

# Invitation to subscribe for shares in Arctic Blue Beverages AB

**Rights Issue**

**29 July 2025**

**Subscription period**

**4 August – 18 August 2025**

PLEASE NOTE THAT THE SUBSCRIPTION RIGHTS MAY HAVE AN ECONOMIC VALUE. In order not to lose the value of the subscription rights, the holder must either:

- Exercise the received subscription rights to subscribe for new shares no later than 18 August, 2025, or
- By 13 August, 2025, at the latest, sell the received subscription rights not intended to be exercised for subscription of new shares.

Note that shareholders with nominee-registered holdings must subscribe for new shares through the nominee.

Distribution of this information memorandum and subscription of new shares are subject to restrictions in certain jurisdictions, see section "Important information".

**Eminova Partners**  
corporate finance



# IMPORTANT INFORMATION

## General information

This information memorandum has been prepared in connection with the upcoming rights issue in Arctic Blue Beverages AB of a maximum of 52,396,178 shares issued with preferential rights for the Company's shareholders. "**Arctic Blue Beverages**" or the "**Company**" refers to Arctic Blue Beverages AB, corporate registration number 559361-7078, a Swedish public limited liability company. The "**Memorandum**" refers to this information memorandum. The "**Rights Issue**" or the "**Offer**" refers to the offer to subscribe for shares with preferential rights in accordance with the terms of the Memorandum. "**Euroclear**" refers to Euroclear Sweden AB, with corporate registration number 556112-8074. References to "**SEK**" are to Swedish kronor. References to "**USD**" are to United States dollars. References to "**EUR**" are to euro; references to "**T**" are to thousands; and references to "**M**" are to millions.

## Advisors

Eminova Partners Corporate Finance AB ("**Eminova Partners**") is acting as financial advisor and Eversheds Sutherland Advokatbyrå AB ("**Eversheds Sutherland**") is acting as legal advisor to the Company in connection with the Rights Issue and has assisted the Company in the preparation of the Memorandum. As all information in the Memorandum regarding Arctic Blue Beverages originates from the Company, Eminova Partners and Eversheds Sutherland disclaim all liability in relation to existing or prospective shareholders in Arctic Blue Beverages and in relation to any other direct or indirect financial consequences resulting from investment or other decisions based in whole or in part on information in the Memorandum. Eminova Fondkommission AB ("**Eminova Fondkommission**") is the issuing agent in the Rights Issue. Eminova Fondkommission is the Company's Certified Adviser.

## About the Memorandum

This Memorandum is not a prospectus and has not been approved by the Swedish Financial Supervisory Authority (Swedish: Finansinspektionen). The shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States of America (the "**U.S.**" or the "**United States**") or under any securities law or local law in Canada and may not, in absence of registration applicable exemption from registration be offered for sale or subscription, or be transferred in the U.S. or Canada, or to citizens or persons resident in such jurisdictions, or to or under commission by or for the benefit of U.S. persons as defined in Regulation S in the Securities Act. The Offer is further not directed to any person whose participation requires further memorandums, prospectuses, registration or other actions that are required under Swedish Law. The Memorandum, application for subscription forms and any other documents related to the Offer may not be distributed in or into the U.S., Canada, Australia, New Zealand, South Africa, Hong Kong, South Korea, Singapore or Japan or any jurisdiction where the distribution or the Offer would require an action according to the previous sentence or would constitute a breach against laws or regulations in such jurisdiction. An application for subscription for shares indirectly or directly in breach of the above may be deemed invalid.

Investments in the Company's shares or any other financial securities are associated with certain risks as further detailed in section "Risk factors" below. In making a decision to invest in the Company's shares or other financial instruments, an investor must rely on his or her own assessment of the Company, and the terms of the Offer, including the merits and risks involved, not relying solely on the information contained in this Memorandum. Neither the publication nor the distribution of the Memorandum does mean that the information contained in the Memorandum is up to date as of any time after the date of this Memorandum, or that the Company's operations, profits or financial position has remained unchanged after his date. No person is or has been authorized by the Company to give any information or to make any representation or warranty and may not be relied upon as having been authorized by the Company and the Company accepts no liability with respect to any

such information, representing or warranty. Further, no representation or warranty, expressed or implied, is made by any member of the board of directors of the Company or, except for what follows from applicable law and regulations, anybody else as to the correctness and/or completeness of any of the information contained in this Memorandum. Any dispute arising from this Memorandum, the Offer or other legal matters related thereto shall be settled exclusively by a Swedish court of law and resolved in accordance with Swedish law without reference to any of its choice of law principles. The district court of Stockholm (Swedish: Stockholm tingsrätt) shall be the court of first instance. The Memorandum has been prepared in English. It should be noted that an investor bringing court action in connection with the information disclosed in this Memorandum may be obliged to pay for a translation of the Memorandum.

## Forward-looking statements and market information

This Memorandum contains certain forward-looking statements reflecting the Company's current view of future events and financial and operational performance. Such forward-looking statements are associated with both known and unknown risks and circumstances beyond the Company's control. All statements in this Memorandum other than statements of historical or current facts or circumstances are forward-looking statements. Forward-looking statements are made in several sections of the Memorandum and can be identified by the use of terms or expressions such as "may", "could", "should", "anticipated", "estimated", "likely", "forecasted", "plans to", "aims to", or conjugations of such terms or similar terms. The "Risk Factors" section below contains a description of some but not all factors that may cause the Company's future earnings and development to deviate significantly from those expressed or implied in any forward-looking statement. The forward-looking statements only apply as of the date of this Memorandum. The Company have no intent or obligation to publish updated forward-looking statements or any other information contained in this Memorandum based on new information, future events etc. other than required by applicable law, regulation or regulatory framework. This Memorandum contains certain information regarding the market and the industry in which the Company operates and its position in relation to its competitors which may be based on third party information as well as the Company's estimates based on third party information. The Company has accurately reproduced such third-party information and, as far as the Company's board of directors is aware, no details have been omitted in a manner that would make the reproduced information inaccurate or misleading. However, the Company has not independently verified the correctness or completeness of any third-party information and therefore the Company cannot guarantee its correctness or completeness.

## Availability of the Memorandum

This Memorandum is available in electronic form on the Company's website [www.arcticbluebeverages.com](http://www.arcticbluebeverages.com) and Eminova Fondkommission's website [www.eminova.se](http://www.eminova.se).

## Nasdaq First North Growth Market

Nasdaq First North Growth Market ("**First North**") is a registered growth market for small and medium-sized companies in accordance with Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as implemented in national law in Denmark, Finland and Sweden, operated by the (various) exchanges that are part of the Nasdaq Group. Companies listed on First North are not subject to the same rules as companies listed on the main regulated market, as defined by EU law (as transposed into national law). Instead, they are subject to less extensive rules and regulations tailored to smaller growth companies. An investment in a company traded on First North may therefore be riskier than an investment in a company listed on a regulated market. All companies whose shares are admitted to trading on First North have a Certified Adviser who monitors compliance with the regulations.

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# THE RIGHTS ISSUE IN SUMMARY

## **Issue volume**

The Offer comprises a maximum of 52 396 178 shares, equivalent to approximately SEK 26.2 million before issue costs of approximately SEK 4.2 million.

## **Preferential rights**

Each existing share in Arctic Blue Beverage AB entitles to two (2) subscription rights and one (1) subscription right entitles to subscription of one (1) share.

