



ARCTIC BLUE BEVERAGES

HALF-YEAR REPORT

ARCTIC BLUE BEVERAGES AB
Organisation number 559361-7078

JANUARY-JUNE 2025



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HALF-YEAR REPORT – JAN–JUN 2025

SUMMARY

THE PERIOD JANUARY – JUNE 2025

- Revenues (Jan – Jun): SEK 2 291 thousand (SEK 2 670 thousand on corresponding period 2024)
- EBITDA: SEK –8 485 thousand (SEK –6 359 thousand)
- Adjusted operative EBITDA ¹⁾ – 6 521 thousand (SEK –6 359) at corresponding period level
- EBIT: SEK –9 182 thousand (SEK –7 219 thousand)
- Net result: SEK –9 825 thousand (SEK –7 493 thousand)
- Earnings per share (EPS) –0,38 SEK / share
- Cash and cash equivalents: SEK 3 874 thousand (30 June 2025)

THE PERIOD APRIL – JUNE 2025

- Revenues (Apr – Jun): SEK 1 149 thousand (SEK 1 675 thousand on corresponding period 2024)
- EBITDA: SEK – 5 281 thousand (SEK –3 228 thousand)
- Adjusted operative EBITDA ¹⁾ –3 317 thousand (SEK –3 228) at corresponding period level
- EBIT: SEK –5 626 thousand (SEK –3 526 thousand)
- Net result: SEK –6 460 thousand (SEK –3 525 thousand)
- Earnings per share (EPS) –0,25 SEK / share

¹⁾ Excluding incentive programs and restructuring costs provisions

SIGNIFICANT EVENTS DURING APRIL – JUNE 2025

- Arctic Blue Beverages' product portfolio was awarded multiple medals at the prestigious San Francisco World Spirits Competition 2025. Arctic Blue Gin Rose secured a Double Gold medal.
- Arctic Blue Beverages' Nightwish Gin was awarded the coveted Gold Medal at the 2025 International Wine & Spirit Competition (IWSC), one of the world's most prestigious spirits competitions.
- The Company signed a Letter of Intent (LOI) with a consortium of U.S. investors, led by former NHL star and entrepreneur Teemu Selänne. The LOI outlines the formation of a joint venture aimed at launching and commercializing the Arctic Blue Long Drink brand and product portfolio in the U.S. market, beginning in California.
- The Company resolved, subject to the approval of an extraordinary general meeting, to carry out a fully secured rights issue of 52 396 178 shares with preferential rights for the Company's existing shareholders.
- The Company entered a bridge loan agreement of SEK 5 million with Fenja Capital I A/S (the "Lender") on market terms and the board of directors, with authorization from the annual general meeting on 10 June 2025, issued 4 200 000 warrants of series 2025/2030 free of charge to the Lender.
- The Company entered into loan agreements amounting to a total of EUR 160 000 with shareholders Grizzly Hill Capital Ab and Heino Group Oy.
- The Company announced changes in the company's executive leadership. Valtteri Eroma stepped down from his position as Chief Executive Officer. The company's Chief Financial Officer, Petri Hirvonen, was appointed the new CEO, effective 1 July 2025.

SIGNIFICANT EVENTS AFTER PERIOD

- The extraordinary general meeting resolved to amend the articles of association.
- The extraordinary general meeting resolved to approve the board of directors' decision from 23 June 2025 to issue new shares with preferential rights for the existing shareholders.



