

(unofficial translation from Swedish)

The Board of Directors and the CEO of

**Arctic Blue Beverages AB**

Org no. 559361-7078

Hereby establishes:

**Annual report  
and consolidated financial  
statements**

for the financial year January 21st - December  
31<sup>st</sup>, 2022

<b><u>Content:</u></b>	<b><u>PAGE</u></b>
Directors' Report	2
Income statement - Group	7
Balance sheet - Group	8
Report on changes in Equity - Group	10
Cash flow analysis - Group	11
Income statement - parent company	12
Balance sheet - parent company	13
Report on changes in Equity - parent company	14
Cash flow analysis - parent company	15
Notes with accounting principle and Notes to the financial statements	16
Signatures	31

## 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 organization number is 559361-7078. The Company is a public limited liability company incorporated and registered according to Swedish law with its registered office in Stockholm, Sweden. Arctic Blue Beverages AB has been listed at Nasdaq First North Growth Market since May 2022.

Arctic Blue Beverages AB owns 100 percent of the shares in the operative subsidiary Arctic Blue Beverages Oy. Arctic Blue Beverages AB is dependent of Arctic Blue Beverages Oy in that matter that all production and sales happens 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 and the world's first gin-based oat liqueur, Arctic Blue Gin Oat. The Company was founded in 2017 and produces and sells artisanal beverages such as gin, liqueurs, and tonics, 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 on the global spirits market. The Company invests in international exports and its products are sold in Finland, Sweden, Canada, Japan, and Australia, among others. The products are mainly sold through distributors, both in traditional trade and via e-commerce.

Arctic Blue Beverages Oy is the parent company of four subsidiaries; Arctic Gateway Asia Pte. Ltd, owned by 100 percent, Valamo Beverages Oy owned by 92.6 percent, Arctic Gateway India Private Limited owned by 70 percent and Arctic Brand House Oy owned by 40 percent.

Arctic Blue Beverages Oy is currently in a process to divest its shares in Valamo Beverages Oy and to wind down Arctic Gateway India Private Limited and Arctic Brand House Oy. Arctic Gateway Asia Pte. Ltd. will in the future also be a wholly owned subsidiary.

### Multi-year overview (TSEK)

<i>Group</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>
Net sales	9 441	8 749	6 130
Operating margin %	-400%	-176%	-119%
Balance sheet total	24 639	20 777	23 576
Return on capital employed %	-200%	-95%	-51%
Return on equity %	202%	-95%	-51%
Equity ratio %	80	86	61,59

Definitions: see note 1

<i>Parent company</i>	<i>2022</i>
Net sales	0
Balance sheet total	46 100
Equity ratio %	97

Definitions: see note 1

**Significant events during the financial year**

On April 19<sup>th</sup>, 2022, an EU Growth prospectus was published for the listing on Nasdaq First North Growth Market Stockholm. On May 4<sup>th</sup>, the offering was oversubscribed and on May 10<sup>th</sup>, Arctic Blue Beverages AB was approved for listing on Nasdaq First North Growth Market Stockholm. The IPO was one of the main highlights of the year 2022.

**Success in international competitions**

During the year 2022, Arctic Blue Beverages was awarded several prizes in the international spirit competitions; San Francisco World Spirits Competition (SFWSC), Singapore World Spirits Competition (SWSC), International Wine and Spirit Competition (IWSC) and New York Wine and Spirits Competition (NYWSC). In the San Francisco World Spirits Competition, Arctic Blue Gin Rose won double gold. Arctic Blue Oat was awarded with silver. In the Singapore World Spirits Competition, Arctic Blue Gin Rose won its second double gold and was also best in class. In the same competition, Arctic Blue Gin was awarded with a silver medal. In the world-famous spirit competition International Wine and Spirit Competition, Hang Oat Vanilla was awarded with silver in the category RTDs. Arctic Blue Oat was awarded with a silver medal in the New York Wine and Spirits Competition.

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, winnings in the competitions are valuable marketing tools for the Company.

**International expansion – new distribution agreements**

In the beginning of the year 2022, Arctic Blue Beverages signed a distribution agreement with La Maison du Whisky in France. In May, a distribution agreement was signed with Solera Sweden AB for distribution of Arctic Blue Beverages' products throughout Sweden. Sales of Arctic Blue Gin and Arctic Blue Gin Navy Strength started first, after that also sales of the products Arctic Blue Gin Rose and Arctic Blue Oat.

On May 12<sup>th</sup>, Arctic Blue Beverages signed a distribution agreement with the leading Southeast Asian distribution platform Buy2Sell for expanding Arctic Blue Beverages' product availability in Southeast Asia, starting from Singapore. The partnership enables Arctic Blue Beverages to reach more than 100,000 B2B customers across Southeast Asia.

In August, a distribution agreement for the Malaysian market was signed with The Got Brothers Empire. In September, Arctic Blue Beverages took its first step into the North American market through signing a distribution agreement with Joyhall Inc. for the Canadian market.

On the Company's home market Finland, Arctic Blue Beverages took its first step towards a more efficient and focused distribution model for the Finnish- and Nordic travel retail markets, through signing a distribution agreement with Norex Selected Brands Oy at the end of year 2022. The distribution agreement covers distribution of Arctic Blue Beverages' products in Finland and in the Nordic travel retail.

**New products**

During the year 2022, Arctic Blue Beverages launched two new products. The product Hang Oat was launched and became the Company's first RTD (ready-to-drink) product. The market for RTDs has grown tremendously globally and at the same time, dairy products are increasingly being replaced by alternative products such as oats.

Arctic Blue Gin Rose was launched as the Company's first product in the rapidly growing segment of flavoured gins. The product quickly gained a strong position in the travel retail and on the Finnish market. Arctic Blue Gin Rose reached standard selection status at Alko, the Finnish alcoholic beverage retailing monopoly in just a few months. The product has aroused great interest especially in Asia due to its natural red colour coming from blueberries instead of artificial colouring.

A sales campaign for Arctic Blue Gin Legacy's purchase rights started at the end of year 2022 utilizing NFT-technology. The timing for the campaign was far from perfect, since the whole crypto currency market was at the same time negatively impacted by the collapse of the cryptocurrency exchange FTX.