## **Subscription price**

SEK 0.5 per share

## **Subscription period**

4 August – 18 August 2025

## **Trading in Subscription Rights**

4 August – 13 August 2025

## **Trading in Paid Subscription Shares ("BTA")**

4 August 2025 – until the Rights Issue has been registered by the Swedish Companies Registration Office

## **Guarantee commitments**

The Company has received bottom guarantee commitments (the "**Bottom guarantee**") and free of charge top-down guarantee commitments (the "**Top-down guarantee**") totalling approximately SEK 26.2 million, corresponding to 100 percent of the Rights Issue.

## **Lock-up agreements**

Members of the board of directors and management have undertaken, with customary exceptions, not to sell or otherwise dispose of their shares in the Company during a period of 180 days from and including the date of the announcement of the final outcome of the Rights Issue.

## **Other information**

Trading venue:	Nasdaq First North Growth Market
Ticker:	ARCTIC
ISIN code Share:	SE0017769136
ISIN code Subscription Right:	SE0025420920
ISIN code BTA:	SE0025420938



# RESPONSIBLE PERSONS AND THIRD-PARTY INFORMATION

## PERSONS RESPONSIBLE FOR THE MEMORANDUM

The board of directors of Arctic Blue Beverages is solely responsible for the contents of the Memorandum. To the best of the board of directors' knowledge, the information contained in the Memorandum is in accordance with the facts and does not omit anything likely to affect its import.

As of the date of the Memorandum, the board of directors of Arctic Blue Beverages consists of:



**Antti Villanen**

*Chairman of the board*



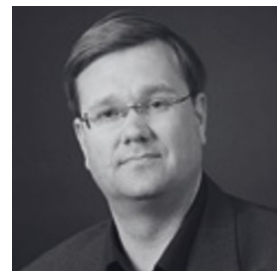
**Gustaf Björnberg**

*Member of the board*



**Petri Heino**

*Member of the board*



**Matti Nikkola**

*Member of the board*

## INFORMATION FROM THIRD PARTIES

The Company declares that the information provided by third parties in the Memorandum has been accurately reproduced and that, as far as the Company is aware and is able to ascertain from information published by the third parties concerned, no facts have been omitted which would render the reproduced information inaccurate or misleading. Statements in the Memorandum are based on the collective judgement of the board of directors and the management unless otherwise expressly stated.

## COMPETENT AUTHORITY

This document is not a prospectus within the meaning 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, as amended (the "**Prospectus Regulation**"). The reason is that the rules on prospectuses do not require a prospectus to be prepared since the amount that the Company may receive through the Rights Issue is below 2.5 million euros. The Swedish Financial Supervisory Authority (Sw. Finansinspektionen), as the national competent authority, has not approved or reviewed this document. Nor does this Memorandum constitute an exemption document in the form prescribed in the Prospectus Regulation Annex IX. Each investor is advised to make its own judgement as to whether it is appropriate to invest in the Company. This document and the Offer described herein are governed by Swedish law. Any dispute arising out of or in connection with this document shall be subject to the exclusive jurisdiction of the Swedish courts, with the Stockholm District Court being the court of first instance.





# BACKGROUND & MOTIVE

Arctic Blue Beverages has established itself as a distinctive player in the international beverage market, offering a broad portfolio of award-winning Nordic spirits and beverages. Driven by a mission to craft the world's best gin, the Company emphasizes the use of pure, natural ingredients and an uncompromising commitment to quality.

Over the past year, Arctic Blue Beverages has made significant progress in strengthening its market position. Key developments include the entry into the Long Drink segment with the well-received Arctic Blue Long Drink product portfolio, the establishment of the Arctic Blue Showroom Distillery in central Helsinki as a distinctive brand experience center supporting direct consumer engagement, and the successful launch of Nightwish Gin, created in collaboration with the internationally renowned band Nightwish. Additionally, the Company has introduced a scalable e-commerce platform, now serving both B2C and B2B customers across more than a dozen European markets.

As a result of these efforts, Arctic Blue Beverages enters the second half of 2025 with a broader product offering, stronger brand recognition, and multiple scalable sales channels. From this strengthened position, the Company is carrying out a strategic shift, focusing on four core areas:

- Maintaining a strong position in the Finnish craft gin market
- Increasing international sales through online channels, targeting both consumers and trade customers
- Growing the showroom distillery business as a brand and sales channel
- Expanding the Ready-to-Drink (RTD) product portfolio based on consumer preferences

This sharpened focus is expected to drive improvements in sales margins, reduce operational complexity, and position the Company for long-term profitability, with the full impact of these efforts anticipated from early 2026 onward.

In parallel, Arctic Blue Beverages is preparing for a milestone international expansion with the planned launch of operations in the United States through a joint venture with a U.S.-based investor consortium. A detailed market entry plan has been developed, identifying potential distributors and collaboration partners, to ensure a structured and targeted approach to entering the U.S. market, which is one of the largest and most dynamic spirits markets globally.

The Rights Issue will support this next phase of Arctic Blue Beverages' development and enable the Company to capitalize on its current momentum, accelerate international growth, and realize the full potential of its new operational strategy. Together, these measures are designed to ensure the Company's continued growth into a globally recognized and profitable Nordic spirits brand.

In connection with the Offer, the Company has entered into agreements for guarantee commitments amounting to approximately SEK 26.2 million, corresponding to 100 percent of the Rights Issue. The guarantee is divided into a so-called Bottom guarantee and a so-called Top-down guarantee. To cover the Company's working capital needs during the period leading up to the execution of the Rights Issue, the Company has been granted a short-term loan of SEK 5 million (the "**Bridge Loan**").

## USE OF PROCEEDS

Upon full subscription in the Rights Issue, the Company will receive initial proceeds of approximately SEK 26.2 million before deduction of issue costs of approximately SEK 4.2 million. The net proceeds, after repayment of the Bridge Loan, are intended to be used for the following purposes:

1. Strengthen market position in Finland and nearby countries
2. Accelerate growth in recently entered European markets
3. Support market entry in the United States





# BUSINESS DESCRIPTION & MARKET OVERVIEW

## GENERAL INFORMATION ABOUT THE COMPANY

The Company's registered company name (and trade name) is Arctic Blue Beverages AB with corporate registration number 559361-7078. The Company's legal entity identifier (LEI) is 9845009EKE99A541ED23. The Company was registered with the Swedish Companies Registration Office on January 21, 2022. The Company's form of association is governed by, and the business is conducted in accordance with, the Swedish Companies Act (2005:551). The Company's board of directors has its registered office in Bulevardi 3 B 19, 00120 Helsinki, Finland and telephone number +358 44 531 3950. The Company's website is [www.arcticbluebeverages.com](http://www.arcticbluebeverages.com).

## INTRODUCTION TO THE COMPANY

Arctic Blue Beverages was founded in Finland in 2017. The Company's beverages are inspired by the Nordic nature and its purity. Every year thousands of people travel to Finland to experience the country's pure and clean nature.

Arctic Blue Beverage's contracted distillery, Nordic Premium Beverages is based in Ilomantsi (Swedish: Ilomants), a municipality located in the landscape North Karelia in the Eastern Finland. North Karelia is a sparsely populated landscape with a lot of untouched forests. This suits the Company's nature-oriented brand.

The goal setting for Arctic Blue Beverages is to craft the world's best craft beverages of pure, Finnish ingredients. Besides the main product gin, the Company also produces other beverages such as liqueurs and RTD's. The Company's gin and other beverages have won several international awards.



## KEY WORDS

### Overall goal setting:

To become the leading Nordic craft beverage producer

### Mission:

To craft the world's best gin products from pure, Nordic ingredients

### Values:

Innovation, integrity, purity, responsibility and craftsmanship

## ORGANIZATION STRUCTURE

Arctic Blue Beverages AB owns 100 percent of the shares in the operative subsidiary Arctic Blue Beverages Oy that in turn is the parent company to the subsidiaries Arctic Gateway Asia Pte. Ltd and Arctic Gateway India Private Limited Pty Ltd (dormant).

