



ARCTIC BLUE BEVERAGES

INTERIM REPORT

ARCTIC BLUE BEVERAGES AB
Organisation number 559361-7078

JANUARY – MARCH 2025



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INTERIM REPORT – JAN–MAR 2025

SUMMARY

THE PERIOD JANUARY – MARCH 2025

- Revenues (Jan – Mar): SEK 1 141 thousand (SEK 995 thousand on corresponding period 2024)
- EBITDA: SEK –3 204 thousand (SEK –3 132 thousand)
- EBIT: SEK –3 556 thousand (SEK –3 693 thousand)
- Net result: SEK –3 391 thousand (SEK –3 967 thousand)
- Earnings per share (EPS) –0,13 SEK / share

SIGNIFICANT EVENTS DURING JANUARY – MARCH 2025

- The Company expanded Arctic Blue webshop, offering direct delivery to five new European countries.
- The Company expanded Arctic Blue Long Drink portfolio with two new flavors, Arctic Blue Long Drink Laku and Arctic Blue Long Drink Rose, inspired by the brand's successful gin and liqueur portfolio.
- The Company expanded global distribution of Nightwish Gin through a strategic partnership with La Maison du Whisky, bringing Nightwish Gin to a wider international audience.
- The Company's latest product, Nightwish Gin was awarded with a silver medal in the category "Finnish Gins" at UISGE 2025, while the Company released the information that the sales at the Finnish monopoly, Alko started on February 17.
- The Company entered into loan amendment agreements with shareholders Grizzly Hill Capital Ab and Heino Group Oy to extend the maturity dates of current loan agreements from January 31, 2025, and June 30, 2025, to January 31, 2026. The aggregated unpaid principal balance of these loans amounts to EUR 1,834,078.
- 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.
- The Company entered into loan agreements amounting to a total of EUR 270 000.

SIGNIFICANT EVENTS AFTER PERIOD

- Arctic Blue Beverages' product portfolio was awarded multiple medals at the prestigious San Francisco World Spirits Competition 2025. Arctic Blue Gin Rose secured a Double Gold medal – its fourth since launch – while the company's newest gins, Nightwish Gin and Arctic Blue Coastal Dry Gin, were both awarded Silver.
- The Company entered into loan agreements amounting to a total of EUR 90 000.



ABOUT ARCTIC BLUE BEVERAGES

Arctic Blue Beverages AB is a Nordic beverage Company, known for its award-winning products Arctic Blue Gin, Arctic Blue Gin Navy Strength, Arctic Blue Gin Rose, and the world's first dairy-free gin-based oat liqueur, Arctic Blue Oat. The Company was founded in 2017 and produces and sells artisanal beverages such as gin and liqueurs made from natural Finnish ingredients. The Company invests in international exports and its products are sold in Finland, Sweden, Japan, Australia, Canada and more than a dozen other countries. For more information, visit Arctic Blue Beverages webpage <https://arcticbluebeverages.com>.

Arctic Blue Beverages AB is listed on
Nasdaq First North Growth Market Stockholm since May 2022.

Arctic Blue Beverages share has the ISIN-code
SE0017769136 and is traded under the name ARCTIC.

The Company's Certified Adviser is Eminova Fondkommission AB
+46 8-684 211 10 | adviser@eminova.se



KEY FINANCIALS

Key Financials	JAN-MAR 2025	JAN-MAR 2024	JAN-DEC 2024
Revenue (SEK thousand)	1 141	995	5 130
EBITDA (SEK thousand)	-3 204	-3 132	-13 212
Operating profit/loss (SEK thousand)	-3 556	-3 693	-14 663
Net profit/loss (SEK thousand)	-3 391	-3 967	-16 702
"Cash flow generated from operations (SEK thousand)"	-3 102	-4 744	-14 579
Equity ratio (%)	-138 %	-10 %	-98 %
Number of shares, average	26 198 089	26 198 089	26 198 089
Number of shares at the end of the period	26 198 089	26 198 089	26 198 089
Number of Share options	1 047 924	-	1 047 924
Number of shares after dilution	27 246 013	26 198 089	27 246 013
Equity per share (SEK)	-0,70	-0,06	-0,55
Earnings per share (SEK) undiluted	-0,13	-0,15	-0,64
Earnings per share (SEK) diluted	-0,12	-0,15	-0,62
Number of employees (average for the period)	6	5	6



