



ARCTIC BLUE BEVERAGES

YEAR-END REPORT

ARCTIC BLUE BEVERAGES AB
Organisation number 559361-7078

JANUARY-DECEMBER 2024



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YEAR-END REPORT – JAN-DEC 2024

SUMMARY

THE PERIOD JANUARY – DECEMBER 2024

- Revenues (Jan – Dec): SEK 5 130 thousand (SEK 6 415 thousand on corresponding period 2023)
- EBITDA: SEK –13 212 thousand (SEK –14 972 thousand)
- EBIT: SEK –14 663 thousand (SEK –17 255 thousand)
- Net result: SEK –16 702 thousand (SEK –18 360 thousand)
- Earnings per share (EPS) –0,64 SEK / share
- Cash and cash equivalents: SEK 764 thousand (31 December 2024)

THE PERIOD OCTOBER – DECEMBER 2024

- Revenues (Oct – Dec): SEK 1 350 thousand (SEK 1 239 thousand on corresponding period 2023)
- EBITDA: SEK –3 893 thousand (SEK –3 093 thousand)
- EBIT: SEK –4 190 thousand (SEK –3 664 thousand)
- Net result: SEK –5 096 thousand (SEK –3 668 thousand)
- Earnings per share (EPS) –0,19 SEK / share

SIGNIFICANT EVENTS DURING OCTOBER – DECEMBER 2024

- Nordic craftsmanship and design took centre stage in Tokyo: Arctic Blue Beverages and Lundia presented a unique design and taste experience.
- The Company launched Arctic Blue webshop, offering direct delivery to seven European countries.
- The Company launched Nightwish Gin, a super-premium gin created in collaboration with the Nightwish band.
- The Company opened a brand-new innovative distillery in collaboration with NoHo Partners, namely the Arctic Blue Showroom Distillery, in Helsinki at Kulttuurikasarmi.
- The Company entered into loan agreements amounting to a total of EUR 190 000.

SIGNIFICANT EVENTS AFTER PERIOD

- The Company expands Arctic Blue webshop, offering direct delivery to five new European countries.
- On January 20, 2025 the Company entered into loan agreements amounting to a total of EUR 90 000.
- On January 27, 2025 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 Company expands 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 expands global distribution of Nightwish Gin through a strategic partnership with La Maison du Whisky, bringing Nightwish Gin to a wider international audiences.
- 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.



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
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KEY FINANCIALS

KEY FINANCIALS	OCT - DEC 2024	OCT - DEC 2023	JAN- DEC 2024	JAN- DEC 2023
Revenue (SEK thousand)	1 350	1 239	5 130	6 680
EBITDA (SEK thousand)	-3 893	-3 093	-13 212	-14 972
Operating profit/loss (SEK thousand)	-4 190	-3 664	-14 663	-17 255
Net profit/loss (SEK thousand)	-5 096	-3 668	-16 702	-18 360
Cash flow generated from operations (SEK thousand)	-2 598	-3 104	-14 579	-9 941
Equity ratio (%)	-98 %	18 %	-98 %	18 %
Number of shares, average	26 198 089	26 198 089	26 198 089	25 726 258
Number of shares at the end of the period	26 198 089	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	26 198 089
Equity per share (SEK)	-0,55	0,09	-0,55	0,09
Earnings per share (SEK) undiluted	-0,19	-0,14	-0,64	-0,71
Earnings per share (SEK) diluted	-0,19	-0,14	-0,62	-0,69
Number of employees (average for the period)	6	6	6	7



COMMENTS FROM THE CEO, VALTTERI EROMA

SHOWROOM DISTILLERY, NIGHTWISH GIN AND E-COMMERCE

Finally in December 2024 we opened our new and innovative Arctic Blue Showroom Distillery. It brings a whole new addition to our product offering when we get to develop new unique products, organize local product tastings and other events at the Arctic Blue Showroom Distillery in the heart of Helsinki. In the long run, this will increase Arctic Blue's product awareness and increase sales of our products. We are really excited to get everything up to speed during 2025.