**Arctic Blue Beverages AB**

Org nr 559361-7078

**Progress in markets**

Arctic Blue Beverages has experienced especially great successful on the home market Finland, the Canadian and Australian markets. On the Canadian market, Arctic Blue Beverages has had a great start with the distributor Joyhall Inc., where Arctic Blue Beverages' products have been listed at both the major retail chain Calgary Co-op Wine and Spirits and in the premium store Prestige Wine and Spirits in Edmonton.

In Australia, Arctic Blue Beverages' distribution footprint has grown to cover 150 stores with the Company's products in all of Australia's six states.

**Financial arrangements**

On the May 12<sup>th</sup>, trading with the share Arctic Blue Beverages AB at Nasdaq First North Growth Market Stockholm begun. In May 2022, the Company carried out an oversubscribed offering of shares, which provided the Company with gross proceeds of approximately SEK 28 million, before deductions for issue costs and set-off of interest-free shareholder loans.

Towards the end of the year, a fully secured rights issue took place with preferential rights for current shareholders. In total, the rights issue provided the Company with approximately SEK 5.2 million before issue-related costs.

The company also received revenues of approximately SEK 1.6 million before issue costs for the exercise of warrants of series TO1.

**Expected future prospects**

Year 2023 has had a promising start with a new distribution model for the Finnish- and Nordic travel retail markets – a model that the Company views very positively. In 2023, the new distribution model together with Norex Selected Brands Oy and Oy Sinebrychoff Ab will be strengthened and the focus will be on increasing the availability on the HoReCa field.

Focus markets for the year will be the Nordic countries, Japan, Australia, and Canada.

In 2023, the Company looks forward to starting the cooperation with ID SHOJI Co., Ltd for the Japanese market and with MarketEntry.EU for the Benelux and German markets. The Company's artisanal products with natural, unique flavours from the Nordic forest are attracting attention on these markets. Arctic Blue Beverages' newest product, Arctic Blue Laku, has had a successful launch, and in one week the product have become available in 254 out of a total of 373 Alko stores. Alko is the national alcoholic beverage retailing monopoly in Finland. Arctic Blue Laku is a great addition to the Company's existing award-winning product portfolio.

The launch of new products and increased delivery volumes of the Company's products will increase revenues and improve profitability. Demand for gin products is expected to remain at a good level, but changes in the global economic situation and geopolitical risks and competition may have a debilitating effect on demand and thus have a negative impact on the Company's earnings development.

**Significant risks and uncertainties****Future financing**

The resources required to implement Arctic Blue Beverages' 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 be forced to seek alternative financing in the form of debt financing or additional capital raising.

**Availability of 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 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's competences.

**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 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 subsidiaries' income statements and balance sheets, primarily from EUR to accounting currency, which is SEK.

**Proposal for profit allocation**

The Board of Directors recommends that non-restricted equity, SEK 43,653,107, shall be treated as following:

Balanced in a new account		<u>43 654</u>
	Net	<u>43 654</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.

**Income statement - Group**

<i>Amount in SEK thousand</i>	<i>Note</i>	<i>2022</i>	<i>2021</i>
Net sales	2	9 441	8 749
Other operating income	3	<u>1 452</u>	<u>3 143</u>
		10 893	11 892
<b>Operating costs</b>			
Materials and services		-8 923	-4 715
Other external expenses	4	-28 046	-17 269
Personnel costs	5	-9 829	-4 278
Depreciation and amortization of tangible and intangible assets		<u>-1 863</u>	<u>-1 034</u>
<b>Operating profit/loss</b>	6	-37 768	-15 404
<b><i>Profit/loss from financial items</i></b>			
Profit or loss on securities and receivables that are fixed assets		-26	—
Other interest income and similar items	7	179	—
Interest expenses and similar items	8	<u>-37</u>	<u>-2</u>
<b>Profit/loss after financial items</b>		-37 652	-15 406
<b>Profit/loss before taxes</b>		<u>-37 652</u>	<u>-15 406</u>
Other tax paid	9	<u>-297</u>	<u>16</u>
<b>Profit/loss for the year</b>		-37 949	-15 390
Attributable to			
Shareholders of the parent company		-37 953	-15 373
Minority interests		4	-17

**Balance sheet - group**

<i>Amount in SEK thousand</i>	<i>Note</i>	<i>2022-12-31</i>	<i>2021-12-31</i>
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b><i>Intangible fixed assets</i></b>			
Concessions, patents, licences, trademarks and similar rights	10	1 335	2 209
Goodwill	11	<u>4 787</u>	<u>245</u>
		6 122	2 454
<b><i>Financial fixed assets</i></b>			
Receivables from Group companies	13	—	—
Receivables from associates and jointly controlled entities		474	—
Other securities held as non-current assets	14,	463	419
Deferred tax asset	15	—	16
Other long-term receivables	16	<u>3 425</u>	<u>3 718</u>
		<u>4 362</u>	<u>4 153</u>
<b>Total fixed assets</b>		10 484	6 607
<b>Current assets</b>			
<b><i>Inventories, etc.</i></b>			
Raw materials and supplies		—	299
Finished goods and goods for resale		<u>4 700</u>	<u>6 554</u>
		4 700	6 853
<b><i>Current receivables</i></b>			
Accounts receivable		6 179	5 873
Other receivables		206	247
Prepayments and accrued income	17	<u>1 437</u>	<u>176</u>
		7 822	6 296
<b><i>Cash and bank</i></b>			
Cash and bank		<u>1 633</u>	<u>1 021</u>
		1 633	1 021
<b>Total current assets</b>		<u>14 155</u>	<u>14 170</u>
<b>TOTAL ASSETS</b>		24 639	20 777



**Balance sheet - group**

<i>Amount in SEK thousand</i>	<i>Note</i>	<i>2022-12-31</i>	<i>2021-12-31</i>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		1 171	26
Reserve for invested non-restricted equity		49 090	71 380
Reserves		1 156	-166
Retained earnings including net profit/loss for the year		<u>-31 757</u>	<u>-53 332</u>
Equity attributable to shareholders of the parent company		19 660	17 908
Minority interests		<u>7</u>	<u>2</u>
<b>Total equity</b>		19 667	17 910
<b>Provisions</b>			
Other provisions		<u>-</u>	<u>79</u>
		-	79
<b>Current liabilities</b>			
Accounts payables		2 206	2 118
Other liabilities		458	241
Accrued expenses and deferred income	18	<u>2 308</u>	<u>429</u>
		4 972	2 788
<b>TOTAL EQUITY AND LIABILITIES</b>		24 639	20 777