COMMENTS FROM THE CEO, VALTTERI EROMA

CHALLENGING TIMES IN THE PREMIUM ALCOHOL BUSINESS

The challenging market environment continues, yet we have managed to grow our revenue compared to the same period last year. This growth has been driven by the expansion of our product portfolio, both in the gin category and in premium ready-to-drink beverages. Nightwish Gin, launched at the end of last year, is beginning to demonstrate its value within our portfolio, with steady sales growth despite Q1 typically being the slowest quarter of the year. Additionally, our new Arctic Blue Long Drink products, launched in February, reached the market quickly and have already contributed positively to our first-quarter results.

The Arctic Blue Showroom Distillery opened at the end of the year. However, due to the timing and the distillery's currently low visibility, sales of tasting events, private functions, and special gin editions have been below expectations. We are confident that operations will pick up during the first half of the year and that order volumes will begin to grow. The introduction of limited-edition gins, particularly developed for the on-trade and restaurant segment, has been met with highly positive feedback. We believe this will in the long run translate into a positive financial impact.

We have successfully expanded our global availability since launching our own e-commerce platform. The first quarter has been focused on finalizing the system, optimizing data flow and user experience, as well as testing different marketing channels and approaches. This initiative requires patience, but we believe that by summer, we will have gained meaningful traction in a few selected markets, with early results starting to show in sales performance.

SALES

During the first quarter of 2025, our sales revenue increased by 14% compared to the same period last year. This growth was driven by new product launches, such as Nightwish Gin and our new Arctic Blue Long Drink products, as well as the broader global availability of our portfolio through our e-commerce platform. While sales through Finland's Alko monopoly have declined, we have been able to compensate with strong performance in the on-trade and travel retail segments. However, compared to the previous quarter, overall sales revenue decreased by 16% due to seasonal fluctuations.

Export sales have been slower than expected, with no significant growth achieved in any particular market recently. Nevertheless, we believe our own e-commerce availability opens up a more agile and scalable path to strengthen international sales, without the complexity of building traditional distributor networks in every market. Building local awareness and brand visibility remains crucial to this strategy, and we will continue investing in this through collaborations with local influencers and premium on-trade partners.



SUMMARY

The start of the year was quieter than expected, but a key positive sign is that our revenue grew compared to the same period last year. On-trade sales and brand activations are progressing well, and we believe this momentum will eventually be reflected in Finland's Alko monopoly sales, even though the current economic climate is causing consumers to be more cautious with their spending.

We are in a stronger position than a year ago, thanks to a more dynamic and attractive product portfolio, with several new products already showing strong sales potential. In addition, the full potential of our Showroom Distillery is expected to materialize later this year.

Lastly, our growing e-commerce presence will begin to make a real impact as we ramp up market activity with new offerings such as Nightwish Gin and our Arctic Blue Long Drink products. Despite the declining market, we believe we are well positioned to grow and capture market share as the economic environment begins to improve.

Valtteri Eroma, CEO



BUSINESS OVERVIEW

SIGNIFICANT EVENTS DURING JANUARY – MARCH 2025

SALES

In the first quarter of 2025, sales revenue decreased by 16 % compared to the previous quarter due to seasonal variation but increased by 14% compared to the same period in the previous year.

On the Finnish domestic market the positive sales development was fueled by increased on-trade distribution. Well implemented sales campaigns in selected on-trade premises compensated the drop in sales of the Alko monopoly. The difficult economic environment has had a negative impact on domestic monopoly sales where the spirits category is down -14% and the gin category is down -15% with the Arctic Blue Gin portfolio down -13% versus last year.

Travel retail sales grew compared to the same period in the previous year and is expected to further improve with increased campaign activities with the Duty-Free operator Dufry.

The positive sales development in Finland was partly driven by the new Arctic Blue Long Drink collection, which was released at the end of the first quarter. Additionally, the launch of the Arctic Blue online store in seven European markets during the last quarter of 2024, followed by an expansion into five more markets in the first quarter of 2025, contributed to the growth.

