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Arctic Falls announces the share price in connection with the IPO and publishes prospectus

Arctic Falls AB (publ) ("Arctic Falls" or the "Company"), a leading Nordic player specialising in winter testing for tyre and vehicle manufacturers, announced on 28 November 2025 the Company's intention to make an initial public offer of the Company's shares directed to the public in Sweden and to institutional investors in Sweden and abroad (the "Offering") and to apply for the admission to trading of the shares on Nasdaq First North Growth Market in Stockholm (together with the Offering, the "IPO"). The final price in the Offering has been set to SEK 72 per share corresponding to a valuation of approximately SEK 651 million. The application period for the Offering to the public will commence on 8 December 2025 and trading in the Company's shares is expected to commence on 11 December 2025. Protean Small Cap, Svante Elfving (through PSE Förvaltning AB) and Swedbank Robur Fonder (together, the "Cornerstone Investors") have, subject to certain customary conditions, undertaken to acquire shares in the Offering for a total amount of approximately SEK 69 million. In connection with the Offering, the Company has prepared a prospectus that today has been approved by the Swedish Financial Supervisory Authority (the "SFSA") (Sw. *Finansinspektionen*) and been published by the Company.

Summary of the Offering

- The final price in the Offering has been set to SEK 72 per share (the "**Offering Price**") corresponding to a valuation of approximately SEK 651 million of all shares in the Company.
- The Offering consists of a maximum of 2,357,227 existing shares corresponding to approximately 26 percent of the total number of shares and votes in the Company following the completion of the Offering (excluding the Over-allotment Option (as defined below).
- To cover any potential over-allotment in connection with the Offering, the selling shareholders, Swedia Invest AB^[1], Siheden AB^[2], Jalar Finans & Konsult AB^[3] and Vinterängen Förvaltning AB^[4] (the "**Selling Shareholder**"), have granted an option to the ABG Sundal Collier AB ("**ABGSC**" or "**Sole Global Coordinator and Bookrunner**") to offer up to an additional 353,583 existing shares, corresponding to a maximum of 15 percent of the number of shares in the Offering, which may be exercised in whole or in part within 30 days from the first day of trading in the Company's shares on Nasdaq First North Growth Market, at a price corresponding to the Offering Price (the "**Over-allotment Option**"). The Over-allotment Option may only be exercised for the purpose of covering any over-allotment in the Offering and for stabilization purposes.
- Provided that the Over-allotment Option is exercised in full, the Offering and the Over-allotment Option will comprise a total of 2,710,810 existing shares, corresponding to approximately 30 percent of the total number of shares and votes in the Company following the completion of the Offering and the Over-allotment Option.

- Assuming the Offering is subscribed in full, the total value of the Offering amounts to approximately SEK 170 million. Based on the same assumption and that the Over-allotment Option is exercised in full, the total value amounts to approximately SEK 195 million.
- The Cornerstone Investors have undertaken to subscribe for shares totaling SEK 69 million, corresponding to 36 percent of the total Offering (including the Over-allotment Option). These commitments corresponds to approximately 11 percent of the Company's total share capital and votes after completion of the Offering, provided that the Offering is fully subscribed and that the Over-allotment Option is exercised in full.
- Selling shareholders and other shareholders have entered into customary undertakings not to sell shares for a certain period (so called lock-up). The lock-up period for the Selling Shareholders and other shareholders is 360 days.
- The shares will be offered to the general public in Sweden and to institutional investors in Sweden and abroad in accordance with applicable rules and applicable exemptions.
- Applications for the acquisition of shares from the general public in Sweden and institutional investors in Sweden and abroad can be made between 8 December 2025 and 10 December 2025.
- The first day of trading on Nasdaq First North Growth Market in Stockholm is expected to commence on 11 December 2025, under the ticker symbol "ARFA".
- A prospectus, in Swedish, containing the full terms and conditions of the Offering has today been published on the Company's website (www.arcticfalls.se) and ABGSC's website (www.abgsc.com).
- The outcome of the Offering is expected to be announced in a press release on or about 11 December 2025.

"Yet another milestone in the company's development is about to be achieved, and we are extremely proud of the position we now hold. We are pleased to have attracted reputable and strong cornerstone investors who share our long-term vision. We look forward to continuing our journey in a listed environment and to creating further value for our customers, employees, and shareholders.", says Jonas Jalar, CEO of Arctic Falls.

