



# ARCTIC BLUE BEVERAGES

## INTERIM REPORT

ARCTIC BLUE BEVERAGES AB  
Organisation number 559361-7078

JANUARY – SEPTEMBER 2023





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# INTERIM REPORT – JAN – SEP 2023

## SUMMARY

### THE INTERIM PERIOD JANUARY – SEPTEMBER 2023

- Revenues (Jan – Sep): SEK 5,441 thousand (SEK 8,177 thousand on corresponding period 2022 which was positively affected by one-time other operating income of SEK 1,345 thousand)
- EBITDA: SEK –11,879 thousand (SEK –28,975 thousand)
- EBIT: SEK –13,591 thousand (SEK –30,295 thousand)
- Net result: SEK –14,691 thousand (SEK –30,488 thousand)
- Earnings per share (EPS) –0.57 SEK / share
- Cash and cash equivalents: SEK 363 thousand (30 September 2023)

### JULY – SEPTEMBER 2023

- Revenues (Jul – Sep): SEK 1,150 thousand (SEK 2,316 thousand on corresponding period 2022)
- EBITDA: SEK –3,029 thousand (SEK –8,316 thousand)
- EBIT: SEK –3,615 thousand (SEK –8,845 thousand)
- Net result: SEK –3,859 thousand (SEK –8,702 thousand)
- Earnings per share (EPS) –0.15 SEK / share

### SIGNIFICANT EVENTS DURING JULY – SEPTEMBER 2023

- No significant events during the reporting period.

### SIGNIFICANT EVENTS AFTER PERIOD

- Company entered into loan agreements amounting to a total of EUR 200,000
- Company's subsidiary Arctic Blue Beverages Oy informed signing of a collaboration agreement with Noho Partners Oyj regarding a showroom distillery and tightened collaboration on the Finnish market.





# 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	JUL-SEP 2023	JUL-SEP 2022	JAN- SEP 2023	JAN- SEP 2022	JAN-DEC 2022
Revenue (SEK thousand)	1 150	2 316	5 441	8 177	10 894
EBITDA (SEK thousand)	-3 029	-8 316	-11 879	-28 975	-35 904
Operating profit/loss (SEK thousand)	-3 615	-8 845	-13 591	-30 295	-37 767
Net profit/loss (SEK thousand)	-3 859	-8 702	-14 691	-30 488	-37 949
"Cash flow generated from operations (SEK thousand)"	-2 050	-5 517	-6 836	-25 712	-31 862
Equity ratio (%)	44 %	77 %	44 %	77 %	80 %
Number of shares, average	26 097 652	17 118 798	25 566 668	17 118 798	18 106 612
Number of shares at the end of the period	26 198 089	17 118 798	26 198 089	17 118 798	24 390 230
Number of Share options	387 000	387 000	387 000	387 000	387 000
Number of warrants of series TO1	-	3 733 332	-	3 733 332	-
Number of warrants of series TO2	-	3 733 332	-	3 733 332	3 733 332
Number of shares after dilution	26 585 089	24 972 462	26 585 089	24 972 462	28 510 562
Equity per share (SEK)	0,24	1,17	0,24	1,17	0,81
Earnings per share (SEK) undiluted	-0,15	-0,51	-0,57	-1,78	-2,10
Earnings per share (SEK) diluted	-0,15	-0,35	-0,54	-1,22	-1,53
Number of employees (average for the period)	8	9	8	8	8



# COMMENTS FROM THE CEO, VALTTERI EROMA

## FIGHTING AGAINST THE DECLINING MARKET

Summer 2023 in Finland was very successful for us within the Finland's HoReCa landscape, demonstrating notably increased product listings and sales performance. Collaboratively working alongside our distributors Norex Selected Brands Oy and Oy Sinebrychoff AB, and our partner NoHo Partners Plc we have achieved great results in important flagship bars, restaurants and nightclubs around the country. Unfortunately, we have not yet been able to turn the successful trend in HoReCa into sales in Alko, the Finnish retailing beverage monopoly, which constitutes a significant part of the company's sales. It has however been proven that in the long run the HoReCa success will grow the brand awareness and have positive impact also in the Alko sales. Therefore, we are optimistic that we will be able to fight against the declining market and improve our sales also in Alko.