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	APR-JUN 2025	APR-JUN 2024	JAN- JUN 2025	JAN- JUN 2024	JAN-DEC 2024
Revenue (SEK thousand)	1 149	1 675	2 291	2 670	5 130
EBITDA (SEK thousand)	-5 281	-3 228	-8 485	-6 359	-13 212
Operating profit/loss (SEK thousand)	-5 626	-3 526	-9 182	-7 219	-14 663
Net profit/loss (SEK thousand)	-6 435	-3 525	-9 825	-7 493	-16 702
Cash flow generated from operations (SEK thousand)	-3 025	-2 981	-6 127	-7 725	-14 579
Equity ratio (%)	-145 %	-31 %	-145 %	-31 %	-98 %
Number of shares, average	26 198 089	26 198 089	26 198 089	26 198 089	26 198 089
Number of shares at the end of the period	26 198 089	26 198 089	26 198 089	26 198 089	26 198 089
Number of Share options	6 295 848	1 047 924	6 295 848	1 047 924	1 047 924
Number of shares after dilution	32 493 937	27 246 013	32 493 937	27 246 013	27 246 013
Equity per share (SEK)	-0,90	-0,20	-0,90	-0,20	-0,55
Earnings per share (SEK) undiluted	-0,25	-0,13	-0,38	-0,29	-0,64
Earnings per share (SEK) diluted	-0,23	-0,13	-0,36	-0,29	-0,62
Number of employees (average for the period)	6	5	6	5	6



COMMENTS FROM THE CEO, PETRI HIRVONEN

FOCUS ON COMMERCIALIZATION AND INTERNATIONAL EXPANSION

The challenging market environment continued, and our revenue remained at the same level than in the previous quarter and clearly below the same period last year. The decline was highest in the gin category, but we managed to offset this decline partly by increasing our sales in premium ready-to-drink beverages category thanks to our new Arctic Blue Long Drink products. Also Nightwish Gin, launched at the end of last year, is demonstrating its value within our portfolio, being the second best-selling gin in our portfolio after our flagship product Arctic Blue Gin.

Number of tasting events increased, and sales of limited-edition gins started in the Arctic Blue Showroom Distillery in the second quarter of 2025. The first editions were made for NoHo Partners chain and other premium restaurants in the Helsinki area. We are confident that these operations will pick up during the rest of the year and that order volumes will grow. The introduction of the first editions of the limited-edition gins, particularly developed for the on-trade and restaurant segment, has been met with highly positive feedback.

After successful expansion of our global availability by launching our own e-commerce platform we have been still focused on finalizing the system, optimizing data flow and user experience, as well as testing different marketing channels and approaches. This initiative requires patience, but we believe that we will gain meaningful traction in a few selected markets, with early results starting to show in sales performance.

SALES

During the second quarter of 2025, our sales revenue decreased by 31% compared to the same period last year. The principal factor contributing to this downturn was an unfavourable sales trend evident in the domestic market and export sales, where we experienced a decline in sales. Due to challenging economic times consumers continue buying cheaper products and this can be seen across all our sales channels. Also unfavourable weather conditions weakened particularly domestic on-trade sales.

Despite the challenging market situation, during the second quarter we managed to increase our long drink sales almost by 10% compared to the previous year, increase number of tasting events and start sales of limited-edition gins.

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



SUMMARY

The second quarter of the year was quieter than expected but included positive signs like increased sales of long drink products and Showroom Distillery products and events.

As announced in our new strategy we will focus on commercialization and international expansion. Our cost structure will be leaner, and we are targeting to improve our sales margins. We will focus on increasing domestic and travel retail sales and growing our e-commerce presence with new offerings such as Nightwish Gin and our Arctic Blue Long Drink products. In addition, the full potential of our Showroom Distillery is expected to materialize later this year.

Lastly, alongside our European expansion, we are preparing to enter the U.S. market by leveraging the strength of our Long Drink portfolio. This effort is supported by an American investor consortium led by Finnish NHL legend and entrepreneur Teemu Selänne.

To efficiently execute our growth strategy in Europe and ensure a strong launch in the United States, we are currently carrying out a fully secured rights issue to support Arctic Blue Beverages' next chapter of growth and international success.

Petri Hirvonen, CEO



BUSINESS OVERVIEW

SIGNIFICANT EVENTS DURING APRIL – JUNE 2025

SALES

In the first half of 2025, sales revenue decreased by 14% compared to the same period in the previous year. In the second quarter of 2025 sales revenue was at the same level as in the previous quarter but decreased by 31% compared to the same period a year ago.

On the Finnish domestic market, the negative sales development was driven by the ongoing difficult economic environment. The negative sales trend in the domestic monopoly continued in the second quarter of 2025, the gin category was down -19% with the Arctic Blue Gin portfolio down -25% compared to the same period a year ago.