## Report on changes in Group equity

2021-12-31						
	Share capital	Other contributed capital	Reserves	Retained earnings. incl. profit for the year	Non-controlling holdings influence	Total equity
Opening balance	27	53 142	-474	-38 192	19	14 521
Net income				-15 373	-17	-15 390
<i>Changes directly in equity</i>						
Translation difference			308		39	347
Net result	–	–	308	–	39	347
<i>Transactions with owners</i>						
Shareholder contributions obtained		18 237				18 237
Option program	–	–	–	233	–	233
Net result	–	18 237	–	233	–	18 470
At year-end	26	71 380	-166	-53 332	2	17 910
2022-12-31						
	Share capital	Other contributed capital	Reserves	Retained earnings. incl. profit for the year	Non-controlling holdings influence	Total equity
Opening balance	26	71 380	-166	-53 332	2	17 910
Effect of transition from combined Reports to consolidated	-26	-71 380	166	59 528	–	-11 712
Adjusted operating balance	–	–	–	6 196	2	6 198
Profit for the year				-37 953	4	-37 949
<i>Changes directly to equity</i>						
Translation difference			1 156		1	1 157
Net result	–	–	1 156	–	1	1 157
<i>Transactions with owners</i>						
Re-registration share capital	25					25
New share issue	1 171	30 853				32 024
Shareholder contributions obtained		18 237				18 237
Reduction of share capital	-25					-25
Net result	1 171	49 090	–	–	–	50 261
At year-end	1 171	49 090	1 156	-31 757	7	19 667

## Cash flow Analysis - Group

<i>Amount in SEK thousand</i>	<i>Note</i>	<i>2022</i>	<i>2021</i>
<b>Current activities</b>			
Loss after financial items		-37 652	-15 406
Adjustment for items not included in the cash flow	23	<u>1 917</u>	<u>1 620</u>
		-35 735	-13 786
Other tax paid		<u>-297</u>	<u>—</u>
<b>Cash flow from operating activities before changes in working capital;</b>		-36 032	-13 786
<i>Cash flow from change in working capital</i>			
Change in inventories		2 650	2 196
Change in current receivables		-934	-2 003
Change in current liabilities		<u>2 454</u>	<u>-6 266</u>
<b>Cash flow from operating activities</b>		<u>-31 862</u>	<u>-19 859</u>
<b>Investment activities</b>			
Investments in financial assets		<u>—</u>	<u>-859</u>
<b>Cash flow from investment activities</b>		<u>—</u>	<u>-859</u>
<b>Financing activities</b>			
Registration of share capital		25	—
New share issue		32 252	—
Shareholder contributions received		<u>—</u>	<u>18 237</u>
<b>Cash flow from financing activities</b>		<u>32 277</u>	<u>18 237</u>
<b>Annual cash flow</b>		415	-2 481
<b>Liquid assets, opening balance</b>		1 021	3 523
<b>Exchange rate differences in cash and cash equivalents</b>		<u>197</u>	<u>-21</u>
<b>Liquid assets, closing balance</b>		1 633	1 021

## Income statement - the parent company

<i>Amount in SEK thousand</i>	<i>Note</i>	<i>21.1 – 31.12. 2022</i>
Net turnover	2	–
Other operating income	3	<u>2 675</u>
		2 675
<b>Operating expenses</b>		
Other external costs	4	-6 960
Personnel costs	5	<u>-1 005</u>
<b>Operating profit/loss</b>	6	-5 290
<b>Profit from financial items</b>		
Interest receivable and similar profit/loss items	7	169
Interest expenses and similar profit/loss items	8	<u>-18</u>
<b>Profit/loss after financial items</b>		-5 139
<b>Profit/loss before taxes</b>		<u>-5 139</u>
Other tax paid	9	<u>-297</u>
<b>Loss for the year</b>		<u>-5 436</u>

**Balance sheet - the parent company**

<i>Amount in SEK thousand</i>	<i>Note</i>	<i>2022-12-31</i>
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Financial assets</b>		
Participations in Group companies	12	39 385
		<u>39 385</u>
<b>Total fixed assets</b>		<b>39 385</b>
<b>Current assets</b>		
<b>Current receivables</b>		
Accounts receivable		2 675
Receivables from group companies		3 268
Deferred expenses and accrued income	17	<u>—</u>
		5 943
<b>Cash and bank</b>		
Cash and bank		<u>773</u>
		<u>773</u>
<b>Total current assets</b>		<b>6 716</b>
<b>TOTAL ASSETS</b>		<b>46 101</b>

**Balance sheet - the parent company**

<i>Amount in SEK thousand</i>	<i>Note</i>	<i>2022-12-31</i>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<i>Restricted equity</i>		
Share capital		1 171
		<u>1 171</u>
<i>Unrestricted equity</i>		
Share premium reserve		49 090
Profit/loss for the year		<u>-5 436</u>
		<u>43 654</u>
		44 825
<b>Short-term liabilities</b>		
Accounts payable		144
Other liabilities		94
Accrued expenses and deferred income	18	<u>1 038</u>
		<u>1 276</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>46 101</b>

## Report on changes in equity - parent company

2022-12-31	Tied up own capital			Free own capital			Total equity
	Share capital , ongoing rights issue	Revaluation Reserve.	Reserve for invested non restricted equity	Share premium fond	Fair value. fond	Bal.res.value incl.profit For the year	
Opening balance	-	-	-	-	-	-	-
Loss for the year						-5 436	-5 436
<i>Changes directly to equity</i>							
Registration of share capital	25					-	25
Net income	25	-	-	-	-	-	25
<i>Transactions with owners</i>							
Dividend						-	-
New share issue	1 196	-		49 090			50 286
Reduction in share capital	-25						-25
Net income	1 171	-	-	49 090	-	-	50 261
At year-end	1 171	-	-	49 090	-	-5 436	44 825

**Cash Flow Analysis - parent company***Amount in SEK thousand**21.1 – 31.12.  
2022***Current activities**

Profit/loss after financial items -5 139

Adjustment for items not included in the cash flow 23 -118

-5 257

Other tax paid -297

**Cash flow from operating activities before changes in working capital; -5 554***Cash flow from change in working capital*

Change in current receivables -5 825

Change in current liabilities 1 276

**Cash flow from operating activities -10 103****Investment activities**

Shareholder contribution -21 400

**Cash flow from investing activities -21 400****Financing activities**

Paid-up share capital 25

New share issue 32 251

**Cash flow from financing activities 32 276****Annual cash flow 773****Liquid assets, opening balance -****Liquid assets, closing balance 773**

## Note

*Amount in SEK thousand unless otherwise stated.*

### Note 1 Accounting and Valuation principles

The annual report is prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Report and consolidated reports (K3).

