains or losses arising from transactions between group companies [and jointly controlled companies accounted for under the splitting method] are eliminated in their entirety. Unrealised gains arising from transactions with associated companies [and jointly controlled companies accounted for under the equity method] are eliminated to the extent corresponding to the group's ownership interest in the company. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no indication of any impairment need.

Accounting policies in the parent company

The accounting policies of the Parent Company are in accordance with the accounting principles set out above in the consolidated financial statements.

Note 2 Net sales by business segment and geographic market

	2024	2023
Group		
<i>Net sales by business line</i>		
Distribution of beverages	5 130	6 415
	5 130	6 415
<i>Net sales by geographic market</i>		
Finland	3 151	4 218
Asia Pacific including Japan	36	201
EU	300	559
Travel retail	1 148	847
Other	495	590
	5 130	6 415

Note 3 Other operating income

	2024	2023
Group		
Public grants in the form of innovation aid, Finland	–	69
Public grants for market research, Finland	–	115
Exchange Gains	–	81
	–	265
<i>Parent</i>		
Other income	–	–
	–	–

Arctic Blue Beverages AB

Org nr 559361-7078

Note 4	Fees and reimbursement of expenses to auditors	2024	2023
<i>Group</i>			
<i>Tietotili Audit Oy</i>			
Audit assignments		-173	-120
Audit activities in addition to the audit assignment		–	–
Tax advice		–	–
Other assignments		–	–
<i>Moderföretag</i>			
<i>We Audit AB</i>			
Audit assignments		-50	-50
Audit activities in addition to the audit assignment		–	–
Tax advice		–	–
Other assignments		–	–

Audit assignments refer to the examination of the annual accounts and accounting as well as the administration of the Board of Directors and the CEO, other tasks that are the responsibility of the company's auditor and advice or other assistance that is prompted by observations made during such audits or the performance of such other tasks.

Note 5 Employees, personnel costs and fees to the Board of Directors

Average number of employees	<i>2024</i>	<i>whereof men</i>	<i>2023</i>	<i>whereof men</i>
<i>Parent company</i>				
Finland	–	0%	–	0%
Total in the parent company	–	0%	–	0%
<i>Subsidiary</i>				
Finland	6	0%	7	63%
Total in subsidiaries	6	0%	7	63%
Group total	6	0%	7	63%

Reporting of gender distribution among senior executives

	<i>2024-12-31</i>	<i>2023-12-31</i>
	<i>Proportion of women</i>	<i>Proportion of women</i>
<i>Parent</i>		
Board	0%	0%
Other senior executives	0%	0%
<i>Group total</i>		
Board	0%	0%
Other senior executives	0%	0%

Arctic Blue Beverages AB

Org nr 559361-7078

Salaries and other remuneration and social security costs, including pension costs

	2024		2023	
	Salaries and Allowances	Social costs	Salaries and Allowances	Social costs
Parent (of which pension cost)	-686 1)	– (–)	-681 1)	-214 (–)
Subsidiary (of which pension cost)	-4 778	-981 (–)	-5 809	-1 205 (–)
Group total (of which pension cost)	-5 464 2)	-981 (–)	-6 490 2)	-1 419 (–)

1) Of the parent company's pension costs, 0 (previous year) relate to the company's CEO and board of directors.

2) Of the Group's pension costs, 0 (previously 0) relate to the company's CEO and Board of Directors.

Salaries and other remuneration distributed between members of the Board of Directors and others and other employees

	2024		2023	
	Board and CEO	Other employees	Board and CEO	Other employees
Parent (of which bonuses and similar items)	-686 (–)	–	-681 (–)	–
Subsidiary (of which bonuses and similar items)	-1 191 (–)	-3 587	-1 257 (–)	-4 552
Group total (of which bonuses and similar items)	-1 877 (–)	-3 587	-1 938 (–)	-4 552

Remuneration of senior executives

Group	2024			
	Basic salary, Board fees	Variable remuneration	Other Benefits	Pensions-cost
SEK thousand				
Chairman of the Board	–	–	–	–
Chief executive officer	–	–	–	–
Other senior management				
Holders	-1 877	–	–	–
Summa	-1 877	–	–	–
Group	2023			
Tkr	Basic salary, Board fees	Mobile compensation	Other Benefits	Pensions-cost
Chairman of the Board	–	–	–	–
Chief executive officer	–	–	–	–
Other senior management	-1 938	–	–	–
Total	-1 938	–	–	–

All senior executives are employed by the Finnish subsidiary Arctic Blue Beverages Oy and all salaries are paid by the Finnish company.