The companies listed above form a group with Arctic Blue Beverages AB as the 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.

Arctic Blue Beverages AB is dependent of Arctic Blue Beverages Oy in that matter that all production and sales happens through the subsidiary.

## BUSINESS MODEL

Arctic Blue Beverages' business model is based on producing and selling craft beverages – craft gin, oat liqueur and other gin-based products – both through traditional distribution channels and e-commerce. The Company wants to differentiate its products from others on the market through high quality, delicious taste, and attractive design. Going forward, the e-commerce will be an important distribution channel for the Company.

## PRODUCT PORTFOLIO

Arctic Blue Beverages' premium artisanal products are handcrafted in Finland. The secrets of the prominent flavours lie in the pure northern nature, which is well known for the world's cleanest air, pure spring water, Arctic botanicals and wild berries. The Company's products thus offer a taste of the Nordic lifestyle.

The following section describes the products launched on the market at the time of release of this Memorandum.





### ARCTIC BLUE GIN

Arctic Blue Gin is the Company's signature product. This award-winning craft gin captures and confines the essence of arctic nature in a bottle. The distinguished flavour has elegant notes of juniper, bilberry (the wild Arctic blueberry), coniferous forest and spices. The alcohol content is 46.2 percent, and the liqueur is available in the volumes 50 ml, 200 ml and 500 ml.



### ARCTIC BLUE GIN NAVY STRENGTH

The Navy Strength version of the Arctic Blue Gin has a higher alcohol content and stronger taste. This award-winning premium gin has a fascinatingly vivid, extra intensive aroma of bilberry shrubs and is designed to elevate gin-based cocktails to the next level. The alcohol content is 58.5 percent, and the liqueur is available in the volume 500 ml.



### ARCTIC BLUE GIN ROSE

Arctic Blue Gin Rose is a lighter and sweeter pink gin and was awarded double gold at the San Francisco World Spirit Competition. Since this product has a lower alcohol content than the other versions of the Company's gin it can be priced lower on markets with high alcohol taxes. The alcohol content is 37.5 percent, and the liqueur is available in the volume 500 ml.



### ARCTIC BLUE GIN CASK VINTAGE 2023

Arctic Blue Gin Cask Vintage is a unique blend of award-winning flavours. Casked in 2021 and bottled in 2023, this already globally recognized product seamlessly blends the flavours of cardamom and wild Arctic blueberries with the vanillin from the oak barrel's lignin. The alcohol content is 56 percent, and the liqueur is available in the volume 500 ml.



### NIGHTWISH GIN

The super premium Nightwish Gin is a unique collaboration between the Finnish band Nightwish and Arctic Blue Beverages. This product was awarded the coveted Gold Medal at the 2025 International Wine & Spirit Competition (IWSC), joining an elite league of world-class spirits and strengthening the Company's strong position in premium Nordic beverages. The alcohol content is 48.2 percent, and the liqueur is available in the volume 500 ml.



### ARCTIC BLUE LAKU

Arctic Blue Laku is a premium liqueur born from a creative collaboration between Arctic Blue Beverages and luxury liquorice manufacturer Kouvola Lakritsi. This smooth liquorice liqueur combines the all-natural sweet flavour of artisanal liquorice with organic ingredients carefully selected from Finland's uniquely pure nature. The alcohol content is 21 percent, and the liqueur is available in the volume 500 ml.



### ARCTIC BLUE OAT LIQUEUR

Arctic Blue Oat liqueur is a dairy-free, gluten-free, and vegan product made of ecological, Finnish oats. The product is nominated as the world's first gin-based oat liqueur and has because of the nomination a great news value that the Company can take advantage of when entering new markets. The alcohol content is 17 percent, and the liqueur is available in the volume 500 ml.



### ARCTIC BLUE LONG DRINK

Arctic Blue Beverages Long Drinks are premium ready-to-drink mixed drinks with flavours based on the Company's award-winning products. With the continuous expansion of its Long Drink portfolio, Arctic Blue Beverages is strengthening its position in the rapidly growing ready-to-drink segment. The alcohol content is 5 percent, and the beverages are available in the volume 330 ml.





## GEOGRAPHICAL MARKETS

Arctic Blue Beverages has an established presence in a broad range of markets across the globe. The Company's primary markets include the Nordics, most of continental Europe, Great Britain, Japan and Canada. Additionally, through its partnership with La Maison Du Whisky, one of the world's leading distributors and retailers of fine spirits, the Company's products are available on a truly global scale.

Geographical expansion is very important for the Company's growth strategy. Looking ahead, the Company will organize its geographical focus into three main market segments:

1. Home markets (Finland and nearby countries)
2. Europe
3. United States

In the home markets segment, the Company will focus on reinforcing its already strong position. In Europe, the focus will be on maintaining and growing its presence across the existing countries and to expand through a stronger e-commerce presence.

Arctic Blue Beverages is preparing to launch a strategic expansion into the United States, leveraging the Company's Long Drink brand to capitalize on the growing Ready-to-Drink (RTD) market. The expansion will be carried out via a planned joint venture backed by an U.S. investor consortium. In connection to the expansion, the Company has developed a detailed market entry strategy and has identified multiple distribution and collaboration partners.

## PRODUCTION

Behind the characteristic taste of Arctic Blue Beverages' products are wild blueberries. The blueberries used in the Company's beverage production are hand-picked in the forests of eastern Finland, near the Koli National Park. In Finland, blueberry plants thrive, especially in the southern half of the country – where the Koli National Park is located. The fact that the plants thrive contributes to the flavour and antioxidants of the berries.

All Arctic Blue Beverages' drinks are made from Finnish spring water. The perceived cleanliness is considered important for the Company's brand. The water in Finland is typically very clean and there are large volumes of fresh water available per inhabitant. In a report from the beginning of the 2000s, the UN assessed the water quality of 122 countries based on numbers of indicators and Finland was placed in first place.<sup>1</sup>

The Company's spirits are produced through a distillation method where chill filtration is not used meaning that the gin preserves its natural aromas and scents in the final product by taking advantage of the natural essential oils from the wild blueberries and herbs as well as the protein chains and the natural pectin's from the beginning to the end. When

the spirit is non-chill-filtered, it turns into a slightly blue tone when it is topped with something cold, such as ice or tonic water.

Arctic Blue Beverages' Master Distiller is responsible for the Company's distillation processes. Arctic Blue Beverages' products are developed, designed, and approved by the product development team and the Master Distiller.

Distilled products and liqueurs going under the Arctic Blue product line are handcrafted by Nordic Premium Beverages Ltd in Ilomantsi (Swedish: Ilomants), Finland. The long-drink products are manufactured by Hammars Bryggeri AB, Hammar, Sweden by using Arctic Blue Gin.

The current production capacity of the Arctic Blue product lines is approximately 1-1.5 million litres of gin and 200-400 thousand litres of oat liqueur annually. The long drink products' production capacity is approximately 1 million cans annually and can according to the Company's assessment, be easily adapted in line with demand.

## DISTRIBUTION

Arctic Blue Beverages sells its products both via traditional distribution channels (distributors, restaurants and stores) and e-commerce. The Company is undergoing a strategic shift in its distribution strategy by reducing its reliance on local distributors abroad and focusing on accelerating global growth through e-commerce.

In Finland, the Company's products are sold by its partnership distributor Norex Selected Brands Oy and the Company itself. Customers in Finland consists of hotels, restaurants, catering services, tax free-shops, retail and the Finnish beverage retailing monopoly, Alko. The logistics are handled by the Company's partner, Skanlog Oy. In all markets outside of Finland, Arctic Blue Beverages has historically sold its products to importers, who also act as distributors. The strategy regarding distributors has been to select those with sufficient reach and proven experience in building brands.