## SALES

During the third quarter of 2023, our sales revenue decreased by 52% compared to the corresponding period last year. This decline is mainly because an unfavorable sales trend in Finland and the Travel Retail sector. Also our distribution partners abroad has been struggling with the sales across the export markets, signalling much lower sales than originally anticipated.

In the third quarter of 2023, sales revenue decreased by 42% compared to the previous quarter. This drop was predominantly attributed to the fulfilment of stock-in orders in Q2/23. Also due to challenging economic times consumers are switching to cheaper products and this can be seen in our main sales channel in Finland, Alko alcohol monopoly, where gin category sales in was down by 6% and premium category even more.

## SUMMARY

Towards the end of 2023 we will carefully analyze all our markets and tighten the focus for the year 2024. We have succeeded in cost-cutting and cost optimization measures during 2023 and continue to change to a more cost-efficient operation model during the year 2024.



We have great new products in the pipeline and exciting new projects are underway, like Showroom Distillery project with NoHo Partners Plc. All these new opportunities combined to our current tightening focus in all the operations, and our multi award winning product portfolio, will put us into very good position going towards the year 2024.

Valtteri Eroma, CEO



# BUSINESS OVERVIEW

## SIGNIFICANT EVENTS DURING JULY – SEPTEMBER 2023

### SALES

In the third quarter of 2023, sales revenue experienced a decline of 52% compared to the same period last year. The primary contributing factor to this downturn was an unfavorable sales trend observed in Finland and the Travel Retail sector. Despite our intensified efforts in the HoReCa sector, we were unable to reverse the negative sales trend. Our sales closely mirrored the general market situation in Finland, which was notably impacted by challenging economic conditions and adverse weather, particularly the persistent rain that adversely affected the crucial summer terrace sales for many restaurants. Within the monopoly, it is evident that consumers are opting for more budget-friendly products, with the premium category witnessing a more substantial decrease than the lower-priced categories.

Despite these challenges, we find satisfaction in our summer activations, which have bolstered our presence in the domestic HoReCa sector. We anticipate that maintaining our current heightened sales and marketing initiatives will position us favorably for future gains when economic conditions improve, and consumers regain purchasing power.

In the third quarter of 2023, the total sales revenue declined by 42% compared to the previous quarter. This drop was predominantly attributed to the fulfillment of stock-in orders in Q2/23, specifically for the Arctic Blue Laku launch and export sales.

### FINANCIAL OVERVIEW

In period January – September 2023 Company's net sales of SEK 5,299 thousand decreased compared to the same period a year earlier (SEK 6,831 thousand) due to a lower level of fulfillment of stock-in orders and lower demand during the latter part of the period.

Materials and services expenses SEK -4,264 thousand (SEK -5,923 thousand) decreased clearly due to improved operations and decreased purchasing volumes.

Other external expenses SEK -7,258 thousand (SEK -23,446 thousand) decreased significantly due to clearly improved operations and high one-time costs related to marketing and advisory services during the corresponding period last year.

Personnel expenses SEK -5,799 thousand (SEK -7,783 thousand) decreased compared to the same period a year ago due to lower remuneration and decreased number of personnel.

EBITDA and EBIT were SEK -11,879 thousand (-28,975 thousand) and SEK -13,591 thousand (-30,295 thousand) for the period Jan – Sep 2023.

In the third quarter 2023, Company's net sales of SEK 1,121 thousand decreased compared to the same period a year earlier (SEK 2,316 thousand) due to overall lower demand compared to same period a year ago.

Materials and services expenses SEK -799 thousand (SEK -2,120 thousand) decreased clearly due to improved operations and decreased purchasing volumes.

Other external expenses SEK -1,769 thousand (SEK -6,236 thousand) decreased clearly due to successful cost-cutting and cost optimization measures and high one-time costs related to marketing and advisory services during the corresponding period last year. The other external expenses were 30% or SEK 760 thousand less than in the previous quarter.

Personnel expenses SEK -1,612 thousand (SEK -2,276 thousand) decreased compared to the same period a year ago due to decreased number of personnel.

EBITDA and EBIT were SEK -3,029 thousand (-8,316 thousand) and SEK -3,615 thousand (-8,845 thousand) for the quarter. Despite of clearly lower sales values Company EBITDA improved by SEK 1,286 thousand compared to the previous quarter.