Background and rationale for the Offering

Arctic Falls is a leading Nordic provider of testing services for the tyre and automotive industries, particularly within winter testing. The Company is based in Älvsbyn and has more than 40 years of experience in developing and operating complete testing environments for the automotive industry. Under extreme climatic conditions, Arctic Falls offers advanced test environments and technical solutions that support the development of next-generation vehicle technologies and tyres. Through its facilities in northern Sweden, the Company enables the validation and optimisation of future vehicle technologies, including electric vehicles, autonomous systems, advanced safety solutions and high-performance winter tyres, in a stable winter climate.

The Board of Directors and management of Arctic Falls, together with the Selling shareholders, believe that the Offering and the planned Listing represents a strategically important step in the Company's continued development. The listing is expected to further the Company's growth ambitions by broadening the ownership base and creating increased access to both the Swedish and international capital markets. Furthermore, an IPO on Nasdaq First North Growth Market is expected to increase the visibility of the Company and its business, as well as strengthen the trademark among customers, partners, employees, investors and other key stakeholders.

Preliminary timetable

Application period for the general public in Sweden	8 December – 10 December 2025 ^[5]
Application period for institutional investors in Sweden and abroad	8 December – 10 December 2025
First day of trading in the Company's shares on Nasdaq First North Growth Market	11 December 2025
Settlement date	15 December 2025

Prospectus

The Company has in connection with the Offering prepared a prospectus in Swedish. The Prospectus contains the full terms and conditions of the Offering and is available on the Company's website (www.arcticfalls.se) and ABGSC's website (www.abgsc.se). The Prospectus will also be available in the Swedish Financial Supervisory Authority's (the "SFSA") (Sw. *Finansinspektionen*) prospectus register (<https://fi.se/sv/vara-register/prospektregistret/>).

The prospectus has been prepared in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "**Prospectus Regulation**"). The prospectus has been approved by the SFSA, which is the Swedish national competent authority under the Prospectus Regulation. The SFSA approves the prospectus only to the extent that it meets the requirements for completeness, comprehensibility, and consistency set out in the Prospectus Regulation. The approval should not be considered a recommendation of the Company or the securities described in the prospectus. The SFSA does not guarantee that the factual information in the prospectus is correct or complete. Each investor is encouraged to make their own assessment of whether it is appropriate to invest in the Company's shares.

Stabilisation measures

In connection with the Offering, ABGSC (the "**Stabilisation Manager**"), may over-allot shares to effect transactions in accordance with Article 5(4) of the EU Market Abuse Regulation 596/2014 ("**MAR**") designed to stabilise, maintain and otherwise support the market price of the Company's shares at a level above that which might otherwise prevail on the open market. Such stabilisation transactions may be effected on the Nasdaq First North Growth Market, the OTC market or otherwise, and may be effected at any time during the period commencing on the first day of trading in the shares on the Nasdaq First North Growth Market and ending no later than 30 calendar days thereafter. However, the Stabilisation Manager is under no obligation to undertake stabilisation measures and there is no guarantee that stabilisation measures will be undertaken. Under no circumstances will transactions be effected at a price higher than the price finally determined in the Offering.

The Stabilisation Manager may use the Over-allotment Option to over-allot shares for the purpose of enabling stabilisation measures. The stabilisation measures, if implemented, may be discontinued at any time without notice but must be discontinued no later than within the aforementioned 30-day period. ABGSC must, no later than the end of the seventh trading day after stabilisation measures have been implemented, in accordance with Article 5(4) of MAR and Commission Delegated Regulation (EU) 2016/1052, disclose that stabilisation measures have been implemented. Within one week after the end of the stabilisation period, ABGSC, through the Company, will disclose whether stabilisation measures were implemented, the date on which stabilisation was initiated, the date on which stabilisation was last implemented and the price range within which stabilisation was implemented for each date on which stabilisation measures were implemented.

Advisors

ABG Sundal Collier AB (publ) is acting as Sole Global Coordinator and Bookrunner. Baker McKenzie is acting as legal advisor to Arctic Falls in connection with the Listing.

For further information, please contact:

Jonas Jalar, CEO, email: jonas.jalar@arcticfalls.se

The information was submitted for publication, through the agency of the contact person set out above, on 5 December 2025 at 11.00 CET.

Certified Adviser

Svensk Kapitalmarknadsgranskning AB (SKMG)

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Website: www.skmg.se

Important information

This press release is not an offer to sell or a solicitation of any offer to buy securities issued by Arctic Falls AB (publ) ("**Arctic Falls**" or the "**Company**") in any jurisdiction where such offer or sale would be unlawful.