E-commerce has previously served as a supplementary distribution channel to importers in markets outside of Finland where Arctic Blue Beverages' products are sold. Online sales outside of Finland are a form of indirect sales, but the level of transparency and control that can be obtained is like that of direct sales.

With the new distribution strategy, online sales will be the primary driving force for continued international expansion. By doing so, the Company is able to retain strong control in each individual market. The Company's recent launch of its own e-commerce platform has further accelerated its international sales reach, offering direct delivery to over a dozen European countries.

## Pricing and sales development

Since all Arctic Blue Beverages' product lines compete in the premium segment, the products are

<sup>1</sup> EEA. 2020. Freshwater – State and impacts (Finland).



sold at corresponding price levels. Sales of the Company's products is supported by elaborate marketing that includes social media and materials for use at points of sales.

In the beginning, the Company's sales consisted of the signature gin product Arctic Blue Gin, which is sold today through all of the Company's distribution channels and within all regions. After the gin was recognized with great international prizes by the IWSC and WSA competition, the Company launched the gin product Arctic Blue Gin Navy Strength which was then followed by the world's first vegan gin-based oat liqueur Arctic Blue Oat, a new innovation on the market.<sup>2</sup> The Covid-19 pandemic posed a challenge to the growth rate of sales. However, the Company took advantage of the opportunity to focus on online sales in order to achieve desirable sales growth during the pandemic and possible future pandemics.

In 2024, the Company entered into a new product category with the Arctic Blue Long Drink, putting an Arctic spin on the original long drink from the 1952 Helsinki Olympics. The Company's most recent product launches include the Nightwish Gin collaboration and new Arctic Blue Long Drink products. Sales have grown after each product launch, in all categories and markets.

## PRODUCT DEVELOPMENT

For Arctic Blue Beverages to be able to achieve its mission and aspiration of producing the world's best gin products from pure, Nordic ingredients, it is important for the Company to continuously work on the product development. The Company focuses on prioritizing innovation, studying trends, and diligently investing in experimentation. In this way, it becomes possible to produce new products that, thanks to their attributes can be awarded international prizes and awards.

Arctic Blue Beverages aims to expand its product portfolio by launching beverage products to new price classes and within new categories. In this way, the Company can reach more consumers and consumer categories, increase brand exposure, and thus increase sales.

Another important aspect of the Company's product development is to be the first or among the first to commercialize new, preferably sustainable products. An example of this is Arctic Blue Oat Liqueur – the world's first gin-based oat liqueur<sup>3</sup> – which works as an alternative to milk-based liqueurs.

The idea behind Arctic Blue Oat liqueur arose internally within the Company, based on the team's experience with oat drinks and a broad knowledge of the market. Both the market for dairy-free products and the market for liqueurs are growing rapidly. However, the Company identified the lack of an oat-based liqueur on the market. The most popular liqueur product in the dairy-free category has been

whiskey liqueur from the Baileys brand. The development of Arctic Blue Oat liqueur took a total of about 9 months. According to the Company's assessment, the response from both consumers and professionals has been very good and the product has been particularly praised for its versatility. Since the launch of Arctic Blue Oat liqueur, the Company has continued to study the market and run result-based product development. Arctic Blue Beverages sees the oat-based products as a platform for growth.

## MARKETING

A number of different marketing and PR strategies are used in order to maintain and increase the Company's market shares on both the domestic and global markets. Even though the Company is a small operator on the gin market, it has succeeded in attracting plenty of exposure thanks to its marketing. One example of this is when a media campaign in 2019 resulted in being mentioned in most of the newspapers around the world and according to the Company, had an impact of 233 million views. The underlying idea of the campaign was for Arctic Blue Beverages to run a popup bar at the North Pole for one day, matching the focus of the Company's brand on nature and North. The media hits attracted by the campaign plays a key role in the Company's marketing strategy, both globally and locally. Another successful marketing event was when the Company entered the Web3 and launched their first NFT. The number of media hits globally reached 640.

The Company has an own team with expertise within social media and PR. The Company works constantly together with different social media influencers to increase the brand awareness and to build a stronger fan base.



<sup>2</sup> VegNews. 2021. This new creamy vegan liqueur is made from oats.

<sup>3</sup> VegNews. 2021. This new creamy vegan liqueur is made from oats.





## MARKET OVERVIEW

### OVERVIEW OF ARCTIC BLUE BEVERAGES' MARKETS

Arctic Blue Beverages caters to premium-minded customers in search of artisanal gin, innovative gin-based liqueurs and ready-to-drink cocktails made with authentic Nordic craftsmanship and natural Finnish ingredients. Through both traditional channels and e-commerce, the Company has a presence in a broad range of markets across the globe, with planned expansion into the United States. The Company's main market is gin. Compared to whiskey and cognac, gin does not require aging, which makes gin cheaper to produce. Hence allowing for potentially higher margins. The interest in start-ups in the gin industry has increased and during the last years a large number of international liquor companies have completed strategic acquisitions of new, growing gin companies for further development.<sup>4</sup>

### THE GLOBAL GIN MARKET

The global gin market is valued at 19.7 billion USD in 2025 and is expected to reach 46.9 billion USD by 2037, growing at a CAGR of 7.6 percent.<sup>5</sup> The global gin market continues to expand globally due to demand for both premium spirits along with unique botanical mixtures in their beverages. The rise of artisanal craft gins in consumer demand leads to the diversification of flavours and styles in this market segment.<sup>6</sup> A significant driving factor in the market is the increasing interest in the premium segment of gin. The premium gin market size was valued at 774.7 million USD in 2024 and is projected to reach 1,454.2 million USD by 2031, growing at a CAGR of 8.2 percent during the period.<sup>7</sup> Premium gin and gin that are sold through e-commerce, especially in growing economies, are considered interesting investment opportunities.

Regionally, Europe remains the largest market for gin in the world, led by the UK, Spain and Germany, where a well-established gin-drinking culture prevails.<sup>8</sup> Trends in the European gin market include an increasing demand for premium, environmentally friendly, and botanical-based spirits.<sup>9</sup> The British producers are by a large margin the biggest exporters of gin.<sup>10</sup> Arctic Blue Beverages has a strong foothold in multiple European markets both through traditional channels as well as online stores.

Furthermore, North America is witnessing a surge in craft gin and cocktail popularity, with the United

States and Canada contributing to the category's growth.<sup>11</sup> In the United States, gin sales have historically remained relatively flat compared to Europe. However, over the past two decades, the super-premium gin segment has experienced rapid growth, and gin is increasingly becoming a "must-include" category in cocktail programs, reflecting a shift in consumer attitudes.<sup>12</sup> In 2023, growth in the United States on-premise gin sector outpaced that of whiskey, rum and vodka, as bars and restaurants expanded their gin selections to meet rising demand for diverse flavour profiles.<sup>13</sup> Arctic Blue Beverages plans an expansion into the United States market during 2025.

### THE NORDIC GIN MARKET

Nordic producers of gin, like Arctic Blues Beverages, are increasing their global market share. Sustainability, health and premiumisation are primary trends shaping the Nordic spirits industry, driving both producer and customer behaviour.<sup>14</sup> The combined value of the Nordic gin market is estimated at 364.4 million USD in 2025.<sup>15</sup>

Arctic Blue Beverages' domestic market is Finland. According to the Finnish alcohol monopoly ALKO, the demand for locally produced liquor based on Finnish ingredients has increased in recent times.<sup>16</sup> The Finnish gin market remains defined by its local roots and the stories behind each bottle. Arctic Blue Beverages personifies this by incorporating its origin stories and Finnish ingredients into every aspect of the Company's products.