Continuing executing our portfolio strategy, we launched a super-premium, Nightwish Gin in collaboration with the Nightwish band. We believe that this could be the hit product of the year 2025. Availability will be built on our newly launched e-commerce platform, enabling customers across seven European countries to easily purchase Nightwish Gin and our whole product portfolio directly. The webshop also serves to B2B customers, such as bars and restaurants, in most of these new markets.

SALES

During the fourth quarter of 2024, our sales revenue increased by 21% compared to the corresponding period last year. We have progressed well with our HoReCa strategy in Finland, gaining new important chain listings and successfully implementing our sales campaigns in selected on trade premises. Despite the difficult economic environment, consumers still opted for premium drinks while celebrating the Christmas season and the end of the year. We achieved positive sales development also in the Nordic travel retail sector, driven by the successful Christmas campaign at the Helsinki Airport. Our fourth quarter 2024 sales revenue increased by 22% compared to the previous quarter.

In export market, despite our tightened focus and updated pricing model, our performance did not meet the expectations. This was the main reason why we accelerated our e-commerce activities and started building presence across Europe during the fourth quarter. We believe that current export market activities supported with e-commerce will lower the threshold and make it easier for new customers to purchase our products.

SUMMARY

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



Going towards 2025 we will start to build our offering through our new Arctic Blue Showroom Distillery in Helsinki together with NoHo Partners Plc. Developing our e-commerce capabilities and growing our global reach will be a new kind of challenge but a positive one. With such a strong portfolio of multi award winning Arctic Blue products, a novelty product such as Nightwish Gin, and RTD's like Arctic Blue Long Drinks, will give us very good position to gain market share and grow even in a declining market environment.

Valtteri Eroma, CEO



BUSINESS OVERVIEW

SIGNIFICANT EVENTS DURING OCTOBER – DECEMBER 2024

SALES

In the fourth quarter of 2024, sales revenue was increased by 21% compared to the previous quarter and by 22% compared to the same period in the previous year.

On the Finnish domestic market the positive sales increase was fueled by well implemented sales campaigns in selected on trade premises. Despite the difficult economic environment, consumers still opted for premium drinks while celebrating the Christmas season and the end of the year. Renewed chain agreements enabled increased nationwide visibility and distribution.

The company achieved positive sales development also in the Nordic travel retail sector. Sales were driven by the successful Christmas campaign at the Helsinki Airport in cooperation with the Duty-Free operator Dufry.

The positive sales development in Finland was partly driven by new retail chain listings for RTD products. Additionally, the Arctic Blue online store expanded to seven European markets in the last quarter of the year. In December 2024, Nightwish Gin, a collaboration with the band Nightwish, was also launched through this channel. While these initiatives have not yet had a significant impact on revenue, they are expected to contribute positively in 2025.

Overall, sales in 2024 were reduced by 20% compared to the previous year. However, the strong performance in the last quarter provides a solid foundation for sales growth in 2025.

FINANCIAL OVERVIEW

In period January – December 2024 the Company's net sales of SEK 5 130 thousand decreased compared to the same period a year earlier (SEK 6 415 thousand) due to uncertainty caused by the geopolitical situation and its impact on consumers' consumption behavior.

Materials and services expenses SEK -3 793 thousand (SEK -5 006 thousand) decreased clearly due to decreased sales volumes.

Personnel expenses SEK -6 666 thousand (SEK -7 894 thousand) decreased compared to the same period a year ago due to lower remuneration and decreased number of personnel.

Other external expenses SEK -7 883 thousand (SEK -8 751 thousand) decreased mainly due to further streamlined operations.

EBITDA and EBIT were SEK -13 212 thousand (-14 972 thousand) and SEK -14 663 thousand (-17 255 thousand).

Net result SEK -16 702 thousand (-18 361 thousand) was affected by increased interest costs due to increased aggregated unpaid principal balance of the loans.