Also, the domestic on-trade sales was impacted by a negative sales trend and thus couldn't improve the total sales. The cold and rainy weather during the spring had a significant impact on domestic on-trade sales during the second quarter of 2025, both Easter and First of May sales were lower compared to previous years. As soon as the weather improved the sales increased in the on-trade during June versus last year.

Travel retail sales grew compared to the same period in the previous year and is expected to further improve with increased campaign activities with the duty-free operator Dufry and Viking Line ferry company.

The Arctic Blue Showroom Distillery, which was opened at the beginning of the year, started its production of custom-made limited-edition gins during the second quarter of 2025. The first editions were made for NoHo Partners chain and other premium restaurants in the Helsinki area. The concept was also introduced to the B2B market, and the first small batches have been delivered with positive feedback.

The sales of the new Arctic Blue Long Drink collection, thanks to new flavors and high interest among the consumers, despite the unfavorable weather conditions, increased in the second quarter of 2025 almost by 10% compared to the same period a year ago.

In addition, Nightwish Gin—a collaboration with the band Nightwish—is showing promising increasing sales figures with joint marketing efforts between the band itself and the Company.

FINANCIAL OVERVIEW

In period January – June 2025 Company's net sales of SEK 2 286 thousand decreased by 14% compared to the same period a year earlier (SEK 2 670 thousand) due to lower overall demand of Company's gin portfolio.

Materials and services expenses SEK -1 807 thousand (SEK -1 700 thousand) increased mainly due to changes in product mix.

Other external expenses SEK -3 627 thousand (SEK -4 372 thousand) decreased due to streamlined and improved operational performance.

Personnel expenses SEK -5 342 thousand (SEK -2 958 thousand) increased compared to the same period a year ago due to costs related to the incentive programs (effect SEK -1 186 thousand), personnel restructuring provision (SEK -778 thousand) and partly due to higher number of personnel compared to the same period a year ago.

Adjusted operative EBITDA (excluding incentive programs and personnel restructuring costs provisions) was SEK -6 521 thousand (SEK -6 359 thousand).

EBITDA and EBIT were SEK -8 485 thousand (-6 359 thousand) and SEK -9 182 thousand (-7 219 thousand) for the period January – June 2025.

In period April – June 2025, the Company's net sales of SEK 1 149 thousand decreased by 31% compared the same period a year ago (SEK 1 675 thousand) and was at the same level than in the previous quarter.

Materials and services expenses SEK -1 175 thousand (SEK -954 thousand) increased due to changes in the product mix compared to the same period a year ago.

Other external expenses SEK -1 804 thousand (SEK -2 521 thousand) decreased clearly due to streamlined and improved operational performance.

Personnel expenses SEK -3 451 thousand (SEK -1 427 thousand) increased compared to the same period a year ago due to costs related to the incentive programs (effect SEK -1 186 thousand), personnel restructuring provision (SEK -778 thousand) and partly due to higher number of personnel compared to the same period a year ago. The cash flow effect of the personnel restructuring costs provision is expected to materialize during the third quarter of 2025.

Adjusted operative EBITDA (excluding incentive programs and personnel restructuring costs provisions) was SEK -3 317 thousand (SEK -3 228 thousand).

EBITDA and EBIT were SEK -5 281 thousand (-3 228 thousand) and SEK -5 626 thousand (-3 526 thousand) for the second quarter 2025.

Net result SEK -6 435 thousand (-3 525 thousand) decreased due to higher interest costs which in turn were due to increased aggregated unpaid principal balance of the loans.

The Company's cash and cash equivalents were SEK 3 874 thousand at the end of the reporting period.

MAJOR EVENTS

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



Arctic Blue Beverages' Nightwish Gin was awarded the coveted Gold Medal at the 2025 International Wine & Spirit Competition (IWSC), one of the world's most prestigious spirits competitions.