Arctic Blue Beverages AB

Org nr 559361-7078

Share-based remuneration**Employee stock option program**

In incentive program 2024/2027, the Company has subscribed for 1,047,924 warrants issued by Arctic Blue Beverages AB under a long-term incentive program for certain employees and consultants resolved by the Annual General Meeting on June 28, 2024.

Each warrant entitles the holder to subscribe for one (1) new share in Arctic Blue Beverages AB at a subscription price of SEK 0.3036. The exercise period for subscription of new shares shall commence on the day after the Company publishes its Q2 report for the financial year 2027 and run for 25 days.

Incentive programs 2022/2025 of 387,000 warrants and 2023/2026 of 975,000 warrants were cancelled by the Board of Directors in 2024 and no warrants for these two programs have been transferred to the participants.

Note 6 Operating Leasing**Leasing agreements where the company is the lessee***Group*

Future minimum lease payments for non-terminable Operating Leases

	<u>2 0 2 4 - 1 2 - 3 1</u>	<u>2 0 2 3 - 1 2 - 3 1</u>
Within a year	-11	-20
Between one and five years	<u>-</u>	<u>-12</u>
	-11	-32
	<u>2024</u>	<u>2023</u>
Expensed lease payments for the financial year	-21	-190

Note 7 Interest income and similar income items

	<u>2024</u>	<u>2023</u>
<i>Group</i>		
Interest income, other	<u>7</u>	<u>178</u>
	7	178
<i>Parent</i>		
Interest income, Group companies	86	86
Exchange rate gain	<u>-</u>	<u>177</u>
	86	263

Note 8 Interest expenses and similar profit and loss items

	<u>2024</u>	<u>2023</u>
<i>Group</i>		
Interest expenses, other	-1 680	-293
Exchange rate loss	<u>-328</u>	<u>-</u>
	-2 045	-293
<i>Parent</i>		
Interest expenses, other	-1 343	-151
Exchange rate loss	<u>-365</u>	<u>-</u>
	-1 708	-151

Arctic Blue Beverages AB

Org nr 559361-7078

Note 9 Tax on profit for the year**Reconciliation of effective tax**

<i>Group</i>	<i>Percent</i>	<i>2024</i>		<i>2023</i>	
		<i>Amount</i>	<i>Percent</i>	<i>Amount</i>	<i>Amount</i>
Profit before tax		-16 702		-18 357	
Tax at the applicable tax rate of the parent company	20,6%	3 441	20,6%	3 782	
Effect of other tax rates for foreign subsidiaries	-0,4%	-73	-0,5%	-85	
Amortization of corporate goodwill	-1,3%	-222	-1,2%	-223	
Other non-deductible expenses	0,0%	-2	-0,1%	-15	
Non-taxable income	0,0%	8	0,0%	-	
Increase in loss carry-forwards without corresponding					
Activation of deferred tax	-18,9%	-3 152	-18,9%	-3 461	
Reported effective tax	0,0%	-	0,0%	-2	

<i>Parent</i>	<i>Percent</i>	<i>2024</i>		<i>2023</i>	
		<i>Amount</i>	<i>Percent</i>	<i>Amount</i>	<i>Amount</i>
Profit before tax		-4 259		-3 409	
Tax at the applicable tax rate of the parent company	20,6%	877	20,6%	702	
Activation of deferred tax	-20,6%	-877	-16,5%	-702	
Other	0,0%	-	0,0%	-	
Reported effective tax	0,0%	-	4,1%	-	