Any offering of the securities referred to in this press release will be made by means of a prospectus. This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (together with any related implementing and delegated regulations, the "**Prospectus Regulation**"), and has not been approved by any regulatory authority in any jurisdiction. A prospectus in connection with the Offering has been prepared and published by the Company on the Company's website. Investors should not invest in any securities referred to in this press release except on the basis of information contained in the aforementioned prospectus.

In any EEA Member State other than Sweden, this press release is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

The contents of this press release has been prepared by and is the sole responsibility of the Company. The information contained in this press release is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

This press release and the information contained herein are not for distribution in or into the United States of America. This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States. Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, qualified investors (as defined in the Prospectus Regulation as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018) and who are (i) investment professionals falling within the Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”) or (ii) high net worth entities, and other persons to whom this press release may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “**Relevant Persons**”). This press release must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this press release relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this press release must satisfy themselves that it is lawful to do so.

The release, publication or distribution of this press release in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which they are released, published or distributed, should inform themselves about, and observe, such restrictions.

Forward-looking statements

This press release may include statements, including the Company’s financial and operational medium- to long-term objectives that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “assumes”, “believes”, “intends”, “estimates”, “anticipates”, “should”, “according to estimates”, “predicts”, “expects”, “may”, “will”, “plans”, “schedules”, “potential”, “forecasts”, “could”, “as far as is known” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s business, results of operations, financial position, liquidity, prospects, growth or strategies. Forward-looking statements speak only as of the date they are made. Each of the Company, its shareholders, Sole Global Coordinator and Bookrunner and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this press release whether as a result of new information, future developments or otherwise.

Information in this press release or any of the documents relating to the IPO cannot be relied upon as a guide to future performance.

Sole Global Coordinator and Bookrunner are acting exclusively for the Company and no one else in connection with any offering of the Company’s shares. They will not regard any other person as their respective clients in relation to any offering of the Company’s shares and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for providing advice in relation to any offering of the Company’s shares, the contents of this press release or any transaction, arrangement or other matter referred to herein. The Sole Global Coordinator and Bookrunner or any of its respective subsidiary undertakings, affiliates or any of their respective directors, officers, employees, advisers, agents, alliance partners or any other entity or person accepts any responsibility or liability whatsoever for, or makes any representation, warranty or undertaking, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinions in this press release (or whether any information has been omitted from this press release) or any other information relating to the group, its

subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith. Accordingly, the Sole Global Coordinator and Bookrunner disclaim, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or that they might otherwise be found to have in respect of this press release and/or any such statement.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65 /EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Company’s shares subject of the Offering have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, “distributors” (for the purposes of the MiFID II Product Governance Requirements) should note that: the price of the Company’s shares may decline and investors could lose all or part of their investment; the Company’s shares offer no guaranteed income and no capital protection; and an investment in the Company’s shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Company’s shares.

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, shares in the Offering have been subject to a product approval process, which has determined that the Company’s shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the “**UK Target Market Assessment**”). Notwithstanding the UK Target Market Assessment, “distributors” (for the purposes of the UK Product Governance Requirements) should note that: the price of the Company’s shares may decline and investors could lose all or part of their investment; the Company’s shares offer no guaranteed income and no capital protection; and an investment in the Company’s shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market

Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, the Sole Global Coordinator and Bookrunner will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Company's shares. Each distributor is responsible for undertaking its own UK Target Market Assessment in respect of the Company's shares and determining appropriate distribution channels.

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[1] A company owned by Staffan Persson, chair of the board in the Company, and Fredrik Persson board member of the Company.

[2] A company controlled by Jonas Jalar, CEO of the Company.

[3] A company controlled by Andreas Jalar, board member of the Company.

[4] A company controlled by Erik Lundström, board member of the Company.

[5] The application period for the general public in Sweden ends on 10 December 2025 at 12:00 CET.

For more information, please contact:

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About Arctic Falls

Arctic Falls is a leading provider of testing services for the tire and automotive industries. With eight facilities—three indoor and five outdoor—we offer flexible and reliable environments for development and validation. In addition to test environments, our services include testing and testing support, and coordination.

Our global customer base of vehicle and tire manufacturers values our strong focus on confidentiality, safety, and high-quality service, and we aim to be a long-term and trusted partner in their development work. Arctic Falls was founded in 1985 and operates in northern Sweden, where unique climate conditions and our extensive experience provide optimal opportunities for year-round testing.