The Parent Company applies the same accounting policies as the Group, except in the cases listed below under the section "Accounting principles of the Parent Company".

The reports for the first quarter of 2022 and 2021 have been prepared through combined financial reports. The combined financial reports for Q1, as well as the financial years 2021 and 2020, were prepared for the purpose of being incorporated in a prospectus for Arctic Blue Beverages AB. The combined financial reports have been prepared in accordance with the Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board's general advice BFNAR 2012:1 Annual Report and Consolidated Accounts (K3). Arctic Blue Beverages AB's financial reports for the financial years 2021 and 2020 and Q1, 2022 have been prepared as combined financial statements to illustrate historical financial information for a group of entities that are not legally a group. These combined financial statements represent the group of entities that became a group on April 8th, 2022, when the inactive parent company of the group, Arctic Blue Beverages AB, acquired 100% of the shares in Arctic Blue Beverages Oy through an issue for non-cash consideration while Arctic Blue Beverages AB reduced its share capital by SEK 25,000 through cancellation of all 25,000 outstanding shares prior to the Annual General Meeting. Arctic Blue Beverages AB thereby became the new parent company of the Arctic Blue Beverages Oy Group. Arctic Blue Beverages AB is included in the combined financial statements since its formation on January 20th, 2022, with a share capital of SEK 25,000. There are no rules in K3 for consolidated financial statements.

Since K3 does not provide any specific guidance, a commonly used accounting policy for the preparation of consolidated financial statements has been chosen, whereby Arctic Blue Beverages AB and Arctic Blue Beverages Oy Group are aggregated based on historical carrying values in Arctic Blue Beverages Oy Group after alignment with Arctic Blue Beverages AB's accounting principles. All intercompany transactions between legal entities and the corporate group have been eliminated. Therefore, the combined financial statements represent the financial operations of the Arctic Blue Beverages AB Group, which was formed on April 8th, 2022.

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

### Intangible assets

#### *Other intangible assets*

Other intangible non-current assets acquired are carried at cost less accumulated depreciation and impairment.

Expenses for internally generated goodwill and trademarks are recognised in the income statement as an expense when incurred.

#### *Depreciation*

Write-off occurs on a straight-line basis over the estimated useful life of the asset. The depreciation is recognized as an expense in the income statement.

#### *Acquired intangible assets*

Trade marks

5 year

Goodwill

5 year

### Leasing

#### *Lessee*

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



**Arctic Blue Beverages AB**

Org nr 559361-7078

**Operational leasing agreements**

Lease payments under operating leases, including increased first-time rent but excluding expenses for services such as insurance and maintenance, are recognised as a straight-line expense over the lease term.

**Foreign currency***Foreign currency items*

Monetary items denominated in foreign currency are recalculated at the closing rate. Non-monetary items are not recalculated but are reported at the rate at the date of acquisition.

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

*Recalculation of foreign operations*

Assets and liabilities, including goodwill and other consolidated surpluses and underestimates, are recalculated into the accounting currency at the closing rate. Income and expenses are recalculated at the current rate per day for the business events unless a rate that is an approximation of the actual rate is used (for example, average rate). Exchange differences arising from recalculation are recognised directly in equity.

**Inventories**

Inventories are carried at the lower of cost and net realisable value. In doing so, the risk of obsolescence has been taken into account. The cost of acquisition is calculated on the basis of the first-in, first-out principle, in addition to expenditure on purchases, the cost also includes expenditure on bringing the goods to their present place and condition.

**Financial assets and liabilities**

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

*Recognition in and removal from the balance sheet*

A financial asset or liability is recognised in the balance sheet when the enterprise becomes a party to the contractual terms of the instrument. A financial asset is removed from the balance sheet when the contractual right to cash flow from the asset has ceased or settled. The same applies when the risks and rewards associated with the holding have been substantially transferred to another party and the enterprise no longer has control over the financial asset. A financial liability is removed from the balance sheet when the agreed obligation is fulfilled or terminated.

*Valuation of financial assets*

Financial assets are initially measured at cost, including any transaction costs directly attributable to the acquisition of the asset.

Financial current assets are measured on initial recognition at the lower of cost and net realisable value at the balance sheet date.

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

Financial fixed assets are measured at cost after initial recognition, less any impairment losses and plus any revaluations.

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

*Valuation of financial liabilities*

Financial liabilities are measured at amortised cost. Expenditure directly attributable to borrowing corrects the cost of the loan and is accrued using the effective interest rate method.

**Employee benefits***Post-employment benefits*

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

*Classification*

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

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

*Defined contribution plans*

The fees for defined contribution plans are recognized as an expense. Unpaid fees are recognised as a liability.

*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 contributions, which means that contributions are expensed in the income statement.

*Termination benefits*

Termination benefits, to the extent that the compensation does not confer any future economic benefits, are recognised as a liability and an expense only when the enterprise has a legal or constructive obligation to either:

- a) terminate the employment of a staff member or group of staff members before the normal date of termination of employment; or
- b) provide compensation in the event of dismissal by offering to encourage voluntary departure. Termination benefits are recognised only when the enterprise has a detailed plan for the termination and has no realistic possibility of cancelling the plan.

**Share-based payments**

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

Personnel costs are recognised for the value of services received, accrued over the vesting periods of the programmes, calculated as the fair value of the equity instruments allocated. The real 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. Since the programmes are regulated by equity instruments, they are classified as "equity adjusted" and an amount equal to the reported personnel cost is recognised directly in equity (retained profit).