The Company's cash and cash equivalents were SEK 363 thousand at the end of the reporting period.

The Company will continue to perform cost-cutting and cost optimization measures. Among other things the Company will further reduce use of the external service providers, continue to change to a more cost-efficient operation model, and further decrease the administrative costs.

### MAJOR EVENTS

No significant events during the reporting period.

### SIGNIFICANT EVENTS AFTER THE INTERIM PERIOD

2023-10-18 the Company entered into two loan agreements amounting to a total of EUR 200,000 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 100,000 with an interest rate per annum of 10 percent and runs up until April 30, 2024. The Lenders have the right to, should the Company carry out a share issue before April 30, 2024, 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.

2023-11-01 Company's subsidiary Arctic Blue Beverages Oy and one of the leading restaurant groups in Finland, NoHo Partners Oyj, signed a collaboration agreement regarding a showroom distillery and tightened collaboration on the Finnish market. The Arctic Blue Showroom Distillery will be located at the new Helsinki Kulttuurikasarmi, which opens its doors 17.11.2023. The Showroom Distillery will open gradually during 2023 and early 2024.



# FINANCIAL REPORTS

## INCOME STATEMENT - GROUP

SEK thousand	Note	JUL-SEP 2023	JUL-SEP 2022	JAN- SEP 2023	JAN- SEP 2022	JAN-DEC 2022
<b>Revenue</b>						
Net sales		1 121	2 316	5 299	6 831	9 441
Other operating income		<u>29</u>	<u>0</u>	<u>142</u>	<u>1 345</u>	<u>1 452</u>
		1 150	2 316	5 441	8 177	10 894
<b>Operating expenses</b>						
Materials and services		-799	-2 120	-4 264	-5 923	-8 923
Other external expenses		-1 769	-6 236	-7 258	-23 446	-28 046
Personnel expenses	2	-1 612	-2 276	-5 799	-7 783	-9 829
Depreciation and write-downs of tangible and intangible assets		<u>-586</u>	<u>-529</u>	<u>-1 713</u>	<u>-1 320</u>	<u>-1 863</u>
<b>Operating expenses total</b>		<u>-4 766</u>	<u>-11 161</u>	<u>-19 032</u>	<u>-38 472</u>	<u>-48 661</u>
<b>Operating profit (EBIT)</b>		-3 615	-8 845	-13 591	-30 295	-37 767
<b>Results from financial items</b>		-244	144	-1 100	105	116
<b>Profit after financial items</b>		<u>-3 859</u>	<u>-8 702</u>	<u>-14 691</u>	<u>-30 190</u>	<u>-37 652</u>
<b>Profit before tax</b>		-3 859	-8 702	-14 691	-30 190	-37 652
Tax expense for the period		<u>0</u>	<u>0</u>	<u>0</u>	<u>-297</u>	<u>-297</u>
<b>Net profit</b>		<u>-3 859</u>	<u>-8 702</u>	<u>-14 691</u>	<u>-30 488</u>	<u>-37 949</u>
Attributable to						
The parent company's shareholders		-3 859	-8 696	-14 692	-30 523	-37 953
Minority interest		0	-6	1	35	4