In period January – December the Company's cash flow was affected by one-off capital expenditure in the Showroom distillery and payments incurred in fulfilling purchase commitments of its products.

The Company's cash and cash equivalents were SEK 764 thousand at the end of the reporting period.

In the fourth quarter 2024, the Company's net sales of SEK 1 350 thousand increased 21% compared the same period a year ago (SEK 1 116 thousand) and 22% compared to the previous quarter.

Materials and services expenses SEK -1 177 thousand (SEK -743 thousand) increased due to higher sales volumes, higher operational costs of increased product inventories and start-up costs of new products and Showroom distillery compared to the same period a year ago.

Other external expenses SEK -2 006 thousand (SEK -1 493 thousand) increased due to start-up costs of new products and Showroom distillery.

Personnel expenses SEK -2 060 thousand (SEK -2 096 thousand) were at the same level than the same period a year ago.

EBITDA and EBIT were SEK -3 893 thousand (-3 093 thousand) and SEK -4 190 thousand (-3 664 thousand) for the fourth quarter 2024.

Net result SEK -5 096 thousand (-3 668 thousand) was affected by increased interest costs due to increased aggregated unpaid principal balance of the loans.

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

MAJOR EVENTS

In the beginning of October, the Embassy of Finland in Tokyo hosted a unique celebration of Nordic design and craftsmanship, featuring two iconic Finnish brands: Arctic Blue Gin and Lundia. This exclusive event introduced the Japanese market to the innovative spirit of Arctic Blue Beverages and the timeless quality of Lundia's solid wood furniture, creating an experience that highlights the synergy between contemporary innovation and Finnish heritage.

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

On December 16th, the Company launched Nightwish Gin, a super-premium gin created in collaboration with the Nightwish band. Formed in Kitee, Finland, in 1996, Nightwish has achieved international success by selling over 10 million records and earning more than 60 gold and platinum awards. With ten number-one albums, thirteen number-one singles, and ten world tours that have captivated audiences worldwide, Nightwish stands as Finland's most internationally successful band. Nightwish Gin embodies the spirit of Nordic nature and Finnish heritage.



On December 19, the Company opened a brand-new innovative distillery in collaboration with NoHo Partners, namely the Arctic Blue Showroom Distillery, in Helsinki at Kulttuurikasarmi. The distillery offers product tastings and cocktail workshops for groups and individuals who are interested in the distillation process or want to dive into the art of cocktail-making. A unique feature of the distillery is the opportunity for customers to create personalized gin products, allowing them to influence both the flavor profile and design of the product. Arctic Blue's special edition products will be available in the restaurants and at events hosted at Kulttuurikasarmi.

The Company entered into loan agreements amounting to a total of EUR 190 000 (ref. Note 6).

SIGNIFICANT EVENTS AFTER THE INTERIM 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 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 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.



FINANCIAL REPORTS

INCOME STATEMENT - GROUP

SEK thousand	Note	OCT - DEC 2024	OCT - DEC 2023	JAN- DEC 2024	JAN- DEC 2023
Revenue					
Net sales		1 350	1 116	5 130	6 415
Other operating income		<u>0</u>	<u>122</u>	<u>0</u>	<u>265</u>
		1 350	1 239	5 130	6 680
Operating expenses					
Materials and services		-1 177	-743	-3 793	-5 006
Other external expenses		-2 006	-1 493	-7 883	-8 751
Personnel expenses	2	-2 060	-2 096	-6 666	-7 894
Depreciation and write-downs of tangible and intangible assets		<u>-297</u>	<u>-571</u>	<u>-1 452</u>	<u>-2 284</u>
Operating expenses total		<u>-5 540</u>	<u>-4 903</u>	<u>-19 794</u>	<u>-23 935</u>
Operating profit (EBIT)		<u>-4 190</u>	<u>-3 664</u>	<u>-14 663</u>	<u>-17 255</u>
Results from financial items					
		-906	-3	-2 038	-1 102
Profit after financial items					
		<u>-5 096</u>	<u>-3 667</u>	<u>-16 702</u>	<u>-18 358</u>
Profit before tax					
		<u>-5 096</u>	<u>-3 667</u>	<u>-16 702</u>	<u>-18 358</u>
Tax expense for the period		<u>-1</u>	<u>-2</u>	<u>0</u>	<u>-2</u>
Net profit		<u>-5 096</u>	<u>-3 668</u>	<u>-16 702</u>	<u>-18 360</u>
Attributable to					
The parent company's shareholders		-5 096	-3 668	-16 702	-18 361
Minority interest		0	0	0	1