Note 10 Concessions, patents, licenses, trademarks and similar rights

<i>Group</i>	<i>2024-12-31</i>	<i>2023-12-31</i>
<i>Cumulative cost</i>		
At the beginning of the year	4 879	4 540
Reclassifications	-	307
Translation differences for the year	172	32
At the end of the year	5 051	4 879
<i>Accumulated depreciation</i>		
At the beginning of the year	-4 479	-3 205
Reclassifications	-	-184
Depreciation for the year	-343	-1 101
Translation differences for the year	-160	11
At the end of the year	-4 982	-4 479
Carrying amount at year-end	69	399

Arctic Blue Beverages AB

Org nr 559361-7078

Note 11	Goodwill	<i>2024-12-31</i>	<i>2023-12-31</i>
<i>Group</i>			
<i>Cumulative cost</i>			
At the beginning of the year		5 381	5 770
Reclassifications		–	-307
Translation differences for the year		<u>189</u>	<u>-82</u>
At the end of the year		5 570	5 381
<i>Accumulated depreciation</i>			
At the beginning of the year		-1 884	-983
Reclassifications		–	184
Depreciation for the year		-1 109	-1 182
Translation differences for the year		<u>-71</u>	<u>97</u>
At the end of the year		-3 064	-1 884
Carrying amount at year-end		2 507	3 498
Note 12	Ongoing new installations and advances in respect of property, plant and equipment	<i>2024-12-31</i>	<i>2023-12-31</i>
<i>Group</i>			
Investments		<u>1 792</u>	<u>–</u>
Carrying amount at year-end		1 792	–
Note 13	Shares in Group companies	<i>2024-12-31</i>	<i>2023-12-31</i>
<i>Cumulative cost</i>			
At the beginning of the year		43 885	39 385
Acquisition		<u>14 350</u>	<u>4 500</u>
At the end of the year		58 235	43 885
Carrying amount at year-end		58 235	43 885

Arctic Blue Beverages AB

Org nr 559361-7078

Specifications of the parent company's and the group's holdings of shares in group companies

<i>Subsidiary / Corporate Identity No. / Registered Office</i>	<i>Number Shares</i>	<i>Share i % i)</i>	<u>2024-12-31</u>	<u>2023-12-31</u>
			<i>Carrying amount value</i>	<i>Carrying amount value</i>
Arctic Beverages Oy	1 000	100,0	58 235	43 885
Arctic Gateway India Private Ltd. (201905034Z)	7 000	70,0	–	–
Arctic Gateway Asia Pte Ltd. (U7499MH2018PTC30)	1 000	100,0	–	–
			58 235	43 885

(i) the ownership of the capital is meant, which also corresponds to the proportion of the votes for the total number of shares;

Note 14 Other long-term securities holdings

	<u>2024-12-31</u>	<u>2023-12-31</u>
<i>Group</i>		
<i>Cumulative cost</i>		
At the beginning of the year	437	463
Retired assets	–	-25
Translation differences for the year	14	-1
At the end of the year	451	437
Carrying amount at year-end	451	437

Note 15 Deferred tax

	<u>2024-12-31</u>		
<i>Group</i>	<i>Carrying amount value</i>	<i>Fiscally value</i>	<i>Temporary difference</i>

Tax loss carry-forwards amount to SEK 163 M (93). No deferred tax asset is recorded on the loss carryforwards.

	<u>2024-12-31</u>		
<i>Group</i>	<i>Postponed Tax Claim</i>	<i>Postponed tax liability</i>	<i>Net</i>
<i>Significant temporary differences</i>			
Option program	0	–	0
Deferred tax assets/liabilities	0	–	0
Settlement	–	–	–
Deferred tax assets/liabilities (net)	0	–	0
		<u>2023-12-31</u>	
<i>Group</i>	<i>Carrying amount value</i>	<i>Fiscally value</i>	<i>Temporary difference</i>
<i>Significant temporary differences attributable to deferred tax assets</i>			
Option program	–	–	–