When exercise of options and matching of shares takes place, social security contributions are payable in some countries for the value of the employee's benefit. An expense and provision are recognised on an accrual basis over the vesting period of these social security contributions. The provision for social security contributions is based on the number of options/share rights expected to vest and on the fair value of the options/share rights at each reporting date and finally at exercise/matching.

**Income Taxes**

Tax on profit for the year in the income statement consists of current tax and deferred tax.

Current tax is income tax for the current financial year that relates to taxable profit for the year and the portion of previous fiscal year's income tax that has not yet been recognized. Deferred tax is income tax on taxable profit for future financial years resulting from past transactions or events.

Deferred tax liabilities are recognised for all taxable temporary differences, but not for temporary differences arising from initial recognition of goodwill. Deferred tax assets are recognised 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 settled. The amounts are based on the tax rates and tax rules decided at the balance sheet date and have not been discounted.

Deferred tax assets have been measured at no more than the amount likely to be recovered based on current and future taxable profit. The valuation is reviewed each 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 enterprise has a legal or constructive obligation arising from an event and it is probable that an outflow of resources is required to settle the obligation and a reliable estimate of the amount can be made.

At initial recognition, provisions are measured at the best estimate of the amount that will be required to settle the obligation at the balance sheet date. Provisions are reviewed on each balance sheet date.

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

**Income**

The inflow of economic benefits received or receivable by the enterprise on its own account is recognised as income. Revenue is valued at the fair value of what has been or will be received, less discounts.

In cases where the terms of purchase result in the buyer receiving financing, the fair value of the revenue is the present value of all future payments.

*Sale of goods*

When selling goods, revenue is recognized on delivery.

**Public grants**

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

**Consolidated financial statements***Subsidiary*

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

The cost of subsidiaries is calculated as the sum of the fair value at the date of acquisition of the assets paid plus liabilities incurred and assumed and equity instruments issued, expenses directly attributable to the business combination and any earn-out. The acquisition analysis determines the fair value, with some exceptions, at the date of acquisition of identifiable assets and assumed liabilities and minority interest. Minority interests are measured at fair value at the date of acquisition. As of 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 that has accrued.

*Goodwill*

Consolidated goodwill arises when the acquisition value of shares in subsidiaries exceeds the value of the identifiable net assets of the acquiree as determined in the acquisition analysis. Goodwill is carried at cost less accumulated depreciation and any impairment loss.

*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 holdings of subsidiaries are merely a transaction between the owners, no gain or loss is recognised in the income statement and the effect of the transaction is recognised 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 recognised in the consolidated income statement.

If shares in a subsidiary are disposed of or control is otherwise discontinued, the shares are considered to have been disposed of in the consolidated financial statements and the gain or loss on disposal is recognised in the consolidated income statement. If shares remain after control has ceased, they are recognised at their fair value at the date of acquisition as cost.

*Elimination of transactions between group companies, associates, and jointly controlled entities*

Intercompany receivables and liabilities, income and expenses, and unrealised gains or losses arising from transactions between group companies [and jointly controlled entities accounted for under consolidation], are eliminated in their entirety. Unrealised gains arising from transactions with associates [and jointly controlled entities accounted for using the equity method] are eliminated to the extent corresponding to the Group's ownership interest in the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no indication of an impairment loss.

**Accounting policies in the parent company**

The accounting policies of the parent company are consistent with the accounting principles set out above in the consolidated financial statements.

**Note 2 Net turnover Distribution**

	2022	2021
Group		
<i>Net turnover per operating segment</i>		
Distribution of beverages	<u>9 441</u>	<u>8 749</u>
	9 441	8 749
<i>Net turnover per geographic market</i>		
Finland	5 444	4 326
Asia Pacific including Japan	1 442	2 231
EU	965	415
Travel retail	1 527	448
Other	<u>63</u>	<u>1 329</u>
	9 441	8 749

**Note 3 Other operating income**

	2022	2021
Group		
Public subsidies in the form of innovation support, Finland	897	3 143
Public grants for Covid-19 effects	450	–
Public grants for market research, Finland	<u>105</u>	<u>–</u>
	1 452	3 143
<i>Parent Company</i>		
Other income	<u>2 675</u>	<u>–</u>
	2 675	–

**Note 4 Remunerations to Auditors**

	2022	2021
Group		
<i>Tietotili Audit Oy</i>		
Audit assignment	-110	–
Audit activities other than the audit assignment	–	–
Tax advice	–	–
Other assignments	–	–
<i>We Audit AB</i>		
Audit assignment	-28	–
Audit activities other than the audit assignment	–	–
Tax advice	–	–
Other assignments	–	–
<i>KPMG</i>		
Audit assignment	–	-101
Audit activities other than the audit assignment	–	–
Tax advice	–	–
Other assignments	–	–

An audit assignment refers to the examination of the annual accounts and accounts as well as the administration of the Board of Directors and the CEO, other duties that it is the responsibility of the company's auditor to perform and advice or other assistance that is prompted by observations in such an audit or the implementation of such other tasks.

**Note 5 Employees Personnel costs****Average number of employees**

	2022	where of men	2021	where of men
<b>Parent Company</b>				
Sweden	—	0%	—	0%
Total in the parent company	—	0%	—	0%
<b>Subsidiary</b>				
Finland	8	75%	5	60%
Total in subsidiaries	8	75%	5	60%
Group total	8	75%	5	60%

**Reporting of gender distribution among senior executives**

	2022-12-31 Share of women	2021-12-31 Share of women
<b>Parent Company</b>		
Board	0%	0%
Other senior executives	0%	0%
<b>Group total</b>		
Board	0%	0%
Other senior executives	0%	0%

**Wages and salaries and other allowances and social security costs, including pension costs**

	2022		2021	
	Wages and salaries Allowances	Social costs	Wages and salaries Allowances	Social costs
Parent Company	-764	-240	—	—
(of which pension costs)	1)	(—)	1)	(—)
Subsidiary	-6 341	-1 349	-3 594	-684
(of which pension costs)		-(1 180)		-(553)
Group total	-7105	-1 589	-3 594	-684
(of which pension costs)	2)	-(1 180)	2)	-(553)

1) The parent company's personnel costs refer to the company's board. The parent company has no other employees outside of the board. The parent company was established in 2022 while all historical personnel costs was recognized in the subsidiaries.