BALANCE SHEET - GROUP

SEK thousand	Note	31 DEC 2024	31 DEC 2023
ASSETS			
Non-current assets			
Intangible assets			
Trademarks	3	69	399
Goodwill	4	2 507	3 498
		2 575	3 897
Tangible assets			
Advance payments and construction in progress		1 792	-
		1 792	-
Financial assets			
Receivables from associated companies		490	473
Other long-term investment		451	437
Other long-term receivables		134	148
Deferred tax assets		0	0
		1 075	1 058
Total non-current assets		5 442	4 955
Current assets			
Inventory			
Raw materials and consumables		-	-
Finished goods		5 143	2 406
		5 143	2 406
Current receivables			
Accounts receivables		3 071	3 003
Other receivables		345	1 455
Prepayments and accrued income		1	676
		3 417	5 133
Cash and cash equivalents		764	367
Total current assets		9 324	7 906
TOTAL ASSETS		14 766	12 861
EQUITY AND LIABILITIES			
Equity			
Share capital		1 258	1 258
Reserve for invested non-restricted equity		49 832	49 832
Reserves		1 228	1 303
Retained earnings		-50 112	-31 758
Profit/loss for the financial year		-16 702	-18 360
Equity attributable to the parent company's shareholders		-14 496	2 274
Minority interest		-	0
Total equity		-14 496	2 274
Provisions			
Provisions for pensions and similar obligations		1	0
Current liabilities			
Short term loans	5,6	21 395	5 520
Accounts payable		1 331	974
Other liabilities		1 116	993
Accrued expenses and deferred income		5 419	3 100
Total current liabilities		29 261	10 587
TOTAL EQUITY AND LIABILITIES		14 766	12 861



CASH FLOW STATEMENT – GROUP

SEK thousand	OCT - DEC 2024	OCT - DEC 2023	JAN- DEC 2024	JAN- DEC 2023
Operating profit	-4 190	-3 664	-14 663	-17 255
Adjustments for:				
Depreciation and write-downs	297	571	1 452	2 284
Exchange rate differences	-158	-142	-458	-192
Changes in provisions	-3	0	1	0
Options	-40	0	6	0
Financial income/expenses (+/-)	37	-135	-139	-307
Paid taxes	0	-2	0	-2
Operating activities before working capital changes	-4 057	-3 372	-13 803	-15 472
Changes in working capital:				
Increase (-) or decrease (+) in inventory	708	196	-2 639	2 177
Increase (-) or decrease (+) in trade receivables	-315	-76	37	2 578
Increase (-) or decrease (+) in other receivables	135	161	699	277
Increase (+) or decrease (-) in trade payables	278	-110	324	-1 220
Increase (+) or decrease (-) in other payables	654	97	803	1 720
Cash flow from operating activities (A)	-2 598	-3 104	-14 579	-9 941
Disposal of subsidiary	0	0	0	13
Disposal of financial assets	2	131	1 220	2 489
Purchase of financial assets	-57	0	-57	-140
Purchase of fixed assets	-430	0	-1 783	0
Cash flow from investing activities (B)	-485	131	-620	2 361
Proceeds from loans	3 149	2 927	16 286	5 885
Repayment of loans	-1	0	-692	0
Proceeds from issuance of shares	0	0	0	409
Cash flow from financing activities (C)	3 147	2 927	15 594	6 294
Net increase/decrease in cash and cash equivalents (A+B+C)	65	-46	395	-1 285
Cash and cash equivalents at beginning of period	693	939	367	1 633
Exchange rate differences	6	-526	2	20
Cash and cash equivalents at end of period	764	367	764	367