Arctic Blue Beverages AB

Org nr 559361-7078

Note 16	Other long-term receivables	<i>2024-12-31</i>	<i>2023-12-31</i>
<i>Group</i>			
<i>Cumulative cost</i>			
At the beginning of the year		148	3 425
Additional receivables		–	26
Divested subsidiaries		–	-3 339
Settled receivables		-14	–
Translation differences for the year		–	36
At the end of the year		<u>134</u>	<u>148</u>
Carrying amount at year-end		134	148
Note 17	Deferred expenses and accrued income	<i>2024-12-31</i>	<i>2023-12-31</i>
<i>Group</i>			
Accrued income, other		<u>1</u>	<u>675</u>
		1	675
<i>Parent company</i>			
Other items		<u>1</u>	<u>1</u>
		1	1
Note 18	Accrued expenses and deferred income	<i>2024-12-31</i>	<i>2023-12-31</i>
<i>Group</i>			
Personnel costs		3 785	2 814
Interest expenses		1 499	151
Other items		<u>135</u>	<u>135</u>
		5 419	3 100
<i>Parent company</i>			
Personnel costs		2 876	1 759
Interest expenses		1 499	151
Other items		<u>135</u>	<u>135</u>
		4 510	2 045

Arctic Blue Beverages AB

Org nr 559361-7078

Note 19 Pledged collateral and contingent liabilities - Group

<i>Amount in thousand SEK</i>	<i>2024-12-31</i>	<i>2023-12-31</i>
Collateral provided		
Business mortgages	328	446
	328	446
Total collateral pledged	328	446

Note 20 Collateral and contingent liabilities - Parent

<i>Amount in thousand SEK</i>	<i>2024-12-31</i>	<i>2023-12-31</i>
Collateral provided	No	No
Contingent liabilities	No	No

Note 21 Related party transactions

Arctic Blue Beverages Oy has in 2024 and 2023 respectively carried out transactions with related parties as set out below. The transactions have been carried out on market terms.

In addition to what is stated below, members of the Board of Directors and senior executives have received remuneration from the company as set out in Note 5 Personnel costs.

	<i>2024-12-31</i>	<i>2023-12-31</i>
Advisory Services, Hoika Consulting Oy (Antti Villanen, Chairman of the Board)	489	483
Advisory Services, On-Trade Helsinki (Sebastian Pinomaa, VP Sales)	545	607

Arctic Blue Beverages Oy has acquired consulting services from Hoikka Consulting Oy, a company represented by the company's Chairman of the Board, Antti Villanen, for the equivalent of SEK 489,138 in 2024 and SEK 483,351 in 2023. The consultancy contract covered one day per month of EUR 750 per day.

Arctic Blue Beverages Oy has purchased consulting services from On-Trade Helsinki Oy, a company represented by the company's VP Sales Sebastian Pinomaa, for the equivalent of SEK 545,292 in 2024 and SEK 606,717 in 2023. The consultancy agreement included a monthly remuneration of EUR 8 750 per month.

Arctic Blue Beverages AB

Org nr 559361-7078

Note 22 Significant events after the end of the financial year

On 20 January 2025, the Company entered into two loan agreements totalling EUR 90,000 with the shareholders Grizzly Hill Capital AB, controlled by board member Gustaf Björnberg, and Heino Group Oy, controlled by board member Petri Heino (the "Lenders") to strengthen the Company's working capital. Each loan agreement amounts to EUR 45,000 with an annual interest rate of 10% and runs until 31 January 2026. The lenders are entitled, if the Company carries out a new share issue before 31 January 2026, and provided that all necessary resolutions have been made, to convert the borrowed amount into shares in the Company. In such a case, the subscription price for conversion to shares shall correspond to the current subscription price in such new issue.

On 27 January 2025, the Company entered into loan amendment agreements with the shareholders Grizzly Hill Capital AB, controlled by board member Gustaf Björnberg, and Heino Group Oy, controlled by board member Petri Heino (the "Lenders") to extend the maturity dates of the current loan agreements from 31 January 2025 and 30 June 2025 to 31 January 2026. The total unpaid principal amount of these loans amounted to EUR 1 834 078. The amendment of the loans was subject to approval by an Extraordinary General Meeting on 17 February 2025.

On February 17, 2025 the extraordinary general meeting resolved to approve the interest rate on the loans contracted during the period between 2023 and 2024 and up until 20 January 2025 that the Company have entered into with Grizzly Hill Capital Ab and Heino Group Oy.