Furthermore, Nightwish Gin—a collaboration with the band Nightwish—was launched in the online channel in December 2024 and in the Alko monopoly during the first quarter of 2025.

FINANCIAL OVERVIEW

In period January – March 2025, the Company's net sales of SEK 1 137 thousand increased 14% compared the same period a year ago (SEK 995 thousand) and decreased by 16% due to seasonal variation compared to the previous quarter.

Materials and services expenses SEK -632 thousand (SEK -746 thousand) decreased due to favorable product mix compared to the same period a year ago.

Other external expenses SEK -1 823 thousand (SEK -1 850 thousand) were at the same level than the same period a year ago.

Personnel expenses SEK -1 891 thousand (SEK -1 531 thousand) increased due to higher number of personnel.

EBITDA and EBIT were SEK -3 204 thousand (-3 132 thousand) and SEK -3 556 thousand (-3 693 thousand) for the first quarter 2025.

Net result SEK -3 391 thousand (-3 967 thousand) was affected by positive exchange rate differences which more than offset increased interest costs due to increased aggregated unpaid principal balance of the loans.

The Company's cash and cash equivalents were SEK 228

thousand at the end of the reporting period.

The Company will continue focusing on strengthening its equity and improving its profitability.

MAJOR EVENTS

On January 16, the Company launched an updated Arctic Blue webshop, making it easier than ever for customers in the UK, Belgium, Italy, Portugal, and Spain to enjoy the brand's award-winning products. The webshop also caters to B2B customers, such as bars and restaurants, in these new markets.

On January 27, 2025, the Company entered into loan amendment agreements with 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 maturity dates of current loan agreements from January 31, 2025 and June 30, 2025 to January 31, 2026. The aggregated unpaid principal balance of these loans was EUR 1,834,078. All other terms and conditions regarding the loans remains unchanged. The amendment of the loans was subject to approval at an extraordinary general meeting held February 17, 2025.

On February 6, the Company expanded Arctic Blue Long Drink portfolio with two new flavors, Arctic Blue Long Drink Laku and Arctic Blue Long Drink Rose, inspired by the brand's successful gin and liqueur portfolio. Both products are presented in sleek slim cans, following the latest packaging trends. At the same time, the entire Arctic Blue Long Drink portfolio will transition to this modern and stylish format.

On February 10, the Company expanded global distribution of Nightwish Gin through a strategic partnership with La Maison du Whisky, bringing Nightwish Gin to a wider international audiences. Arctic Blue Beverages, in collaboration with the legendary band Nightwish, launched the super-premium Nightwish Gin in late 2024. Now, its global availability has expanded through a strategic partnership with La Maison du Whisky, a leading online platform based in France. In addition to individual consumers, the webshop also serves B2B customers, including bars and restaurants, in these newly available markets.

The Company's latest product, Nightwish Gin was awarded with a silver medal in the category "Finnish Gins" at UISGE 2025, while the Company released the information that the sales at the Finnish monopoly, Alko will start on February 17.

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.

The Company entered into loan agreements amounting to a total of EUR 270 000 (ref. Note 6).



SIGNIFICANT EVENTS AFTER THE INTERIM PERIOD

On April 24, 2025, the Company entered into two loan agreements amounting to a total of EUR 90 000 with 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 interest rate per annum of 10 percent and runs up until January 31, 2026. The Lenders have the right to, should the Company carry out a share issue before January 31, 2026, and provided that all necessary resolutions have been passed, convert the borrowed amount to shares in the Company. In such case, the subscription price for conversion to shares shall be equal to the applicable subscription price in such share issue.

Arctic Blue Beverages' product portfolio was awarded multiple medals at the prestigious San Francisco World Spirits Competition 2025. Arctic Blue Gin Rose secured a Double Gold medal – its fourth since launch – while the company's newest gins, Nightwish Gin and Arctic Blue Coastal Dry Gin, were both awarded Silver.