CHANGE IN EQUITY

SEK thousand	Share capital	Invested unrestricted equity reserve	Retained earnings (loss)	Revaluation reserve	Profit (loss) for the period	Total equity belonging to parent company share holders	Minority interest	Total equity
(consolidated financials)								
Equity 1 Oct 2024	1 258	49 832	-50 072	1 139	-11 606	-9 450	0	-9 450
Options			6			6		6
Translation difference			-46	89		43		43
Profit (loss) for the period					-5 096	-5 096		-5 096
Equity 31 Dec 2024	1 258	49 832	-50 112	1 228	-16 702	-14 496	0	-14 496
Equity 1 Oct 2023	1 258	49 832	-46 450	1 526	0	6 165	0	6 165
New share issue		0				0		0
Translation difference				-222		-222		-222
Profit (loss) for the period					-3 668	-3 668		-3 668
Equity 31 DEc 2023	1 258	49 832	-46 450	1 303	-3 668	2 274	0	2 274
Equity 1 Jan 2024	1 258	49 832	-50 118	1 303	0	2 274	0	2 274
Options			6			6		6
Translation difference				-75		-75		-75
Profit (loss) for the period					-16 702	-16 702		-16 702
Equity 31 Dec 2024	1 258	49 832	-50 112	1 228	-16 702	-14 496	0	-14 496
Equity 1 Jan 2023	1 171	49 090	-31 757	1 156	0	19 660	7	19 667
New share issue	87	741				828		828
Translation difference				147		147		147
Profit (loss) for the period					-18 361	-18 361	-7	-18 367
Equity 31 Dec 2023	1 258	49 832	-31 757	1 303	-18 361	2 274	0	2 274



NOTES TO JANUARY – DECEMBER YEAR-END 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
- Valamo Beverages Oy until May 31st 2023.

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)
- Arctic Brand House Oy (dormant until deregistration on 7.6.2023)

The companies listed above formed 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 2023.

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.

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

**NOTE 2 – PERSONNEL**

Personnel	OCT - DEC 2024	OCT - DEC 2023	JAN-DEC 2024	JAN-DEC 2023
Average number of employees				
Arctic Blue Beverages Oy Finland	6	6	6	7
Total	6	6	6	7

NOTE 3 – TRADEMARKS

SEK thousand	31 DEC 2024	31 DEC 2023
Accumulated acquisition values		
At the beginning of the period	4 527	4 540
Translation differences	159	-13
At the end of the period	4 686	4 527
Accumulated depreciation		
At the beginning of the period	-4 127	-3 204
Depreciation for the period	-343	-1 171
Translation differences	-147	248
At the end of the period	-4 617	-4 127
Recorded value at the end of the period	69	399

NOTE 4 – GOODWILL

SEK thousand	31 DEC 2024	31 DEC 2023
Accumulated acquisition values		
At the beginning of the period	5 753	5 770
New acquisitions		0
Translation differences	202	-17
At the end of the period	5 955	5 753
Accumulated depreciation		
At the beginning of the period	-2 255	-983
Depreciation for the period	-1 109	-1 113
Translation differences	-85	-160
At the end of the period	-3 449	-2 255
Recorded value at the end of the period	2 507	3 498

NOTE 5 – PLEDGED COLLATERAL AND CONTINGENT LIABILITIES

	31 DEC 2024	31 DEC 2023
Pledged collateral	328	446
Contingent liabilities	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 November 6, 2024, the Company entered into two loan agreements amounting to a total of EUR 100 000 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 50 000 with an interest rate per annum of 10 percent and runs up until January 31, 2026 (maturity date extended on January 27, 2025). 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 December 19, 2024, 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 (maturity date extended on January 27, 2025). 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 fourth quarter of 2024.