On June 23, 2025, the Company informed that it has signed a Letter of Intent (LOI) with a consortium of U.S. investors, led by former NHL star and entrepreneur Teemu Selänne. The LOI outlines the formation of a joint venture aimed at launching and commercializing the Arctic Blue Long Drink brand and product portfolio in the U.S. market, beginning in California. The parties intend to finalize and execute definitive agreements by 31 August 2025. Following execution, commercial operations are expected to commence between the fourth quarter of 2025 and the first quarter of 2026.

On June 23, 2025, the Company announced that the board of directors has, subject to the approval of an extraordinary general meeting, resolved to carry out a fully secured rights issue of 52 396 178 shares with preferential rights for the Company's existing shareholders (the "Rights Issue"). The subscription price in the Rights Issue has been set at SEK 0,5 per share. Provided that the Rights Issue is fully subscribed, the Company will receive proceeds of approximately SEK 26,2 million before deduction of issue costs. In connection with the Rights Issue, the Company has received bottom guarantee commitments and free of charge top-down guarantee commitments totalling approximately SEK 26,2 million, corresponding to 100 percent of the Rights Issue. The net proceeds from the Rights Issue are intended to support value-creating activities, including strengthening the Company's position in its home market and accelerating international expansion. To secure the Company's financing needs until the completion of the Rights Issue, the Company has entered a bridge loan agreement of SEK 5 million with Fenja Capital I A/S (the "Lender") on market terms and the board of directors has, with authorization from the annual general meeting on 10 June 2025, issued 4 200 000 warrants of series 2025/2030 free of charge to the Lender. The Company has also, in connection with the Rights Issue, agreed to extend the maturity dates of the loans entered with shareholders Grizzly Hill Capital Ab and Heino Group Oy from 31 January 2026 to 31 January 2027.

On June 30, 2025, the Company announced changes in the company's executive leadership. Valtteri Eroma stepped down from his position as Chief Executive Officer. The company's Chief Financial Officer, Petri Hirvonen, was appointed the new CEO, effective 1 July 2025. In connection with these changes, the company also announced that Chief Operating Officer Kimmo Wager will leave the company.

The Company entered into loan agreements amounting to a total of EUR 160 000 with shareholders Grizzly Hill Capital Ab and Heino Group Oy (ref. Note 6).

SIGNIFICANT EVENTS AFTER THE INTERIM PERIOD

On July 25, 2025, the extraordinary general meeting of Arctic Blue Beverages AB resolved the following main resolutions:

Resolution to amend the articles of association

The extraordinary general meeting resolved to amend the limits of the share capital and number of shares in accordance with the board of directors' proposal, entailing that:

- The share capital shall be not less than SEK 3 698 400 and not more than SEK 14 793 600.
- The number of shares shall be not less than 77 050 000 and not more than 308 200 000.

Approval of the board of directors' decision from 23 June 2025 to issue new shares with preferential rights for the existing shareholders

The general meeting resolved to approve the board of directors' decision from 23 June 2025 on a new issue of not more than 52 396 178 shares. The Company's share capital may increase by not more than SEK 2 515 016,544. The right to subscribe for shares shall be granted with preferential rights to those who are registered shareholders in the Company on the record date for the issue, 30 July 2025, whereby the holding of one (1) share entitles the holder to two (2) subscription rights. One (1) subscription right shall entitle the holder to subscribe for one (1) share. The subscription price is SEK 0,5 per share. For full terms and conditions, please refer to the press release published by the Company on 23 June 2025 regarding the rights issue.