The Swedish gin market remains a central market for future growth. The premium-and-above Swedish gin market has seen substantial growth in recent years, where locally produced craft gins keep driving momentum.<sup>17</sup> Arctic Blue Beverages products are available in Sweden through their alcohol-monopoly, Systembolaget. According to Systembolaget's sales statistics, the most-sold gin brand in 2024 was Gibson's London Dry gin.<sup>18</sup> British gin is continuing to be the most popular in the Swedish market.

### THE GLOBAL LIQUOR MARKET

The value of the global liquor market, which includes crema, fruit, and other sorts of liquors, amounted to about 131.8 billion USD in 2024.<sup>19</sup> This means that the liquor market during 2024 corresponded to roughly 7.5 percent of the total global market for

<sup>4</sup> The Spirits Business. 2020. The big players investing in super-premium-plus gin

<sup>5</sup> Research Nester. 2025. Gin Market Size & Share – Global Supply & Demand Analysis, Growth Forecasts, Statistical Report 2025–2037.

<sup>6</sup> Fortune Business Insights. 2025. Gin Market Size, Share, and Industry Analysis By Product Type, By Price Point, By Distribution Channel, and Regional Forecast till 2032.

<sup>7</sup> Verified Market Research. 2024. Global Premium Gin Market Size By Production Method, By Distribution Channel, By Geographic Scope And Forecast.

<sup>8</sup> The Drinks Business. 2025. Why the gin industry will see a boost in the next five years.

<sup>9</sup> Research Nester. 2025. Gin Market.

<sup>10</sup> Statista. 2024. Leading exporters of gin and Geneva worldwide in 2023, by country.

<sup>11</sup> Witchmark. 2025. Why the Gin Industry is Poised for Growth Over the Next Five Years.

<sup>12</sup> Alcohol Marketing Agency. 2025. Gin market 2025 comprehensive overview.

<sup>13</sup> The Spirits Business. 2024. Gin prepares for super-premium boom in US.

<sup>14</sup> The Spirit Business. 2024. What's new in the Nordics?

<sup>15</sup> Statista. 2025. Gin – Nordics.

<sup>16</sup> Alko. 2024. Alko's trend report 2024.

<sup>17</sup> IWSR. 2024. Where next for premium gin?

<sup>18</sup> Dagens Industri. 2025. Här är Systembolagets bästsäljare.

<sup>19</sup> IMARC Group. 2025. Liqueurs Market Report by Type, Packaging Type, Distribution Channel, and Region 2025–2033.



alcoholic drinks, whose value amounted to 1.76 trillion USD in 2024.<sup>20</sup>

The global liquor market is expected to reach a value of 164.0 billion USD by 2033. The growing demand for high-quality liqueur is one of the main factors behind the market growth.<sup>21</sup> Especially vegan liquors have become more sought after in recent years and are a market segment with big innovation and growth opportunities.<sup>22</sup> The oat liquor Arctic Blue Oat Liqueur is being sold in the global liquor market, available through the global travel trade and online stores.

### THE READY-TO-DRINK SEGMENT

Alcoholic beverages that are already mixed and ready to be consumed instantly, known as ready-to-drink (RTD) beverages, are projected as a segment to grow faster than the total alcoholic beverages market. The explosive growth in recent years is driven by consumer demand for convenience, variety and innovation.<sup>23</sup> The global RTD alcohol market is valued at 40.1 billion USD in 2024 and is predicted to reach 117.9 billion USD by 2034 at an 11.5 percent CAGR during the forecast period 2025–2034.<sup>24</sup>

One specifically fast-growing category within this segment is the long drink/cocktail category, which

is projected to grow by about 15.4 percent CAGR from 2025 to 2030.<sup>25</sup> Arctic Blue Beverages' continuous launch of new versions of the Arctic Blue Long Drink product series of premium ready-to-drink mixed drinks cements the Company's presence in this segment.

### REGULATIONS AND LEGISLATION

Regulation and legislation for alcoholic beverages vary by jurisdiction but share common requirements for labelling, licensing and excise duties. Some countries and regions are covered by regulations in form of a state-driven alcohol monopoly on spirits. These are, among others, all the Nordic countries except Denmark, all provinces of Canada except Alberta, and several states in the USA.

Typically, alcohol monopolies have limited opening hours and a limited number of stores, with the purpose to keep alcohol consumption down. A new actor in the spirit market must go through the geographical alcohol monopoly to be able to reach the consumers according to the law.<sup>26</sup> However, in some markets, for example Sweden, it is possible for private actors to import alcohol and deliver alcohol to restaurants.<sup>27</sup>

<sup>20</sup> Grand View Research. 2025. Alcoholic Drinks Market Size, Share & Growth Report, 2030.

<sup>21</sup> IMARC Group. 2025. Liqueurs Market Report by Type, Packaging Type, Distribution Channel, and Region 2025–2033.

<sup>22</sup> The Vegan Review. 2021. The lowdown on the vegan alcohol market.

<sup>23</sup> Forbes. 2024. The Rise And Future Of The Ready-To-Drink Beverage Industry.

<sup>24</sup> Insight Ace Analytic. 2025. Global Ready-to-Drinks (RTDs) Alcohol Market.

<sup>25</sup> Grand View Research. 2025. Ready-to-Drink Cocktails Market Size, Industry Report, 2030

<sup>26</sup> SHAAP. 2021. Alcohol monopolies.

<sup>27</sup> Systembolaget. EU-inträdet: nya spelregler





# TERMS & CONDITIONS

## RIGHTS ISSUE AND SUBSCRIPTION RIGHTS

Those who, on the record date 30 July 2025, are registered in the share register maintained by Euroclear Sweden AB, have preferential rights to subscribe for shares in the Rights Issue in relation to their existing shareholding in the Company. One (1) existing share in Arctic Blue Beverages entitles to two (2) subscription rights. One (1) subscription right entitles the holder to subscribe for one (1) share in the Company. After the subscription period ends, unutilized subscription rights will become invalid and will be removed from the custody account or securities account without special notification from Euroclear.

## ISSUE VOLUME

The Rights Issue covers a maximum of 52 396 178 newly issued shares, corresponding to a total of approximately SEK 26.2 million before issue costs.

## SUBSCRIPTION PRICE

The subscription price is SEK 0.5 per share. No brokerage fees will be charged.

## RECORD DATE

The record date in Euroclear for the right to participate in the Rights Issue is 30 July 2025. The last day of trading in the Company's shares, including the right to receive subscription rights, was 28 July 2025. The first day of trading in the Company's shares excluding the right to receive subscription rights is 29 July 2025.

## SUBSCRIPTION PERIOD

Subscription of shares shall take place from 4 August 2025 to 18 August 2025. The board of directors has the right to extend the subscription period. The board of directors does not have the right to cancel the Rights Issue once the subscription period has begun.

## TRADING IN SUBSCRIPTION RIGHTS

Trading in subscription rights takes place on Nasdaq First North Growth Market during the period from 4 August 2025 to 13 August 2025. Banks and securities institutions with the necessary permits are available to act as intermediaries in the purchase and sale of subscription rights. Subscription rights acquired during the above-mentioned trading period will have the same right to subscribe for new shares as the subscription rights shareholders receive based on their holdings in the Company on the record date.

## PAID SUBSCRIBED SHARES ("BTA")

Subscription by payment is registered with Euroclear as soon as possible, which normally means a few banking days after payment. The subscriber then receives a securities notification with confirmation

that BTA have been recorded in the securities account. Paid and subscribed shares are referred to as BTA until the new issue has been registered at the Swedish Companies Registration Office (Bolagsverket).