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

### Salaries and other remuneration divided between Board members and CEO and other employees

	2022		2021	
	Board and CEO	Other employees	Board and CEO.	Other employees
Parent Company (of which tantiem etc.)	-764 (-)	—	— (-)	—
Subsidiary (of which tantiem etc.)	-1 266 (-)	-5 075	-909 (-)	-2 686
Group total (of which tantiem etc.)	-2 030 (-)	-5 075	-909 (-)	-2 686

### Senior executives' remuneration

	2022			
Thousand SEK	Basic salary, Board fees	Variable remuneration	Share-related remuneration	Pensions- cost
Chairman of the Board	—	—	—	—
Board member	—	—	—	—
Chief executive officer	—	—	—	—
Other executive officers (2 persons).	-1386	—	—	—
Net	—	—	—	—

	2022			
Thousand SEK	Financial instrument mm	Other compensation	Net	Pensions- obligation
Chairman of the Board	—	—	—	—
Board member	—	—	—	—
Chief executive officer	—	—	—	—
Other executive officers	—	—	—	—
Net	—	—	—	—

### Personal stock option program

The Incentive Program 2022/2025 comprises certain employees of the subsidiary and is based on maximum number of 387.000 of warrants issued by the Company. Warrants shall be transferred to the participants at an option premium priced in accordance with the Black & Scholes valuation model. The preliminary option premium is set at SEK 0.25. Participants can exercise allocated and vested warrants during a period of 25 days after the release of the Q3 report for financial year 2025 which is intended to be published in September 2025 up until December 31, 2025.

Each warrant shall entitle the Participant to subscribe for one new share in the Company at a subscription price amounting to 200 per cent of the subscription price as set in a public offering on Nasdaq First North Growth Market. The subscription price shall not be less than the nominal value for the shares. Any share premium shall be transferred to the unrestricted premium reserve.

The warrants shall be transferred to the participants in accordance with instructions from the Company's board of directors.

### Note 6 Operational leasing

#### Leases where the enterprise is a lessee

##### Group

Future minimum lease payments for non- cancellable operational leasing agreement	2022-12-31	2021-12-31
Within a year	-127	-84
Between one and five years	-33	-139
	-160	-223
	2022	2021
Expensed lease payments for the financial year	-237	-110

**Note 7 Interest Revenue and Similar Profit Items**

	2022	2021
<i>Group</i>		
Interest income, other	179	—
	179	—
<i>Parent Company</i>		
Interest income, group	51	—
Exchange rate gains	118	—
	169	—

**Note 8 Other Interest Cost and similar loss items**

	2022	2021
<i>Group</i>		
Interest income, other	-37	-2
	-37	-2
<i>Parent</i>		
Interest income, other	-18	—
	-18	—

**Note 9 Current and deferred tax****Reconciliation of effective tax**

	2022		2021	
<i>Group</i>	<i>Percent</i>	<i>Net</i>	<i>Percent</i>	<i>Net</i>
Profit before tax		-37 652		-15 406
Tax at the rate applicable to the parent company	20,6%	7 756	20,6%	3 174
Effect of other tax rates on foreign subsidiaries	-0,5%	-188	-0,6%	-92
Amortization of consolidated goodwill	-0,4%	-155	0,0%	—
Other non-deductible expenses	0,0%	0	-0,3%	-47
Increase in uncorresponding loss carry-forwards				
Capitalization of deferred tax	-19,7%	-7 413	-19,6%	-3 019
Other	-0,8%	-297	0,0%	—
Reported effective tax	-0,8%	-297	0,1%	16

  

	2022		2021	
<i>Parent Company</i>	<i>Percent</i>	<i>Net</i>	<i>Percent</i>	<i>Net</i>
Profit before tax		-5 139		—
Tax at the rate applicable to the parent company	20,6%	1 059	21,4%	0
Increase in uncorresponding loss carry-forwards				
Capitalization of deferred tax	-20,6%	-1 059	0,0%	—
Other	-5,8%	-297	0,0%	—
Reported effective tax	-5,8%	-297	21,4%	—



<b>Note 10</b>	<b>Concessions patents, licences, trademarks, and</b>	<b>Similar rights</b>	
		<b>2022-12-31</b>	<b>2021-12-31</b>
<i>Group</i>			
<i>Cumulative cost</i>			
At the beginning of the year		4 172	4 095
Translation differences for the year		<u>368</u>	<u>77</u>
End of year		4 540	4 172
<i>Accumulated depreciation</i>			
At the beginning of the year		-1 963	-964
Depreciation for the year		-1 085	-974
Translation differences for the year		<u>-156</u>	<u>-25</u>
End of year		-3 204	-1 963
<b>Carrying value at year-end</b>		<u>1 335</u>	<u>2 209</u>

<b>Note 11</b>	<b>Goodwill</b>		
		<b>2022-12-31</b>	<b>2021-12-31</b>
<i>Group</i>			
<i>Cumulative cost</i>			
At the beginning of the year		307	301
Acquisition		4 995	–
Translation differences for the year		<u>467</u>	<u>6</u>
End of year		5 770	307
<i>Accumulated depreciation</i>			
At the beginning of the year		-62	–
Depreciation for the year		-778	-62
Translation differences for the year		<u>-143</u>	<u>–</u>
End of year		-983	-62
<b>Carrying value at year-end</b>		4 787	245

<b>Note 12</b>	<b>Participations in Group companies</b>	
		<b>2022-12-31</b>
<i>Cumulative cost</i>		
At the beginning of the year		–
Acquisition		17 985
Shareholder contributions		<u>21 400</u>
End of year		39 385
<b>Carrying value at year-end</b>		39 385

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

			<b>2022-12-31</b>
<i>Subsidiaries / Corporate organization number / Registered office</i>	<i>Number Shares</i>	<i>Share % in)</i>	<i>Carrying value</i>
Arctic Beverages OY	1 000	100,0	38 926
Arctic Gateway India Private Ltd. (201905034Z)	7 000	70,0	169
Arctic Gateway Asia Pte.Ltd. (U74999MH2018PTC30)	1 000	100,0	252
Arctic Brand House Oy (2914197-4)	40 000	40,0	11
Valamo Beverages Ltd (2858493-3)	40 000	40,0	27
			<u>39 385</u>

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

**Note 13 Receivables from Group companies****2022-12-31***Parent Company**Cumulative cost*

At the beginning of the year

—

Additional receivables

3 268

End of year

3 268**Note 14 Other long-term securities holdings****2022-12-31****2021-12-31***Group**Cumulative cost*

At the beginning of the year

419

358

Additional assets

-

54

Translation differences for the year

447

End of year

463419**Carrying value at year-end**

463

419

**Note 15 Deferred tax****2022-12-31**

<i>Group</i>	<i>Carrying value</i>	<i>Fiscally value</i>	<i>Temporary difference</i>
--------------	---------------------------	---------------------------	---------------------------------

Tax loss carry forwards amount to SEK 93 million. No deferred tax asset is booked on the loss carry forwards.