## BALANCE SHEET - GROUP

SEK thousand	Note	30 SEP 2023	30 SEP 2022	31 DEC 2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Trademarks	3	707	1 572	1 335
Goodwill	4	3 901	4 986	4 787
		<b>4 608</b>	<b>6 558</b>	<b>6 123</b>
<b>Financial assets</b>				
Receivables from associated companies		490	465	474
Other long-term investment		452	454	462
Other long-term receivables		268	3 224	3 425
Deferred tax assets		0	–	0
		1 210	4 143	4 361
<b>Total non-current assets</b>		<b>5 818</b>	<b>10 701</b>	<b>10 484</b>
<b>Current assets</b>				
<b>Inventory</b>				
Raw materials and consumables		–	800	279
Finished goods		2 688	5 600	4 421
		2 688	6 400	4 700
<b>Current receivables</b>				
Accounts receivables		3 034	5 103	6 179
Other receivables		1 761	1 749	206
Prepayments and accrued income		275	1 527	1 437
		5 069	8 379	7 823
<b>Cash and cash equivalents</b>		363	694	1 633
<b>Total current assets</b>		8 121	15 473	14 155
<b>TOTAL ASSETS</b>		<b>13 939</b>	<b>26 174</b>	<b>24 639</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		1 258	822	1 171
Reserve for invested non-restricted equity		49 832	42 684	49 090
Reserves		1 526	939	1 156
Retained earnings		–46 450	–24 408	–31 757
<b>Equity attributable to the parent company's shareholders</b>		<b>6 165</b>	<b>20 037</b>	<b>19 660</b>
Minority interest		0	44	7
<b>Total equity</b>		<b>6 165</b>	<b>20 081</b>	<b>19 667</b>
<b>Provisions</b>				
Provisions for pensions and similar obligations		0	–	0
<b>Current liabilities</b>				
Short term loans	5,6	2 608	–	–
Accounts payable		1 201	4 194	2 206
Other liabilities		1 061	264	458
Accrued expenses and deferred income		2 903	1 635	2 308
<b>Total current liabilities</b>		<b>7 774</b>	<b>6 093</b>	<b>4 973</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13 939</b>	<b>26 174</b>	<b>24 639</b>



## CASH FLOW STATEMENT – GROUP

SEK thousand	JUL-SEP 2023	JUL-SEP 2022	JAN- SEP 2023	JAN- SEP 2022	JAN-DEC 2022
<b>Operating profit</b>	-3 615	-8 845	-13 591	-30 295	-37 767
Adjustments for:					
Depreciation and write-downs	586	529	1 713	1 320	1 863
Exchange rate differences	-219	-1 241	-50	-507	0
Changes in provisions	0	0	0	-79	0
Options	0	0	0	1 099	1
Financial income/expenses (+/-)	-133	144	-172	157	168
Paid taxes	0	0	0	-297	-297
<b>Operating activities before working capital changes</b>	<b>-3 381</b>	<b>-9 414</b>	<b>-12 100</b>	<b>-28 602</b>	<b>-36 032</b>
Changes in working capital:					
Increase (-) or decrease (+) in inventory	244	709	1 981	967	2 650
Increase (-) or decrease (+) in trade receivables	971	1 014	2 654	995	204
Increase (-) or decrease (+) in other receivables	-207	1 441	116	-2 728	-1 138
Increase (+) or decrease (-) in trade payables	287	999	-1 110	2 301	266
Increase (+) or decrease (-) in other payables	36	-266	1 624	1 354	2 188
<b>Cash flow from operating activities (A)</b>	<b>-2 050</b>	<b>-5 517</b>	<b>-6 836</b>	<b>-25 712</b>	<b>-31 862</b>
Disposal of subsidiary	0	0	13	0	0
Disposal of financial assets	0	0	2 358	0	0
Purchase of financial assets	-140	0	-140	0	0
Purchase of other fixed assets	0	-127	0	-276	0
<b>Cash flow from investing activities (B)</b>	<b>-140</b>	<b>-127</b>	<b>2 231</b>	<b>-276</b>	<b>0</b>
Reduction of share capital	0	0	0	25	25
Proceeds from loans	1 629	0	2 957	0	0
Proceeds from issuance of shares	0	0	409	25 496	32 251
<b>Cash flow from financing activities (C)</b>	<b>1 629</b>	<b>0</b>	<b>3 366</b>	<b>25 521</b>	<b>32 276</b>
<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>	<b>-562</b>	<b>-5 644</b>	<b>-1 239</b>	<b>-467</b>	<b>414</b>
Cash and cash equivalents at beginning of period	939	6 244	1 633	1 021	1 021
Exchange rate differences	-14	94	-30	140	197
<b>Cash and cash equivalents at end of period</b>	<b>363</b>	<b>694</b>	<b>363</b>	<b>694</b>	<b>1 633</b>