FINANCIAL REPORTS

INCOME STATEMENT - GROUP

SEK thousand	Note	APR-JUN 2025	APR-JUN 2024	JAN- JUN 2025	JAN- JUN 2024	JAN-DEC 2024
Revenue						
Net sales		1 149	1 675	2 286	2 670	5 130
Other operating income		0	0	4	0	0
		<u>1 149</u>	<u>1 675</u>	<u>2 291</u>	<u>2 670</u>	<u>5 130</u>
Operating expenses						
Materials and services		-1 175	-954	-1 807	-1 700	-3 793
Other external expenses		-1 804	-2 521	-3 627	-4 372	-7 883
Personnel expenses	2	-3 451	-1 427	-5 342	-2 958	-6 666
Depreciation and write-downs of tangible and intangible assets		-345	-299	-696	-860	-1 452
Operating expenses total		<u>-6 775</u>	<u>-5 201</u>	<u>-11 472</u>	<u>-9 889</u>	<u>-19 794</u>
Operating profit (EBIT)		<u>-5 626</u>	<u>-3 526</u>	<u>-9 182</u>	<u>-7 219</u>	<u>-14 663</u>
Results from financial items						
Results from financial items		-834	1	-669	-273	-2 038
Profit after financial items		<u>-6 460</u>	<u>-3 525</u>	<u>-9 851</u>	<u>-7 493</u>	<u>-16 702</u>
Profit before tax		<u>-6 460</u>	<u>-3 525</u>	<u>-9 851</u>	<u>-7 493</u>	<u>-16 702</u>
Deferred tax		25	0	25	0	0
Net profit		<u>-6 435</u>	<u>-3 525</u>	<u>-9 825</u>	<u>-7 493</u>	<u>-16 702</u>



BALANCE SHEET - GROUP

SEK thousand	Note	30 JUN 2025	30 JUN 2024	31 DEC 2024
ASSETS				
Non-current assets				
Intangible assets				
Trademarks	3	33	102	69
Goodwill	4	1 892	3 030	2 507
		1 925	3 132	2 575
Tangible assets				
Property, plant and equipment		1 735	684	1 792
		1 735	684	1 792
Financial assets				
Receivables from associated companies		509	484	490
Other long-term investment		438	447	451
Other long-term receivables		130	75	134
Deferred tax assets		26	0	0
		1 102	1 006	1 075
Total non-current assets		4 762	4 822	5 442
Current assets				
Inventory				
Raw materials and consumables		–	–	–
Finished goods		4 357	6 557	5 143
		4 357	6 557	5 143
Current receivables				
Accounts receivables		2 731	2 886	3 071
Other receivables		392	212	345
Prepayments and accrued income		149	413	1
		3 272	3 512	3 417
Cash and cash equivalents		3 874	2 319	764
Total current assets		11 503	12 387	9 324
TOTAL ASSETS		16 265	17 209	14 766
SEK thousand	Note	30 JUN 2025	30 JUN 2024	31 DEC 2024
EQUITY AND LIABILITIES				
Equity				
Share capital		1 258	1 258	1 258
Reserve for invested non-restricted equity		49 832	49 832	49 832
Reserves		949	1 226	1 228
Retained earnings		–65 755	–50 118	–50 112
Profit/loss for the financial year		–9 825	–7 493	–16 702
Equity attributable to the parent company's shareholders		–23 542	–5 296	–14 496
Minority interest		–	–	–
Total equity		–23 542	–5 296	–14 496
Provisions				
Provisions for pensions and similar obligations		128	0	1
Current liabilities				
Short term loans	5,6	30 223	14 837	21 395
Accounts payable		1 042	3 307	1 331
Other liabilities		1 094	840	1 116
Accrued expenses and deferred income		7 320	3 522	5 419
Total current liabilities		39 679	22 505	29 261
TOTAL EQUITY AND LIABILITIES		16 265	17 209	14 766