## TRADING IN BTA AND CONVERSION TO SHARES

Trading in BTA takes place on Nasdaq First North Growth Market from 4 August 2025 until the Rights Issue has been registered at the Swedish Companies Registration Office (Bolagsverket) and the conversion from BTA to shares has taken place. The last day for trading will be communicated through a market notice. No special notification is sent out from Euroclear in connection with the conversion.

## TRADING IN THE SHARE

The shares of the Company are traded on Nasdaq First North Growth Market. The share is traded under the ticker symbol ARCTIC, and the ISIN code is SE0017769136. The newly issued shares will also be traded after the Rights Issue has been registered at the Swedish Companies Registration Office (Bolagsverket).

## PREFERENTIAL SUBSCRIPTION RIGHT

Anyone who, on the record date 30 July 2025, is registered as a shareholder in the Company has preferential right to subscribe for two (2) new shares for each (1) existing share.

## DIRECTLY-REGISTERED SHAREHOLDERS, HOLDINGS IN A SECURITIES ACCOUNT

Shareholders or representatives of shareholders who, on the record date, are registered in the share register kept by Euroclear on behalf of the Company, receive a preprinted issue statement with an attached payment notice, a special application form and an application form for subscription without subscription rights. No securities notification regarding registration of subscription rights in a securities account is sent.

A person included in the list of pledgees and trustees kept in connection with the share register does not receive an issue statement but is notified separately.

## NOMINEE-REGISTERED SHAREHOLDERS, HOLDINGS IN A CUSTODY ACCOUNT

Shareholders whose holdings of shares in the Company are nominee-registered at a bank or other nominee receive no issue statement. Subscription and payment will instead take place according to instructions from the nominee.



## **SUBSCRIPTION WITH SUBSCRIPTION RIGHTS, DIRECTLY-REGISTERED SHAREHOLDERS**

Subscription for new shares in the Offer will take place by simultaneous payment using the specified bank giro no later than 18 August 2025 in accordance with either of the following two options.

1) Pre-printed payment notice. Issue statement. Used if all subscription rights received are to be used. Subscription takes place by payment of the pre-printed payment notice. Please note that no further action is required for subscription and that the subscription is binding.

2) Application form for subscription with support of rights. Used if a different number of subscription rights than is stated on the pre-printed issue statement is to be used, e.g. if subscription rights have been purchased or sold. Subscription takes place when both the application form and the payment have been received by Eminova Fondkommission. The reference for payment is the application form number. Incomplete or incorrectly completed application forms may be disregarded. The application form can be sent by ordinary mail (NOT REGISTERED POST), by mail or. Please note that the subscription is binding.

An application form can be obtained from Eminova Fondkommission AB, tel. 08-684 211 00, fax 08-684 211 29, e-mail info@eminova.se.

The completed subscription form must be received by Eminova Fondkommission no later than 15:00 on 18 August 2025. Subscription forms sent by mail should be dispatched well in advance of the last day of the subscription period.

The completed special application form should be sent to:

### **EMINOVA FONDKOMMISSION AB**

**Errand:** Arctic Blue Beverages AB

**Address:** Biblioteksgatan 3, 3 fl., 111 46 Stockholm

**Telephone:** 08-684 211 00

**Website:** www.eminova.se

**E-mail:** info@eminova.se (scanned application form)

## **SHAREHOLDERS DOMICILED OUTSIDE OF SWEDEN**

### **Directly-registered shareholders entitled to subscribe who are domiciled outside Sweden**

Directly-registered shareholders entitled to subscribe who are not domiciled in Sweden and who cannot use the pre-printed payment notice (the issue statement) can pay in SEK via SWIFT, as described below. Subscription takes place when both the application form for subscription with support of rights and the payment have been received by Eminova Fondkommission.

### **Eminova Fondkommission AB**

Biblioteksgatan 3, 3 fl.

111 46 Stockholm, Sweden

BIC/SWIFT: SWEDSESS

IBAN: SE68 8000 0890 1188 4765 7148

## **Shareholders domiciled in certain ineligible jurisdictions**

Shareholders domiciled in another country where participation in the Rights Issue is wholly or partly subject to legal restrictions (for example, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland, the United States, Russia, Belarus) are not entitled to participate in the Rights Issue. These shareholders will not receive subscription rights, an issue statement or any other information regarding the Rights Issue.

## **SUBSCRIPTION WITHOUT SUBSCRIPTION RIGHTS AND ALLOCATION PRINCIPLES**

In the event that not all shares are subscribed for with subscription rights, the board of directors, within the framework of the maximum amount of the issue, will decide on the allocation of outstanding shares.

An application for subscription for shares without subscription rights must be submitted on the application form entitled "Teckning utan stöd av teckningsrätter" [Subscription without subscription rights] which may be downloaded from www.eminova.se. If more than one application form is submitted, only the first one received will be taken into account. Payment must not be made at the time of the application! Please note that the application is binding. (Important information on ISK [investment savings accounts], IPS [individual pension savings] and endowment insurance is set out in the section entitled "Miscellaneous")

If the application relates to subscription of an amount of EUR 15,000 or more, the application form must be accompanied by a completed KYC and a certified copy of a valid ID document. If the application relates to a juridical person, in addition to a certified copy of a valid ID document the application form must be accompanied by a valid registration certificate showing the authorized signatory.

Notice of allocation of shares is given through remittance of a settlement note. Payment must be made by bank giro in accordance with the instructions on the settlement note and will never be drawn on the specified securities account or custody account. If payment is not made within the specified period, the shares may be transferred to another party. If the selling price for such a transfer is below the price in accordance with the offer, the person who was originally allocated these shares will be liable for all or part of the difference. No notice is sent to those who have not been allocated shares.

In the event that not all shares are subscribed for with preferential rights (i.e. with subscription rights), the board of directors, within the framework of the maximum amount of the issue, will decide on the allocation of shares subscribed for without subscription rights, whereupon the shares will in the first instance be allocated to the persons who have also subscribed for shares with subscription rights (and who have specified this on the application form) and, in the event that these cannot be fully allocated, shares will be allocated in proportion to their



subscription with subscription rights and, if this is not possible, by drawing lots, and the shares will in the second instance be allocated to another party that subscribed for shares in the issue without subscription rights and, in the event that these cannot be fully allocated, the shares will be allocated in proportion to the number of shares that each subscriber subscribed for and, if this is not possible, by drawing lots, and, in the final instance, the shares will be allocated to guarantors, being distributed in proportion to established guarantee commitments and, if this is not possible, by drawing lots.

## **PUBLICATION OF THE OUTCOME OF THE ISSUE**

The outcome of the issue will be published by means of a press release from the Company as soon as possible after the expiry of the subscription period, which is estimated to be around 20 August 2025. The announcement will also be published on the Company's website.

## **MISCELLANEOUS**

Subscription for shares with or without subscription rights is irrevocable and the subscriber cannot cancel its subscription.

### **Regarding subscription for ISK, IPS or endowment insurance**

If the custody account or securities account is linked to endowment insurance or an IPS or ISK account, special rules apply for new subscription of shares. The subscriber must contact its bank/nominee and follow their instructions on the procedure for subscription/ payment. If the subscription does not take place in the correct manner, the allocated shares will not be delivered to these types of custody accounts. The subscription is binding and application forms, once submitted, cannot be revoked. The subscriber is responsible for ensuring that the subscription takes place in such a way that the shares can be delivered to the specified custody account.

### **Regarding delivery of subscribed securities**

Incorrect or incomplete information in the application form, the registration procedure at the Swedish Companies Registration Office, late payments from investors, procedures at a nominee bank or custodian institution or other factors beyond Eminova's control can delay the delivery of shares to the investor's securities account or custody account. Eminova assumes no liability for losses or other consequences that an investor may suffer as a result of the timing of delivery of the shares.