FINANCIAL REPORTS

INCOME STATEMENT - GROUP

SEK thousand	Note	JAN-MAR 2025	JAN-MAR 2024	JAN-DEC 2024
Revenue				
Net sales		1 137	995	5 130
Other operating income		5	0	0
		<u>1 141</u>	<u>995</u>	<u>5 130</u>
Operating expenses				
Materials and services		-632	-746	-3 793
Other external expenses		-1 823	-1 850	-7 883
Personnel expenses	2	-1 891	-1 531	-6 666
Depreciation and write-downs of tangible and intangible assets		-352	-561	-1 452
Operating expenses total		<u>-4 698</u>	<u>-4 688</u>	<u>-19 794</u>
Operating profit (EBIT)		<u>-3 556</u>	<u>-3 693</u>	<u>-14 663</u>
Results from financial items				
Results from financial items		165	-274	-2 038
Profit after financial items		<u>-3 391</u>	<u>-3 967</u>	<u>-16 702</u>
Profit before tax		<u>-3 391</u>	<u>-3 967</u>	<u>-16 702</u>
Tax expense for the period		0	0	0
Net profit		<u>-3 391</u>	<u>-3 967</u>	<u>-16 702</u>



BALANCE SHEET - GROUP

SEK thousand	Note	31 MAR 2025	31 MAR 2024	31 DEC 2024
ASSETS				
Non-current assets				
Intangible assets				
Trademarks	3	49	121	69
Goodwill	4	2 104	3 353	2 507
		2 153	3 474	2 575
Tangible assets				
Property, plant and equipment		1 632	315	1 792
		1 632	315	1 792
Financial assets				
Receivables from associated companies		495	491	490
Other long-term investment		426	453	451
Other long-term receivables		126	76	134
Deferred tax assets		0	0	0
		1 048	1 021	1 075
Total non-current assets		4 833	4 811	5 442
Current assets				
Inventory				
Raw materials and consumables		-	-	-
Finished goods		4 597	7 845	5 143
		4 597	7 845	5 143
Current receivables				
Accounts receivables		2 959	2 736	3 071
Other receivables		374	238	345
Prepayments and accrued income		200	678	1
		3 533	3 651	3 417
Cash and cash equivalents		228	278	764
Total current assets		8 358	11 775	9 324
TOTAL ASSETS		13 191	16 586	14 766
SEK thousand	Note	31 MAR 2025	31 MAR 2024	31 DEC 2024
EQUITY AND LIABILITIES				
Equity				
Share capital		1 258	1 258	1 258
Reserve for invested non-restricted equity		49 832	49 832	49 832
Reserves		-2 161	1 386	1 228
Retained earnings		-63 777	-50 118	-50 112
Profit/loss for the financial year		-3 391	-3 967	-16 702
Equity attributable to the parent company's shareholders		-18 240	-1 610	-14 496
Minority interest		-	0	-
Total equity		-18 240	-1 610	-14 496
Provisions				
Provisions for pensions and similar obligations		1	0	1
Current liabilities				
Short term loans	5,6	23 242	9 589	21 395
Accounts payable		1 048	4 455	1 331
Other liabilities		1 125	858	1 116
Accrued expenses and deferred income		6 015	3 294	5 419
Total current liabilities		31 430	18 196	29 261
TOTAL EQUITY AND LIABILITIES		13 191	16 586	14 766



CASH FLOW STATEMENT – GROUP

SEK thousand	JAN-MAR 2025	JAN-MAR 2024	JAN-DEC 2024
Operating profit	-3 556	-3 693	-14 663
Adjustments for:			
Depreciation and write-downs	352	561	1 452
Exchange rate differences	-149	-94	-458
Changes in provisions	0	0	1
Options	0	0	6
Financial income/expenses (+/-)	-27	-74	-139
Paid taxes	0	0	0
Operating activities before working capital changes	-3 381	-3 300	-13 803
Changes in working capital:			
Increase (-) or decrease (+) in inventory	270	-5 232	-2 639
Increase (-) or decrease (+) in trade receivables	-60	375	37
Increase (-) or decrease (+) in other receivables	-251	133	699
Increase (+) or decrease (-) in trade payables	-223	3 372	324
Increase (+) or decrease (-) in other payables	544	-92	803
Cash flow from operating activities (A)	-3 102	-4 744	-14 579
Disposal of subsidiary	0	0	0
Disposal of financial assets	0	1 204	1 220
Purchase of financial assets	-34	0	-57
Purchase of fixed assets	0	-309	-1 783
Cash flow from investing activities (B)	-34	895	-620
Proceeds from loans	2 608	3 933	16 286
Repayment of loans	0	-178	-692
Proceeds from issuance of shares	0	0	0
Cash flow from financing activities (C)	2 608	3 755	15 594
Net increase/decrease in cash and cash equivalents (A+B+C)	-527	-93	395
Cash and cash equivalents at beginning of period	764	367	367
Exchange rate differences	-8	4	2
Cash and cash equivalents at end of period	228	278	764