**2022-12-31**

<i>Group</i>	<i>Deferred Tax claim</i>	<i>Deferred tax liability</i>	<i>Net</i>
--------------	-------------------------------	-----------------------------------	------------

<i>Group</i>	<i>Carrying value</i>	<i>Fiscally value</i>	<i>Temporary difference</i>
--------------	---------------------------	---------------------------	---------------------------------

*Significant temporary differences attributable to*

*deferred tax assets*

Option program

79

—

-79

79

—

-79

<i>Group</i>	<i>Deferred Tax claim</i>	<i>Deferred tax liability</i>	<i>Net</i>
--------------	-------------------------------	-----------------------------------	------------

*Significant temporary differences*

Option program

0

—

0*Deferred tax asset/liability*0

—

0*Deferred tax asset/liability (net)*0

—

0

**Note 16 Other long-term receivables**

	2022-12-31	2021-12-31
<i>Group</i>		
<i>Cumulative cost</i>		
At the beginning of the year	3 718	2 920
Additional receivables	—	737
Registered claims	-135	—
Translation differences for the year	<u>-158</u>	<u>61</u>
End of year	3 425	3 718
<b>Carrying value at year-end</b>	3 425	3 718

**Note 17 Deferred Expenses and Cccrued income**

	2022-12-31	—
<i>Group</i>		
Accrued income, other	<u>1 437</u>	<u>176</u>
	1 437	176
<i>Parent company</i>		
Other items	<u>—</u>	<u>—</u>
	—	—

**Note 18 Accrued Expenses and Deferred income**

	2022-12-31	—
<i>Group</i>		
Accruals	<u>2 308</u>	<u>429</u>
	2 308	429
<i>Parent Company</i>		
Other items	<u>1 038</u>	<u>—</u>
	1 038	—

**Note 19 Collateralisations and contingent liabilities - Group**

<i>Amount in SEK thousand</i>	2022-12-31	
Collateralisations	No	No

**Note 20 Collateralisation and contingent liabilities - the parent company**

<i>Amount in SEK thousand</i>	2022-12-31	
Collateralisation	No	No
Contingent liabilities	No	No

**Note 21 Transactions with related parties**

Arctic Blue Beverages Oy has during 2022 and 2021 conducted transactions with related parties as set out below. The transactions have been carried out on market terms.

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

	2022-12-31	2021-12-31
Advisory services, Oy AjoRanta Group (Matti Nikola, CFO)	214	677
Advisory services, Hoika Consulting Oy (Antti Villanen, chairman of the board)	610	641
Advisory services, Wilhelm & Son (Kimmo Wagner, COO)	281	739
Rental agreement. Boss Capital Oy (Tuomas Kukkonen, board member)	510	243
Purchasing, Oatventures Oy (Tuomas Kukkonen, Board member)	–	56

Arctic Blue Beverages Oy has purchased consulting services from Hoikka Consulting Oy, a company represented by the company's Chairman of the Board, Antti Villanen, for the equivalent of SEK 609,697 in 2022 and SEK 640,671 respectively in 2021. The consultancy contract covers one day per month of EUR 750 per day.

Arctic Blue Beverages Oy has purchased consulting services from Oy AjoRanta Group AB, a company represented by the company's former CFO, Matti Nikola, for the equivalent of SEK 214,469 in 2022 and SEK 677,081 in 2021, respectively. The consultancy contract covers one day per month of EUR 750 per day.

Arctic Blue Beverages Oy has purchased consulting services from Wilhelm & Son Oy, a company represented by the company's COO Kimmo Wager for the equivalent of SEK 280,707 in 2022 and SEK 739,188 in 2021. The consultancy agreement includes a monthly remuneration of SEK 6,500 per month.

On January 1st, 2021, Arctic Blue Beverages Oy signed a lease agreement with Boss Capital Oy, a company represented by Board member Tuomas Kukkonen. Rent has been paid with the equivalent of SEK 510,105 in 2022 and SEK 243,478 in 2021.

Arctic Blue Beverages Oy has also purchased supplier services from Oatventures Oy, a company represented by Board member Tuomas Kukkonen, for a total of SEK 56,061 in 2021.

**Note 22 Essential Events after the end of the financial year**

2023-03-03 Arctic Blue Beverages Oy signed a distribution agreement for the Finnish market with Oy Sinebrychoff Ab. The distribution agreement covers distribution of selected Arctic Blue Beverages' products in the Finnish HoReCa field. The home market, Finland, is currently the biggest market for Arctic Blue Beverages and therefore this agreement is important for the Company. The distribution agreement entered into force on 1st of April 2023.

2023-03-14 Arctic Blue Beverages signed a distribution agreement for Benelux and German markets with MarketEntry.EU, member of STEX Group b.v. The first shipment of Arctic Blue Beverages' products was shipped to the Netherlands upon signing the the contract.

2023-03-16 Arctic Blue Beverages signed distribution agreement for the Japanese domestic and travel retail market with ID SHOJI Co.,Ltd. The distribution agreement covers distribution of Arctic Blue Gins on the Japanese domestic and travel markets. The agreement marks a substantial milestone for the Company in its ongoing expansion in the Japanese craft gin market – an expansion that now takes full wind in the sails after the challenges brought by Covid-19. As previously noted, Japan is one of the Company's most important markets, where unique craft gins are attracting attention. Nordic brands with a distinctive brand story have a great potential on the Japanese market.

2023-03-24 The subscription price for the exercise of the warrants of series TO2 in Arctic Blue Beverages AB has been set at a price of SEK 0.458 per share and the exercise period commences today, March 24, 2023.