### **Terms and conditions regarding incorrect, unidentifiable or late payment - subscriber/investor**

In the event that the investor pays an amount that is too high, incorrect or if payment is received late, Eminova will not refund amounts below SEK 10. The

investor loses, through his/her incorrect payment, his/her right to claim the amount. For amounts of SEK 10 or more, the investor can contact Eminova to have the excess amount returned to the account from which the payment came. The depositor needs to provide documentation showing the amount paid, to which account the payment was made, when and from which account the payment was made and who owns the account. Eminova will not pay the amount to any other account. The right to claim for amounts SEK 10-100 remains for one year from the date of payment. The right to claim for amounts exceeding SEK 100 remains for ten years from the date of payment. After the right of claim has expired, the amount is deregistered from the investor.

In the event that the payment cannot be identified and linked to a specific person, the amount will be registered under "unknown owners". It is the responsibility of the payer/investor to contact Eminova to claim the amount. The same conditions, amount limits and right of claim apply as in the paragraph above.

Eminova will not, on its own initiative, contact customers or others who paid an incorrect amount, an amount that cannot be identified or paid late, to refund excess amounts. This responsibility rests with the payer.

Contact us via email: [info@eminova.se](mailto:info@eminova.se) with ref. PAYMENT.

### **Right to receive dividends**

The new shares entitle the holder to dividends for the first time on the record date for dividends occurring immediately after the new shares have been registered with the Swedish Companies Registration Office.

### **Share register**

The Company's share register with details of shareholders is kept by Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden.

### **Applicable law**

The shares are issued under the Swedish Companies Act (2005:551) and are governed by Swedish law.

Shareholders' rights with regard to dividends, voting rights, preferential rights for subscription of new shares, etc. are governed by the Company's Articles of Association, which are available on the Company's website, and by the Swedish Companies Act (2005:551).

In the event of any dispute with Eminova, consumers may consult Allmänna reklamationsnämnden [the National Board for Consumer Complaints], Box 174, 101 23 Stockholm, telephone no. 08-508 860 00, [www.arn.se](http://www.arn.se).

Eminova complies with Swedish law and substantive law is applied to assignments received by Eminova. The general courts are the competent courts.





# RISK FACTORS

*The risks considered material to Arctic Blue Beverage's business, financial position, and future development as of the date of this Memorandum are described below. The risk factors listed below are limited to those risks that are specific to the Company and/or the securities and material to making an informed investment decision. The risks are organised into four main categories and the risk factors deemed to be most relevant as at the date of the Memorandum are presented first in each category, after which the risk factors are presented in no particular order of importance. If a risk factor can be categorised in more than one category, such risk factor is shown only once and in the most relevant category for such risk factor. The assessment of each risk is based on the likelihood of its occurrence and the expected magnitude of the adverse effects of the risk, if it occurs. The assessment is made using a qualitative scale with designations of low, medium or high.*

## INDUSTRY AND BUSINESS-RELATED RISKS

### **Arctic Blue Beverages is dependent on the availability of quality raw materials**

The production of Arctic Blue Beverages' products requires access to quality raw materials such as Finnish blueberries that grow wild in the forests around Koli National Park in Finland. The availability of blueberries and other raw materials may be affected by, for example, climate change and weather conditions. In the event that the availability of raw materials on which the Company depends on to produce its products decreases or deteriorates, the Company may have difficulty producing and delivering its products in accordance with its commitments to customers. Further, a decline in the availability of raw materials could result in price increases and, ultimately, a decline in demand.

Arctic Blue Beverages considers the likelihood of this risk occurring to be low. The Company estimates that the risk, if realized, would have a medium impact on the Company.

### **The Company depends on a good reputation to retain and attract customers**

Arctic Blue Beverages believes that it is dependent on maintaining the reputation of the Company and its products. Ratings, reviews and comparisons between products from different players in the markets in which the Company operates may affect the demand for and overall experience of the Company's products. A launch in a new market or a launch of a new product that does not meet quality and/or deliverability standards or receives negative reviews may damage Arctic Blue Beverages' reputation, market position and harm the Company's ability to achieve profitability. New health claims, reviews or trends that imply that alcohol consumption is perceived negatively may put the Company at risk of not retaining or attracting new customers. This, in turn, may lead to reduced demand or limit the Company's ability to generate sales and revenues, which could adversely affect the Company's business, results of operations and financial condition.

Arctic Blue Beverages considers the likelihood of this risk occurring to be low. The Company estimates

that the risk, if realized, would have a medium impact on the Company.

### **Dependence on key personnel and qualified employees**

As of the date of the Memorandum, the Company has 4 employees, all based in Finland. Arctic Blue Beverages is a relatively small organisation and its future growth is highly dependent on the knowledge, experience and commitment of its management, board of directors and other key personnel. Since the Company's business concept is primarily based on the production and sale of alcoholic beverages, the Company is dependent on hiring qualified personnel with distilling skills and who are well versed in the beverage industry. There is a risk that the Company may fail to retain key personnel and/or recruit qualified individuals in the future. If the Company were to lose one or more key personnel, this would have a negative impact on the Company's competitiveness, which in turn would negatively affect the Company's ability to achieve profitability and earnings.

Arctic Blue Beverages considers the likelihood of this risk occurring to be medium. The Company estimates that the risk, if realized, would have a medium impact on the Company.

### **The Company is subject to risks related to the geopolitical situation**

The Company's products are available in almost 20 countries, including the Nordics, Germany, Spain, Japan, Australia and Canada, with planned expansions in additional European markets as well as the United States. Changes in the political situation in these regions or countries, or political decisions affecting an industry or a country, may affect the Company's sales and related costs of the Company's products. The factors driving demand for Arctic Blue Beverages' products are affected by general macroeconomic trends and factors in the countries and regions in which the Company operates, in particular economic fluctuations, inflation and deflation, household disposable income, changes in consumer behaviour and employment levels, interest rates, commodity prices and concerns about geopolitical issues and changes in the geopolitical situation, the growth rate of the global and local economy, exchange rate fluctuations, tariffs and other trade restrictive measures. Significant adverse economic developments or



political uncertainty in the markets in which Arctic Blue Beverages operates could lead to a significant industry-wide decline in sales. Such developments could adversely affect demand for the products offered by the Company and thus the Company's sales and ability to maintain profitable pricing. In recent years, a series of events have occurred whose long-term effects on the overall economy remain uncertain, including the pandemic outbreak, political uncertainty and unstable relations between major countries that have led to escalating trade restrictions and countermeasures. A prolongation of geopolitical tensions and political uncertainty may continue to have a negative impact on overall economic growth and thus the Company's business.

Arctic Blue Beverages assesses the likelihood of the risk occur as low. The Company believes that the risk, if realized, would have a medium impact on the Company.

**Arctic Blue Beverages depends on maintaining good relationships with partners and distributors**

Arctic Blue Beverages' products are sold through both traditional, indirect distribution channels, and e-commerce in all regions except the Company's home market, Finland. In Finland, the Company's products are sold both by distributors and directly where the Company's customers are hotels, restaurants and catering establishments, dutyfree shops, retailers and the state alcohol monopoly, Alko. In all markets outside Finland, the Company's products are handled through online webshops and distributors. The strategy is based on selecting partners and distributors with proven experience in brand building and who have a good network of contacts. The Company relies on distributors and partners to meet their contractual commitments regarding quality, service, and delivery time, and on suppliers and partners to comply with Arctic Blue Beverage's guidelines and applicable industry standards. There is a risk that the Company's partners and distributors do not deliver on time or in accordance with the cost or quality commitments they have made or that they do not meet industry standards. If this risk were to occur, it could have an adverse effect on the Company's business and results of operations.