CASH FLOW STATEMENT – GROUP

SEK thousand	APR-JUN 2025	APR-JUN 2024	JAN- JUN 2025	JAN- JUN 2024	JAN-DEC 2024
Operating profit	-5 626	-3 526	-9 182	-7 219	-14 663
Adjustments for:					
Depreciation and write-downs	344	299	696	860	1 452
Exchange rate differences	9	-167	-140	-261	-458
Changes in provisions	905	0	905	0	1
Options	1 058	0	1 058	0	6
Financial income/expenses (+/-)	-23	-21	-51	-95	-139
Paid taxes	0	0	0	0	0
Operating activities before working capital changes	-3 332	-3 415	-6 713	-6 715	-13 803
Changes in working capital:					
Increase (-) or decrease (+) in inventory	361	1 128	630	-4 104	-2 639
Increase (-) or decrease (+) in trade receivables	308	-186	248	188	37
Increase (-) or decrease (+) in other receivables	46	280	-205	413	699
Increase (+) or decrease (-) in trade payables	-25	-1 055	-248	2 317	324
Increase (+) or decrease (-) in other payables	-382	267	162	175	803
Cash flow from operating activities (A)	-3 025	-2 981	-6 127	-7 725	-14 579
Disposal of subsidiary	0	0	0	0	0
Disposal of financial assets	0	12	0	1 216	1 220
Purchase of financial assets	0	0	-33	0	-57
Purchase of fixed assets	-121	-377	-121	-686	-1 783
Cash flow from investing activities (B)	-121	-365	-155	530	-620
Proceeds from loans	6 867	5 398	9 475	9 331	16 286
Repayment of loans	-81	-2	-81	-180	-692
Proceeds from issuance of shares	0	0	0	0	0
Cash flow from financig activities (C)	6 786	5 396	9 394	9 151	15 594
Net increase/decrease in cash and cash equivalents (A+B+C)	3 640	2 049	3 113	1 956	395
Cash and cash equivalents at beginning of period	228	278	764	278	367
Exchange rate differences	5	-8	-3	85	2
Cash and cash equivalents at end of period	3 874	2 319	3 874	2 319	764



CHANGE IN EQUITY

SEK thousand	Share capital	Invested unrestricted equity reserve	Retained earnings (loss)	Revaluation reserve	Profit (loss) for the period	Total equity
Equity 1 Apr 2025	1 258	49 832	-66 814	875	-3 391	-18 240
Options			1 058			1 058
Translation difference				74		74
Profit (loss) for the period					-6 434	-6 434
Equity 30 Jun 2025	1 258	49 832	-65 755	949	-9 825	-23 542
Equity 1 Apr 2024	1 258	49 832	-50 118	1 386	-3 967	-1 611
Translation difference				-160		-160
Profit (loss) for the period					-3 525	-3 525
Equity 30 Jun 2024	1 258	49 832	-50 119	1 226	-7 493	-5 296
Equity 1 Jan 2025	1 258	49 832	-66 814	1 228	0	-14 496
Options			1 058			1 058
Translation difference				-279		-279
Profit (loss) for the period					-9 825	-9 825
Equity 30 Jun 2025	1 258	49 832	-65 755	949	-9 825	-23 542
Equity 1 Jan 2024	1 258	49 832	-50 118	1 303	0	2 274
Translation difference				-77		-77
Profit (loss) for the period					-7 493	-7 493
Equity 30 Jun 2024	1 258	49 832	-50 118	1 226	-7 493	-5 296
Equity 1 Jan 2024	1 258	49 832	-50 118	1 303	0	2 274
New share issue			6			6
Translation difference				-75		-75
Profit (loss) for the period					-16 702	-16 702
Equity 31 Dec 2024	1 258	49 832	-50 112	1 228	-16 702	-14 496



NOTES TO JANUARY – JUNE HALF-YEAR REPORT

NOTE 1 – ACCOUNTING PRINCIPLES

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

BASIS FOR DRAWING UP THE INTERIM REPORT

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

- Arctic Blue Beverages AB
- Arctic Blue Beverages Oy

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

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

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

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

Below are the most essential principles:

Income

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

Inventory

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

Financial assets and liabilities

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

Recognition of interest costs is implemented on quarterly basis.

Receivables

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

Intangible assets

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

Tangible assets

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

Depreciation principles for fixed assets

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

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



NOTE 2 – PERSONNEL

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

NOTE 3 – TRADEMARKS

SEK thousand	30 JUN 2025	30 JUN 2024	31 DEC 2024
Accumulated acquisition values			
At the beginning of the period	5 051	4 879	4 879
Translation differences	-280	116	172
At the end of the period	4 771	4 995	5 051
Accumulated depreciation			
At the beginning of the period	-4 982	-4 479	-4 479
Depreciation for the period	-125	-307	-343
Translation differences	370	-87	-160
At the end of the period	-4 737	-4 874	-4 982
Recorded value at the end of the period	33	121	69