2023-03-30 Arctic Blue Beverages Oy, in partnership with its distributor Joyhall Inc., has had a great start in the Canadian market. Since signing the distribution agreement with Joyhall Inc. in September 2022, Arctic Blue Beverages' premium products are now available in over 30 retail locations across Alberta. The Company's distribution footprint in Western Canada continues to expand, with plans to introduce the products to British Columbia's large craft gin market. The move to British Columbia represents a significant step in Arctic Blue Beverages' regional growth and underlines its dedication to delivering high-quality products to consumers nationwide. With a large craft gin market, Arctic Blue Beverages sees strong potential for continued success

**Arctic Blue Beverages AB**

Org nr 559361-7078  
and expansion in Western Canada.

2023-04-05 Arctic Blue Beverages launches a premium liquorice liqueur, Arctic Blue Laku, together with the Finnish luxury liquorice producer Kouvola Lakritsi. A collaboration that has been agreed upon a few years ago have now turned into something concrete. Arctic Blue Beverages and Kouvola Lakritsi teamed up to create Arctic Blue Laku – a smooth liquorice liqueur that combines the all-natural sweet flavour of artisanal liquorice with organic ingredients carefully selected from Finland's unique, pure, nature. Arctic Blue Laku has secured its standard selection status in the Finnish alcohol monopoly Alko, and is already widely available. Availability in the rest of the world will be built gradually throughout the year 2023.

2023-04-06 Arctic Blue Beverages AB announced the outcome of the exercise of warrants of series TO2 (the "Warrants") that were included in the units issued in connection with the listing of the Company's shares on Nasdaq First North Growth Market Stockholm in May 2022. A total of 1,807,859 shares were subscribed for with the support of the warrants, implying an exercise rate of approximately 48 percent. Arctic Blue Beverages receives proceeds of approximately MSEK 0.83 million before issue costs. The number of outstanding warrants amounted to 3,733,332. One (1) warrant entitles the subscription for 1,004 new shares in Arctic Blue Beverages at a subscription price per share of SEK 0.458, corresponding to 70 percent of the volume-weighted average price of the Company's share on Nasdaq First North Growth Market over a period of ten (10) trading days prior to the first day of subscription. The exercise period for the warrants lasted from March 24, 2023, to April 6, 2023. The exercise rate for outstanding warrants was approximately 48 percent, corresponding to 1,807,859 new shares. Exercised warrants are replaced with interim shares until the registration of the issue has been completed with the Swedish Companies Registration Office, whereupon the interim shares automatically will be converted into ordinary shares in Arctic Blue Beverages.

2023-04-13 Arctic Blue Beverages communicates that it has completed its new distribution and logistics set-up in Finland and Nordic travel retail. Finland and the Nordic travel retail are very important markets for Arctic Blue Beverages, and therefore the Company has carefully been building up the new set-up that will streamline and enhance sales and distribution operations in these areas. In Finland, the Company now has two very experienced and focused distributors. 1) Norex Selected Brands Oy, which distributes Arctic Blue Beverages' products to the Finnish alcohol monopoly Alko, to wholesale and in the HoReCa field. 2) Oy Sinebrychoff Ab, which distributes selected Arctic Blue Beverage' products in the HoReCa field. In the Nordic travel retail, Norex Selected Brands Oy acts as Arctic Blue Beverages' products sales agent. Arctic Blue Beverages also has a new logistics provider, Skanlog Oy, an independent 3rd party logistics specialist. Skanlog specializes in beverages and is the largest beverages business logistics operator in the Scandinavian countries. Through this partnership, Arctic Blue Beverages aims to improve the efficiency of the Company's travel retail and export logistics operations.

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

	2022	2021
<i>Group</i>		
Depreciation	1 863	1 035
Impairment/reversal of impairment losses	26	–
Unrealized exchange differences	27	273
Share-based compensation costs	1	233
Other provisions	–	79
	<u>1 917</u>	<u>1 620</u>

	2022
<i>Parent Company</i>	
Unrealized exchange differences	<u>-118</u>
	<u>-118</u>

**Non-payment transactions**

2022-12-31

*Group*

Acquisition of business through non-cash issue	17 985
--	--------

2022-12-31

*Parent Company*

Acquisition of business through non-cash issue	17 985
--	--------

**Acquisition of subsidiaries/operations, net cash impact**

2022-12-31

*Group**Acquired assets and liabilities and equity from previous holdings in successive acquisitions*

Intangible assets	7 213
Financial fixed assets	4 227
Inventories	7 097
Operating receivables	6 298
Cash and cash equivalents	1 252
Total assets	26 086

Acquired equity in previous holdings	13 069
Non-controlling interests	9
Operating liabilities	8 013
Total provisions and liabilities	21 091

Purchase price	17 985
Depart: Non-cash issue	-17 985
Purchase price paid	-
Depart: Cash and cash equivalents in the acquired business	-1 252
Impact on cash and cash equivalents*	-1 252

\*Since comparative periods are prepared according to the model of consolidated reports, the cash flow effect is not reported in the Group's cash flow statement. See accounting policies

2022-12-31

*Parent Company*

Financial fixed assets	17 985
Total assets	17 985

Purchase price	17 985
----------------	--------

**Arctic Blue Beverages AB**

Org nr 559361-7078

**Note 24 Definition of Key Business Ratios**Operating 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: Items in net financial items related to assets (included in capital employed)

Capital employed:  $\text{Total assets} - \text{interest-free liabilities}$ 

Interest-free liabilities: Debts that are not interest-bearing. Pension liabilities are seen as interest-bearing.

Return on

Equity:  $\text{Profit for the year attributable to parent company shareholders} / \text{Average equity attributable to the parent company's shareholders}$ Equity ratio:  $(\text{Total equity} + \text{equity share of untaxed reserves}) / \text{Total assets}$ **Stockholm, on 24th of April 2023**Antti Villanen  
*Chairman*Gustaf Bjornberg  
*Board member*Petri Heino  
*Board member*Valtteri Eroma  
*Chief executive officer*Johan Biehl  
*Board member*

Our auditor's statement has been submitted on 24.4.2023

We Audit Sweden AB

Michael Köver  
*Authorized Public Accountant*