CHANGE IN EQUITY

SEK thousand	Share capital	Invested unrestricted equity reserve	Retained earnings (loss)	Revaluation reserve	Profit (loss) for the period	Total equity
Equity 1 Jan 2025	1 258	49 832	-66 814	1 228	0	-14 496
Translation difference			3 036	-3 389		-353
Profit (loss) for the period					-3 391	-3 391
Equity 31 Mar 2025	1 258	49 832	-63 777	-2 161	-3 391	-18 240
Equity 1 Jan 2024	1 258	49 832	-50 117	1 303	0	2 274
Translation difference				83		83
Profit (loss) for the period					-3 967	-3 967
Equity 31 Mar 2024	1 258	49 832	-50 118	1 386	-3 967	-1 610
Equity 1 Jan 2024	1 258	49 832	-50 118	1 303	0	2 274
New share issue			6			6
Translation difference				-75		-75
Profit (loss) for the period					-16 702	-16 702
Equity 31 Dec 2024	1 258	49 832	-50 112	1 228	-16 702	-14 496



NOTES TO JANUARY – MARCH INTERIM REPORT

NOTE 1 – ACCOUNTING PRINCIPLES

The year-end report has been prepared in accordance with the Annual Accounts Act (1995:1554), chapter 9 Interim report.

BASIS FOR DRAWING UP THE INTERIM REPORT

The group's consolidated financial statements include the following companies:

- Arctic Blue Beverages AB
- Arctic Blue Beverages Oy

Additionally in the group belongs following minor associate/subsidiary companies which are under group transformation.

- Arctic Gateway Asia Pte. Ltd
- Arctic Gateway India Private Limited Pty Ltd (dormant)

The companies listed above form a group with Arctic Blue Beverages AB as parent company. As part of the preparations for the listing on the Nasdaq First North Growth Market, the group was reorganized and a new company, Arctic Blue Beverages AB became the new Swedish parent company on April 8, 2022.

The principles are unchanged compared to those applied in the annual financial statements for 2024.

Below are the most essential principles:

Income

Revenue is valued at the fair value of what has been received or will be received, less discounts. When selling goods, the revenue is reported upon delivery.

Inventory

The inventory is recorded at the lower of the acquisition value and the net sales value. The acquisition value calculated according to the first-in-first-out principle.

Financial assets and liabilities

Financial assets and liabilities are reported based on the acquisition value in accordance with chapter 11 Financial instruments valued based on the acquisition value in BFN AR 2012:1.

Recognition of interest costs is implemented on quarterly basis.

Receivables

Receivables have been recorded at the amounts with which they are estimated to have an impact.

Intangible assets

Intangible fixed assets that have been acquired are reported at the acquisition value less accumulated depreciation.

Tangible assets

Tangible fixed assets that have been acquired are reported at the acquisition value less accumulated depreciation.

Depreciation principles for fixed assets

Depreciation according to plan is based on original acquisition values and estimated useful life.

The following depreciation periods apply:	Period of use
Intangible assets	
Trademarks	5 years
Goodwill	5 years
Tangible assets	
Machinery and equipment	7 years



NOTE 2 – PERSONNEL

Personnel	JAN - MAR 2025	JAN-MAR 2024	JAN-DEC 2024
Average number of employees Arctic Blue Beverages Oy Finland	6	5	6
Total	6	5	6