## 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)								
<b>Equity 1 Jul 2023</b>	<b>1 258</b>	<b>49 413</b>	<b>-42 591</b>	<b>1 642</b>	<b>0</b>	<b>9 722</b>	<b>0</b>	<b>9 722</b>
New share issue (set off adjustment)		419		-117		419		419
Translation difference						-117		-117
Profit (loss) for the period					-3 859	-3 859		-3 859
<b>Equity 30 Sep 2023</b>	<b>1 258</b>	<b>49 832</b>	<b>-42 591</b>	<b>1 526</b>	<b>-3 859</b>	<b>6 165</b>	<b>0</b>	<b>6 165</b>
<b>Equity 1 Jul 2022</b>	<b>822</b>	<b>42 684</b>	<b>-15 549</b>	<b>637</b>	<b>0</b>	<b>28 594</b>	<b>42</b>	<b>28 636</b>
Translation difference				302		302		302
Profit (loss) for the period					-8 859	-8 859	2	-8 857
<b>Equity 30 Sep 2022</b>	<b>822</b>	<b>42 684</b>	<b>-15 549</b>	<b>939</b>	<b>-8 859</b>	<b>20 037</b>	<b>44</b>	<b>20 081</b>
<b>Equity 1 Jan 2023</b>	<b>1 171</b>	<b>49 090</b>	<b>-31 757</b>	<b>1 156</b>	<b>0</b>	<b>19 660</b>	<b>7</b>	<b>19 667</b>
New share issue	87	741				828		828
Translation difference				369		369	-8	362
Profit (loss) for the period					-14 692	-14 692	1	-14 691
<b>Equity 30 Sep 2023</b>	<b>1 258</b>	<b>49 832</b>	<b>-31 757</b>	<b>1 526</b>	<b>-14 692</b>	<b>6 165</b>	<b>0</b>	<b>6 165</b>
<b>Equity 1 Apr 2022</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25</b>	<b>0</b>	<b>25</b>
Reduction of share capital	-25					-25		-25
New share issue	1 171	49 090				50 261		50 261
Translation difference				1 156		1 156	0	1 156
Profit (loss) for the period					-31 757	-31 757	7	-31 751
<b>Equity 31 Dec 2022</b>	<b>1 171</b>	<b>49 090</b>	<b>0</b>	<b>1 156</b>	<b>-31 757</b>	<b>19 660</b>	<b>7</b>	<b>19 667</b>



# NOTES TO JANUARY – SEPTEMBER INTERIM REPORT

## NOTE 1 – ACCOUNTING PRINCIPLES

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

### BASIS FOR DRAWING UP THE INTERIM REPORT

Arctic Blue Beverages AB's financial report for the first quarter 2022 have been prepared as combined financial statements to illustrate historical financial information for a group of entities which was not legally a group, but which was owned by the same parties and with the same ownership shares that owned Arctic Blue Beverages Oy before the reorganization of the group.

The combined financial statements have been prepared for the purpose of being incorporated, by reference, into a prospectus because Arctic Blue Beverages AB issued shares and warrants that were listed on the Nasdaq First North Growth Market in Stockholm 12.5.2022.

The combined financial reports have been prepared in accordance with the Annual Accounts Act (1995:1554) and The Accounting Board's general advice BFNAR 2012:1 Annual report and consolidated accounts (K3).

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

- Arctic Blue Beverages AB
- Arctic Blue Beverages Oy
- Valamo Beverages Oy until May 31<sup>st</sup> 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. Historically, consolidated accounts have not been drawn up, neither for Arctic Blue Beverages AB nor for Arctic Blue Beverages Oy. 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 combined financial statements represent the group of entities that became a group on 8 April 2022 when the inactive parent company in the group, Arctic Blue Beverages AB, through a non-cash issue acquired 100% of the shares in Arctic Blue Beverages Oy. At the same time Arctic Blue Beverages AB reduced its share capital by SEK 25,000 by withdrawing all 25,000 outstanding shares before the general meeting. Arctic Blue Beverages AB thereby became the new parent company for the Arctic Blue Beverages Oy group. Arctic Blue Beverages AB is included in the consolidated financial reports only from its formation on 20 January 2022 with a share capital of SEK 25,000.

There are no rules in K3 for consolidated financial reports. Because K3 does not provide any specific guidance a commonly occurring accounting principle for the preparation of consolidated financial reports has been chosen meaning that Arctic Blue Beverages AB and the Arctic Blue Beverages Oy group are aggregated based on historical reported values in the Arctic Blue Beverages Oy group after adjustment to Arctic Blue Beverages AB's accounting principles.