NOTE 4 – GOODWILL

SEK thousand	30 JUN 2025	30 JUN 2024	31 DEC 2024
Accumulated acquisition values			
At the beginning of the period	5 570	5 381	5 381
New acquisitions		0	0
Translation differences	-165	128	189
At the end of the period	5 405	5 509	5 570
Accumulated depreciation			
At the beginning of the period	-3 064	-1 884	-1 884
Depreciation for the period	-571	-552	-1 109
Translation differences	121	-43	-71
At the end of the period	-3 513	-2 479	-3 064
Recorded value at the end of the period	1 892	3 030	2 507

NOTE 5 – PLEDGED COLLATERAL AND CONTINGENT LIABILITIES

SEK thousand	30 JUN 2025	30 JUN 2024	31 DEC 2024
Pledged collateral	237	555	328
Contingent liabilities	None	None	None

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



NOTE 6 – TRANSACTIONS WITH RELATED PARTIES

On April 24, 2025, the Company entered into two loan agreements amounting to a total of EUR 90 000 with shareholders Grizzly Hill Capital Ab, controlled by board member Gustaf Björnberg, and Heino Group Oy, controlled by board member Petri Heino (the "Lenders") to strengthen the Company's working capital. Each loan agreement amounts to EUR 45 000 with an interest rate per annum of 10 percent and runs up until January 31, 2026. The Lenders have the right to, should the Company carry out a share issue before January 31, 2026, and provided that all necessary resolutions have been passed, convert the borrowed amount to shares in the Company. In such case, the subscription price for conversion to shares shall be equal to the applicable subscription price in such share issue.

On May 22, 2025, the Company entered into two loan agreements amounting to a total of EUR 70 000 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 35 000 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 June 23, 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, 2026 to January 31, 2027. The aggregated unpaid principal balance of these loans amounts to EUR 2 264 078. All other terms and conditions regarding the loans remains unchanged.

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

APR – JUN 2025

SEK thousand

Advisory services, Hoikka Consulting Oy (Antti Villanen, chairman of the board)	145
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NOTE 7 – RISKS AND UNCERTAINTIES

Future funding

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

Access to quality raw materials

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

Dependence on key people

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

Competitive situation

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



Currency risks

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

NOTE 8 – SIGNIFICANT EVENTS

Significant events during the reporting period

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

Arctic Blue Beverages' Nightwish Gin was awarded the coveted Gold Medal at the 2025 International Wine & Spirit Competition (IWSC), one of the world's most prestigious spirits competitions.

On June 23, 2025, the Company informed that it has signed a Letter of Intent (LOI) with a consortium of U.S. investors, led by former NHL star and entrepreneur Teemu Selänne. The LOI outlines the formation of a joint venture aimed at launching and commercializing the Arctic Blue Long Drink brand and product portfolio in the U.S. market, beginning in California. The parties intend to finalize and execute definitive agreements by 31 August 2025. Following execution, commercial operations are expected to commence between the fourth quarter of 2025 and the first quarter of 2026.

On June 23, 2025, the Company announced that the board of directors has, subject to the approval of an extraordinary general meeting, resolved to carry out a fully secured rights issue of 52 396 178 shares with preferential rights for the Company's existing shareholders (the "Rights Issue"). The subscription price in the Rights Issue has been set at SEK 0,5 per share. Provided that the Rights Issue is fully subscribed, the Company will receive proceeds of approximately SEK 26,2 million before deduction of issue costs. In connection with the Rights Issue, the Company has received bottom guarantee commitments and free of charge top-down guarantee commitments totalling approximately SEK 26,2 million, corresponding to 100 percent of the Rights Issue. The net proceeds from the Rights Issue are intended to support value-creating activities, including strengthening the Company's position in its home market and accelerating international expansion. To secure the Company's financing needs until the completion of the Rights Issue, the Company has entered a bridge loan agreement of SEK 5 million with Fenja Capital I A/S (the "Lender") on market terms and the board of directors has,

with authorization from the annual general meeting on 10 June 2025, issued 4 200 000 warrants of series 2025/2030 free of charge to the Lender. The Company has also, in connection with the Rights Issue, agreed to extend the maturity dates of the loans entered with shareholders Grizzly Hill Capital Ab and Heino Group Oy from 31 January 2026 to 31 January 2027.