On February 24, 2025, the Company entered into two loan agreements totalling EUR 90,000 with the shareholders Grizzly Hill Capital AB, controlled by board member Gustaf Björnberg, and Heino Group Oy, controlled by board member Petri Heino (the "Lenders") to strengthen the Company's working capital. Each loan agreement amounts to EUR 45,000 with an annual interest rate of 10% and runs until 31 January 2026. The lenders are entitled, if the Company carries out a new share issue before 31 January 2026, and provided that all necessary resolutions have been made, to convert the borrowed amount into shares in the Company. In such a case, the subscription price for conversion to shares shall correspond to the current subscription price in such new issue.

On March 26, 2025, the Company entered into two loan agreements totalling EUR 90,000 with the shareholders Grizzly Hill Capital AB, controlled by board member Gustaf Björnberg, and Heino Group Oy, controlled by board member Petri Heino (the "Lenders") to strengthen the Company's working capital. Each loan agreement amounts to EUR 45,000 with an annual interest rate of 10% and runs until 31 January 2026. The lenders are entitled, if the Company carries out a new share issue before 31 January 2026, and provided that all necessary resolutions have been made, to convert the borrowed amount into shares in the Company. In such a case, the subscription price for conversion to shares shall correspond to the current subscription price in such new issue.

Note 23 **Other information for the cash flow statement**
Adjustments for items not included in cash flow, etc.

	<i>2024</i>	<i>2023</i>
<i>Group</i>		
Depreciation	1 452	2 284
Unrealised exchange differences	-118	-383
Capital gain from sales of business/subsidiary	–	987
Costs relating to share-based remuneration	-6	–
Unrealised interest expenses	1 571	–
	<u>2 899</u>	<u>2 887</u>
	<i>2024</i>	<i>2023</i>
<i>Parent</i>		
Unrealised exchange differences	347	-176
Provisions/receivables relating to pensions	-1	–
Unrealised interest expenses	1 343	–
Unrealised interest income	-86	–
Costs relating to share-based remuneration	-6	–
	<u>1 597</u>	<u>-176</u>

Arctic Blue Beverages AB

Org nr 559361-7078

Transactions that do not entail payments

	<i>2024-12-31</i>	<i>2023-12-31</i>
<i>Group</i>		
Set-off issue	–	418

	<i>2024-12-31</i>	<i>2023-12-31</i>
<i>Parent company</i>		
Set-off issue	–	418

Divestment of subsidiary/business, net cash impact

	<i>2024-12-31</i>	<i>2023-12-31</i>
<i>Group</i>		
<i>Divested assets and liabilities</i>		
Financial fixed assets	–	3 462
Inventories	–	182
Operating receivables	–	1 051
Cash and cash equivalents	–	16
Total assets	–	4 712
Operating liabilities	–	49
Total non-controlling holdings, liabilities and liabilities	–	49
Provisions	–	49
Sales price	–	29
Purchase price received	–	29
Depart: Cash and cash equivalents in the divested business	–	-16
Impact on cash and cash equivalents	–	13

Arctic Blue Beverages AB

Org nr 559361-7078

Note 24 Key figures definitionsOperating margin: $\text{Operating profit} / \text{Net sales}$

Balance sheet total: Total assets

Return on

capital employed: $(\text{Operating profit} + \text{financial income}) / \text{Average capital employed}$

Financial income: Net financial items attributable to assets (included in capital employed)

Capital employed: Total assets - interest-free liabilities

Interest-free debts: Non-interest-bearing liabilities. Pension liabilities are seen as interest-bearing.

Return on Equity: Profit for the year attributable to parent company shareholders / Average equity attributable to the parent company's shareholders

Equity ratio: $(\text{Total equity} + \text{equity portion of untaxed reserves}) / \text{Total assets}$ **Stockholm 9.4.2025**Antti Villanen
*Chairman*Gustaf Björnberg
Board memberPetri Heino
Board memberMatti Nikkola
*Board member*Petri Hirvonen
Deputy CEO, CFO

Our audit report was submitted on 9.4.2025.

We Audit Sweden AB

Mikael Köver
Authorized Public Accountant