All intra-group transactions between legal entities and the corporate group have been eliminated. Hence, the combined financial reports represent the economic activities for The Arctic Blue Beverages AB group which was formed on April 8, 2022. From April 8, 2022 onwards (in practise April 1, 2022) the group presents the consolidated financial reports (meaning that January – December 2022 is combination of combined and consolidated financial reports).

The principles are unchanged compared to those applied in the combined financial statements for first quarter 2022.

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.

#### 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	JUN-SEP 2023	JUN-SEP 2022	JAN-SEP 2023	JAN-SEP 2022	JAN-DEC 2022
<b>Average number of employees</b>					
Arctic Blue Beverages Oy Finland	8	9	8	8	8
Total	8	9	8	8	8

## NOTE 3 – TRADEMARKS

SEK thousand	30 SEP 2023	30 SEP 2022	31 DEC 2022
Accumulated acquisition values			
At the beginning of the period	4 810	4 172	4 172
Disposals	0	-47	0
Translation differences	-122	282	368
At the end of the period	4 688	4 407	4 540
Accumulated depreciation			
At the beginning of the period	-3 785	-1 963	-1 963
Depreciation for the period	-129	-744	-1 085
Translation differences	-68	-128	-156
At the end of the period	-3 982	-2 835	-3 204
<b>Recorded value at the end of the period</b>	<b>707</b>	<b>1 572</b>	<b>1 335</b>

## NOTE 4 – GOODWILL

SEK thousand	30 SEP 2023	30 SEP 2022	31 DEC 2022
Accumulated acquisition values			
At the beginning of the period	6 114	245	307
New acquisitions		5 188	4 995
Translation differences	-155	17	467
At the end of the period	5 958	5 450	5 770
Accumulated depreciation			
At the beginning of the period	-1 825	-61	-62
Depreciation for the period	-286	-539	-778
Translation differences	53	136	-143
At the end of the period	-2 057	-464	-983
<b>Recorded value at the end of the period</b>	<b>3 901</b>	<b>4 986</b>	<b>4 787</b>

## NOTE 5 – PLEDGED COLLATERAL AND CONTINGENT LIABILITIES

	30 SEP 2023	30 SEP 2022	31 DEC 2022
Pledged collateral	312	None	None
Contingent liabilities	None	None	None

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 August 28, 2023, Company entered into a short-term loan agreement of EUR 75,000 with Heino Group Oy who is one of the Company's shareholders controlled by the board member Petri Heino and a short-term loan agreement of EUR 75,000 with Grizzly Hill Capital Ab who is one of the company's shareholders controlled by the board member Gustaf Björnberg. The loans totalling EUR 150,000 refer to financing for the company's ongoing operations and ensuring liquidity. The loans have customary market-based terms and conditions.

Additionally, the following transactions with related parties have been implemented in the third quarter of 2023.

### JUL – SEP 2023

SEK thousand

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

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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

No significant events during the reporting period.

### Significant events after the end of the reporting period

2023-10-18 Company entered into two loan agreements amounting to a total of EUR 200,000 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 100,000 with an interest rate per annum of 10 percent and runs up until April 30, 2024. The Lenders have the right to, should the Company carry out a share issue before April 30, 2024, 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.

2023-11-01 Company's subsidiary Arctic Blue Beverages Oy and one of the leading restaurant groups in Finland, NoHo Partners Oyj, signed a collaboration agreement regarding a showroom distillery and tightened collaboration on the Finnish market. The Arctic Blue Showroom Distillery will be located at the new Helsinki Kulttuurikasarmi, which opens its doors 17.11.2023. The Showroom Distillery will open gradually during 2023 and early 2024.





# THE SHARE

Arctic Blue Beverages stock is listed on Nasdaq First North Growth Market with the ticker symbol "Arctic". As of September 30, 2023, the total number of shares was 26,198,089 and the closing price was SEK 0.606 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](mailto: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 2022	February 20, 2023
Annual Report 2022	April 24, 2023
Interim report Jan – Mar 2023	May 15, 2023
Annual General Meeting 2023	June 13, 2023
Half-Year Report 2023	August 21, 2023
Interim Report Jan-Sep 2023	November 20, 2023
Year-End Report 2023	February 19, 2024

## 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 November 20, 2023.

FOR MORE INFORMATION, PLEASE CONTACT:

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# THE BOARD'S DECLARATION

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

Helsinki, November 20, 2023

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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