On June 30, 2025, the Company announced changes in the company's executive leadership. Valtteri Eroma stepped down from his position as Chief Executive Officer. The company's Chief Financial Officer, Petri Hirvonen, was appointed the new CEO, effective 1 July 2025. In connection with these changes, the company also announced that Chief Operating Officer Kimmo Wager will leave the company.

The Company entered into loan agreements amounting to a total of EUR 160 000 with shareholders Grizzly Hill Capital Ab and Heino Group Oy (ref. Note 6).

Significant events after the end of the reporting period

On July 25, 2025, the extraordinary general meeting of Arctic Blue Beverages AB resolved the following main resolutions:

Resolution to amend the articles of association

The extraordinary general meeting resolved to amend the limits of the share capital and number of shares in accordance with the board of directors' proposal, entailing that:

- The share capital shall be not less than SEK 3 698 400 and not more than SEK 14 793 600.
- The number of shares shall be not less than 77 050 000 and not more than 308 200 000.

Approval of the board of directors' decision from 23 June 2025 to issue new shares with preferential rights for the existing shareholders

The general meeting resolved to approve the board of directors' decision from 23 June 2025 on a new issue of not more than 52 396 178 shares. The Company's share capital may increase by not more than SEK 2 515 016,544. The right to subscribe for shares shall be granted with preferential rights to those who are registered shareholders in the Company on the record date for the issue, 30 July 2025, whereby the holding of one (1) share entitles the holder to two (2) subscription rights. One (1) subscription right shall entitle the holder to subscribe for one (1) share. The subscription price is SEK 0,5 per share. For full terms and conditions, please refer to the press release published by the Company on 23 June 2025 regarding the rights issue.

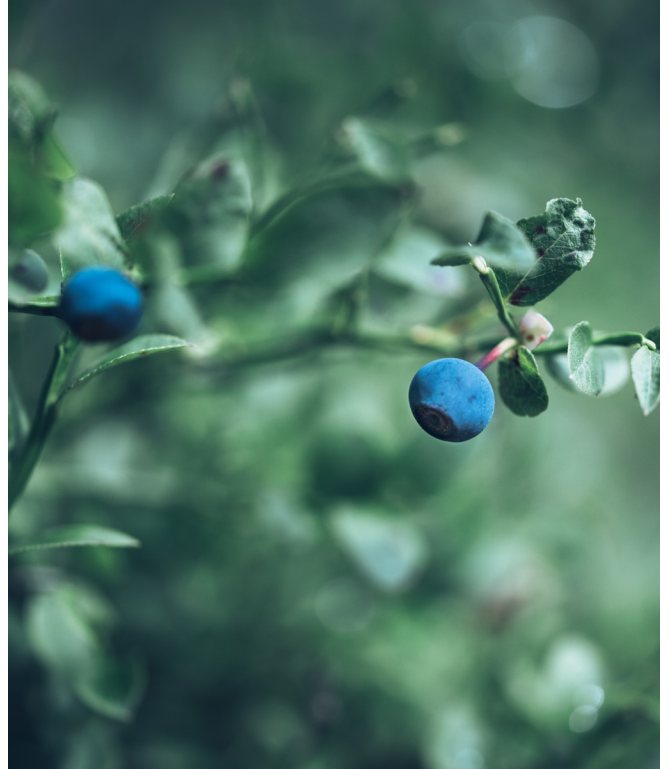


THE SHARE

Arctic Blue Beverages stock is listed on Nasdaq First North Growth Market with the ticker symbol "Arctic". As of June 30, 2025, the total number of shares was 26 198 089 and the closing price was SEK 1,06 per share.

AUDITOR

The company's auditor is 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 4, 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 August 4, 2025.

FOR MORE INFORMATION, PLEASE CONTACT:

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

THE BOARD'S DECLARATION

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

Helsinki, August 4, 2025

Petri Hirvonen	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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