OCT – DEC 2024

SEK thousand
Advisory services, Hoikka Consulting Oy
(Antti Villanen, chairman of the board) 159

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

In the beginning of October, the Embassy of Finland in Tokyo hosted a unique celebration of Nordic design and craftsmanship, featuring two iconic Finnish brands: Arctic Blue Gin and Lundia. This exclusive event introduced the Japanese market to the innovative spirit of Arctic Blue Beverages and the timeless quality of Lundia's solid wood furniture, creating an experience that highlights the synergy between contemporary innovation and Finnish heritage.

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

On December 16th, the Company launched Nightwish Gin, a super-premium gin created in collaboration with the Nightwish band. Formed in Kitee, Finland, in 1996, Nightwish has achieved international success by selling over 10 million records and earning more than 60 gold and platinum awards. With ten number-one albums, thirteen number-one singles, and ten world tours that have captivated audiences worldwide, Nightwish stands as Finland's most internationally successful band. Nightwish Gin embodies the spirit of Nordic nature and Finnish heritage.

On December 19, the Company opened a brand-new innovative distillery in collaboration with NoHo Partners, namely the Arctic Blue Showroom Distillery, in Helsinki at Kulttuurikasarmi. The distillery offers product tastings and cocktail workshops for groups and individuals who are interested in the distillation process or want to dive into the art of cocktail-making. A unique feature of the distillery is the opportunity for customers to create personalized gin products, allowing them to influence both the flavor profile and design of the product. Arctic Blue's special edition products will be available in the restaurants and at events hosted at Kulttuurikasarmi.

The Company entered into loan agreements amounting to a total of EUR 190 000 (ref. Note 6).

**Significant events after the end of 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 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 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.

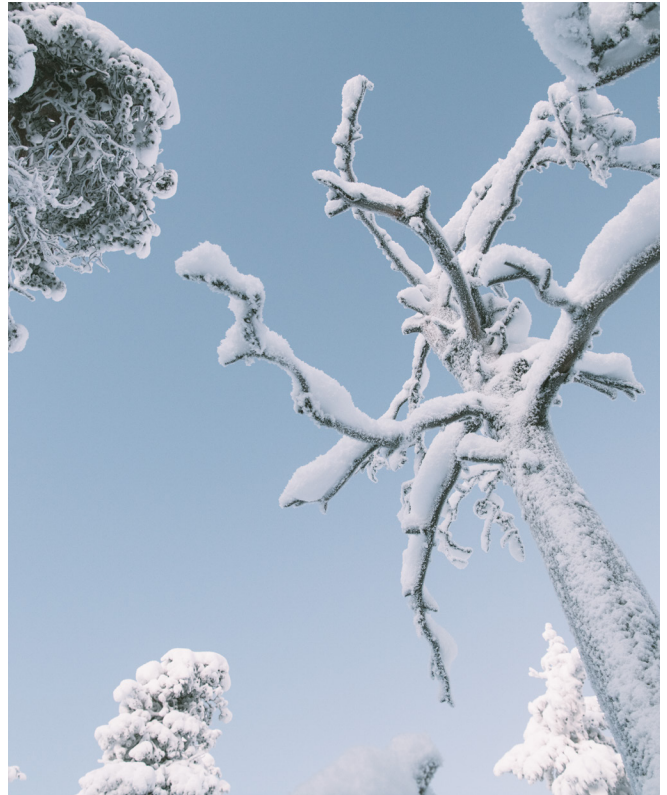


THE SHARE

Arctic Blue Beverages stock is listed on Nasdaq First North Growth Market with the ticker symbol "Arctic". As of December 31, 2024, the total number of shares was 26,198,089 and the closing price was SEK 0,097 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 February 19, 2025.

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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, February 19, 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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