NOTE 3 – TRADEMARKS

SEK thousand	31 MAR 2025	31 MAR 2024	31 DEC 2024
Accumulated acquisition values			
At the beginning of the period	5 051	4 879	4 879
Translation differences	-280	189	172
At the end of the period	4 771	5 068	5 051
Accumulated depreciation			
At the beginning of the period	-4 982	-4 479	-4 479
Depreciation for the period	-63	-288	-343
Translation differences	323	-180	-160
At the end of the period	-4 722	-4 947	-4 982
Recorded value at the end of the period	49	121	69

NOTE 4 – GOODWILL

SEK thousand	31 MAR 2025	31 MAR 2024	31 DEC 2024
Accumulated acquisition values			
At the beginning of the period	5 570	5 381	5 381
Translation differences	-309	208	189
At the end of the period	5 261	5 589	5 570
Accumulated depreciation			
At the beginning of the period	-3 064	-1 884	-1 884
Depreciation for the period	-289	-273	-1 109
Translation differences	196	-79	-71
At the end of the period	-3 156	-2 236	-3 064
Recorded value at the end of the period	2 104	3 353	2 507

NOTE 5 – PLEDGED COLLATERAL AND CONTINGENT LIABILITIES

SEK thousand	31 MAR 2025	31 MAR 2024	31 DEC 2024
Pledged collateral	415	281	328
Contingent liabilities	None	None	None

The Company has signed contract with Finnish financial institute of sales of receivables (factoring agreement). Liability of the factoring loan has been pledged. Contract includes credit insurance with 95% coverage of receivables included in the agreement.

NOTE 6 – TRANSACTIONS WITH RELATED PARTIES

On January 20, 2025, the Company entered into two loan agreements amounting to a total of EUR 90 000 with 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 interest rate per annum of 10 percent and runs up until January 31, 2026. The Lenders have the right to, should the Company carry out a share issue before January 31, 2026, and provided that all necessary resolutions have been passed, convert the borrowed amount to shares in the Company. In such case, the subscription price for conversion to shares shall be equal to the applicable subscription price in such share issue.

On January 27, 2025, the Company entered into loan amendment agreements with 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 maturity dates of current loan agreements from January 31, 2025 and June 30, 2025 to January 31, 2026. The aggregated unpaid principal balance of these loans was EUR 1,834,078. All other terms and conditions regarding the loans was subject to approval at an extraordinary general meeting held February 17, 2025.

On February 24, 2025, the Company entered into two loan agreements amounting to a total of EUR 90 000 with 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 interest rate per annum of 10 percent and runs up until January 31, 2026. The Lenders have the right to, should the Company carry out a share issue before January 31, 2026, and provided that all necessary resolutions have been passed, convert the borrowed amount to shares in the Company. In such case, the subscription price for conversion to shares shall be equal to the applicable subscription price in such share issue.

On March 26, 2025, the Company entered into two loan agreements amounting to a total of EUR 90 000 with 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 interest rate per annum of 10 percent and runs up until January 31, 2026. The Lenders have the right to, should the Company carry out a share issue before January 31, 2026, and provided that all necessary resolutions have been passed, convert the borrowed amount to shares in the Company. In such case, the subscription price for conversion to shares shall be equal to the applicable subscription price in such share issue.

Additionally, the following transactions with related parties have been implemented in the first quarter of 2025.

JAN – MAR 2025

SEK thousand

Advisory services, Hoikka Consulting Oy (Antti Villanen, chairman of the board)	122
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NOTE 7 – RISKS AND UNCERTAINTIES

Future funding

The resources required to execute Arctic Blue Beverages' business plan, including product development, expansion into new markets and other investments, depends 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 be forced to seek alternative financing in the form of debt financing or additional capital raising.

**Access to quality raw materials**

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

Dependence on key people

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

Competitive situation

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

Currency risks

Currency risk occurs in the form of recalculation exposure as purchases and sales are not always the same currency and recalculation exposure when recalculating the subsidiaries' income statements and balance sheets, primarily EUR to the accounting currency, which is SEK.

NOTE 8 – SIGNIFICANT EVENTS**Significant events during the reporting period**

On January 16, the Company launched an updated Arctic Blue webshop, making it easier than ever for customers in the UK, Belgium, Italy, Portugal, and Spain to enjoy the brand's award-winning products. The webshop also caters to B2B customers, such as bars and restaurants, in these new markets.