Arctic Blue Beverages considers the likelihood of this risk occurring to be low. The Company believes that the risk, if realized, would have a low impact on the Company.

**The Company operates in a growing and competitive industry**

The state retail monopolies in the Arctic Blue Beverages segment "Nordic" segment, and particularly in Finland, are important revenue channels for the Company. Despite the extensive legislation in force in retail monopolies and other international markets in which the Company operates, the gin industry is still competitive. The market in the Company's e-commerce segment is also competitive. Circumstances affecting Company's competitive position include the size of the brand portfolio, product categories, pricing, product quality, innovation and new product

offerings, distribution capabilities and the ability to anticipate and respond to changing consumption patterns and preferences, as well as demand. Changes in the industry environment, regulatory environment, retail monopoly structure and scope, including the dismantling of monopolies or in e-commerce, may be affected by changes in competition and pricing. The company's competitors include both national and international players. The company may be challenged by existing and new competitors who have significantly greater financial and operational resources than those of Arctic Blue Beverages. In the event the Company fails to meet the competition from new and existing competitors, it could have an adverse effect on the Company's business, financial condition and results.

**ARCTIC BLUE BEVERAGES ASSESSES THE LIKELIHOOD OF THE RISK OCCUR AS LOW. THE COMPANY BELIEVES THAT THE RISK, IF REALIZED, WOULD HAVE A LOW IMPACT ON THE COMPANY. LEGAL AND POLITICAL RISKS**

**Risks related to changes in legislation and regulatory frameworks regarding alcoholic beverages**

The Company's business, strategy and future revenues are affected by the regulation or re-regulation of alcohol sales in jurisdictions through legislation. Legislation may change in jurisdictions where Arctic Blue Beverages operates for a variety of reasons, such as political, public health or other reasons. Arctic Blue Beverages' net sales in 2024 amounted to EUR 378,874 in Finland. In Finland, retail sales of alcoholic beverages are conducted through Alko, a company owned and controlled by the state, whereby only low-proof alcoholic beverages may be sold in other retail outlets. In the future, the state monopoly on alcohol may change in terms of a reduction or increase in the number of outlets, a variation in the categories of alcohol sold, or a change such that the state monopoly is abolished and dismantled altogether. Such a change may affect competition, consumption patterns and require the Company to adjust and adapt its operations to the new circumstances and would have an impact on the Company's business development, financial position and results.

Arctic Blue Beverages' business is also subject to marketing laws that restrict the Company's ability to market alcohol and the Company may be required in certain jurisdictions to ensure that there is no active promotion of the Company's products and services. However, authorities and courts in the relevant jurisdictions may make determinations that the absence of marketing activity and the preventative/aggravating measures taken by Arctic Blue Beverages are not sufficient. In addition, marketing legislation may change, for example if relaxations in the rules are introduced, which would



affect competition and result in the need for the Company to undertake a significant restructuring of its business, with a material impact on the Company's results and financial position.

Arctic Blue Beverages considers the likelihood of any of the above risks occurring to be low. The Company believes that the risks, if realized, would have a low impact on the Company.

**Arctic Blue Beverages' operations are subject to regulations in several countries that require continuous compliance**

Arctic Blue Beverages operates in multiple jurisdictions and derives revenues from international markets and is therefore required to comply with several different laws and regulatory frameworks. The relevant authorities continuously monitor the Company's compliance with these requirements and regulations. Although the Company has procedures and processes in place to monitor developments affecting the Company's compliance, there is a risk that the Company's interpretations of how to comply with regulations may not be consistent with how the relevant authorities interpret the regulations or that the Company may fail to catch regulatory changes that affect its business. If any of the above occurs, there is a risk that the Company will be subject to fines or other sanctions, including the revocation of any of the Company's licenses. This, in turn, could have an impact on the Company's business, financial condition and results of operations.

Arctic Blue Beverages considers the likelihood of this risk occurring to be low. The Company believes that the risk, if realized, would have a low impact on the Company.

## **FINANCIAL RISKS**

### **Future funding**

The resources required to implement Arctic Blue Beverage's business plan, including product development, expansion into new markets and other investments, will depend on several factors. The Company is not currently generating positive earnings and may need to raise additional capital in the future to fund its growth plans. Product development or launch into new markets may be more costly and take longer than anticipated. Such financing may be sought through external investors or existing shareholders and may be through public or private financing initiatives. There is a risk that new capital may not be obtained when needed or on acceptable terms, or that the capital obtained may not be sufficient to fund operations in accordance with established business planning and objectives.

Arctic Blue Beverages considers the probability of this risk occurring to be medium. The Company estimates that the risk, if realized, would have a medium impact on the Company.

### **Environmental, social, and governance (ESG) restrictions**

There is growing investor interest in ESG issues and the existence of the option to not invest in companies operating in certain sectors. Providers of

ESG information to investors have developed rating processes to evaluate how companies are addressing ESG issues. The ratings are then used by some investors in investment and voting decisions. Decreased social acceptance of alcohol, unfavorable ratings, or expansions of ESG restrictions may result in future investors choosing not to invest in the Company due to the industry in which Arctic Blue Beverages operates, which may ultimately risk impairing the Company's reputation and ability to obtain future financing for continued growth. An increased focus and decreased social acceptance of alcohol may have a negative impact on the Company's earnings and financial position.

Arctic Blue Beverages considers the likelihood of this risk occurring to be low. The Company believes that the risk, if realized, would have a low impact on the Company.

### **Currency risks**

The Company operates in different countries and reports its financial statements and results in SEK in its consolidated financial statements. Most of the Company's costs and revenues are or will be in other currencies such as EUR. There is a risk that the Company may not always be able to manage its foreign currency transactions and translation risks as effectively as desired, thus currency risks exist in the form of translation exposure. Such exposure and risk may have a negative impact on the Company's results and financial position.

Arctic Blue Beverages considers the probability of this risk occurring to be low. The Company believes that the risk, if realized, would have a low impact on the Company.

## **RISKS RELATED TO THE SHARES AND THE RIGHTS ISSUE**

### **Risks related to dilution through future issues**

Arctic Blue Beverages is in an expansion phase and the Company may therefore need to raise additional capital from existing shareholders and/or new investors to finance its growth plans and/or to accelerate or facilitate product development. If issues of shares, warrants or convertibles are directed to new investors other than existing shareholders, the proportional ownership and voting rights of the shareholders in the Company and the earnings per share will be reduced. If issues of new shares, warrants or convertibles are made at a low subscription price, for example due to unfavourable market conditions, or amount to large sums, the dilution for existing shareholders may be significant. Issues of new shares, warrants or convertibles may also be carried out at a discounted price, which may have a negative effect on the performance of the share price.

Arctic Blue Beverages considers the probability of this risk occurring to be medium.



**Risks related to illiquid markets and price volatility**

The share prices of listed companies, including those listed on the Nasdaq First North Growth Market, can be highly volatile. The price at which the Company's shares will trade and the price that investors may realize for their shares will be affected by several factors, some of which are specific to the Company and its business, while others are general to listed companies and are beyond the Company's control. Prospective investors should be aware that the value

of an investment in the Company and any income from it may fall as well as rise. If active and liquid trading does not develop or does not prove sustainable, this may make it difficult for shareholders to sell their shares and the market price may differ significantly from the price of the shares in the Rights Issue. Realization of these risks could have a negative impact on the market price of the Company's shares.

Arctic Blue Beverages considers the likelihood of this risk occurring to be medium.



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