On January 27, 2025, the Company entered into loan amendment agreements with 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 maturity dates of current loan agreements from January 31, 2025 and June 30, 2025 to January 31, 2026. The aggregated unpaid principal balance of these loans was EUR 1,834,078. All other terms and conditions regarding the loans remains unchanged. The amendment of the loans was subject to approval at an extraordinary general meeting held February 17, 2025.

On February 6, the Company expanded Arctic Blue Long Drink portfolio with two new flavors, Arctic Blue Long Drink Laku and Arctic Blue Long Drink Rose, inspired by the brand's successful gin and liqueur portfolio. Both products are presented in sleek slim cans, following the latest packaging trends. At the same time, the entire Arctic Blue Long Drink portfolio will transition to this modern and stylish format.

On February 10, the Company expanded global distribution of Nightwish Gin through a strategic partnership with La Maison du Whisky, bringing Nightwish Gin to a wider international audience. Arctic Blue Beverages, in collaboration with the legendary band Nightwish, launched the super-premium Nightwish Gin in late 2024. Now, its global availability has expanded through a strategic partnership with La Maison du Whisky, a leading online platform based in France. In addition to individual consumers, the webshop also serves B2B customers, including bars and restaurants, in these newly available markets.

The Company's latest product, Nightwish Gin was awarded with a silver medal in the category "Finnish Gins" at UISGE 2025, while the Company released the information that the sales at the Finnish monopoly, Alko will start on February 17.

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.

The Company entered into loan agreements amounting to a total of EUR 270 000 (ref. Note 6).

Significant events after the end of the reporting period

On April 24, 2025, the Company entered into two loan agreements amounting to a total of EUR 90 000 with 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 interest rate per annum of 10 percent and runs up until January 31, 2026. The Lenders have the right to, should the Company carry out a share issue before January 31, 2026, and provided that all necessary resolutions have been passed, convert the borrowed amount to shares in the Company. In such case, the subscription price for conversion to shares shall be equal to the applicable subscription price in such share issue.

Arctic Blue Beverages' product portfolio was awarded multiple medals at the prestigious San Francisco World Spirits Competition 2025. Arctic Blue Gin Rose secured a Double Gold medal – its fourth since launch – while the company's newest gins, Nightwish Gin and Arctic Blue Coastal Dry Gin, were both awarded Silver.



THE SHARE

Arctic Blue Beverages stock is listed on Nasdaq First North Growth Market with the ticker symbol "Arctic". As of March 31, 2025, the total number of shares was 26,198,089 and the closing price was SEK 1,53 per share.

AUDITOR

WeAudit Sweden AB is the company's auditor and is presented by Mikael Köver.





INFORMATION

CERTIFIED ADVISOR

As a company is listed on Nasdaq First North Growth Market Stockholm the company has an obligation to use a Certified advisor. Arctic Blue Beverages AB has appointed:

Eminova Fondkommission AB
Mail: adviser@eminova.se
Phone: +46 8-684 211 10

AUDITING

This report has not been audited by company's auditor.

FINANCIAL CALENDAR

Year-End Report 2024	February 19, 2025
Annual Report 2024	April 9, 2025
Interim report Jan – Mar 2025	May 14, 2025
Annual General Meeting 2025	June 10, 2025
Half-Year Report 2025	August 20, 2025
Interim Report Jan-Sep 2025	November 19, 2025
Year-End Report 2025	February 18, 2026

NOTE

This company announcement contains information that Arctic Blue Beverages AB (publ) 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 below at 8:00am CET on May 14, 2025.

FOR MORE INFORMATION, PLEASE CONTACT:

Valtteri Eroma, CEO
Mail: valtteri.eroma@arcticbluebeverages.com
Phone: +358 40 550 1343

Petri Hirvonen, CFO
Mail: petri.hirvonen@arcticbluebeverages.com
Phone: +358 40 571 0834

THE BOARD'S DECLARATION

The board of Directors and CEO ensure that this half-year report gives a true and fair view of the company's operations and financial position.

Helsinki, May 14, 2025

Valtteri Eroma	Chief Executive Officer
Antti Villanen	Chairman of the board
Gustaf Björnberg	Member of the board
Petri Heino	Member of the board
Matti Nikkola	Member of the board



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