



ANNUAL &
SUSTAINABILITY
REPORT 2021

Viva Wine Group

Viva Wine Group is the leading wine group in Sweden, with a strong position in the Nordic region and on the European online market for wine.



THE COMPANY IS LISTED ON NASDAQ FIRST NORTH PREMIER GROWTH MARKET.



VIVA WINE GROUP ON NASDAQ

On 14 December, Viva Wine Group was listed on Nasdaq, First North.

PAGES 6-7



SUSTAINABLE TRANSPORT

We optimise transports of beverages by train across Europe.

PAGES 38-39



1 - Introduction

This is Viva Wine Group	4
The year in review	6
A word from the CEO	8

2 - Business model

Guiding principles	10
Our business model	12
Goals and Outcomes	14

3 - Market

The Nordic market	16
E-commerce market in Europe	18
Trends	19

4 - Business segments

Sweden	20
Nordics	22
Viva eCom	24

5 - Sustainability

A word from the Director of Sustainability	26
Policies and framework	28
Sustainable strategy	30
Sustainable workplace	32
Sustainable production	34
Sustainable local community	35
Sustainable farming	36
Sustainable transport/packaging	38
Responsible consumption	40

6 - Risk section

42

7 - The share

The share and shareholders	44
----------------------------	----

8 - Annual report

Directors' report	46
Financial reports	49
Notes	57
Signatures of the Board of Directors	86
Auditor's report	87
Board of Directors and Management	90
Corporate Governance Report	92

9 - Key performance indicators

KPIs and share data	98
KPI definitions	99
GRI index	100
Auditor's Sustainability Assurance	102
Shareholder information	104

Pages 46-86 comprise the Annual Report audited by Ernst & Young. The auditor's report can be found on page 87. The statutory Sustainability Report can be found on pages 4-14 and 26-43 and was prepared in line with GRI Standards, level Core. The GRI index can be found on pages 100-101. The auditor's assurance report, which includes the opinion on the statutory Sustainability Report, is on page 102.

This is an unofficial translation of the original Swedish text. In the event of any discrepancy between the English translation and the Swedish original, the Swedish version shall govern.

Production and text: Korp Kommunikation AB
Design: Formgårda AB

This is Viva Wine Group

Our business

Viva Wine Group is a group of entrepreneurial companies that love beverages, food and social gatherings. We develop, market and sell both our own and partner brands in most growing markets.

We care about how our products are made and are particularly proud of our commitment to sustainability. We offer affordable quality wines from around the world to sell to consumers in the Nordics, Germany, Switzerland, Austria, France and the Netherlands.

Our decentralised business model, in which the entrepreneur is the hub, is the key to our success. The collective knowledge of our entrepreneurs regarding the market, the consumer and production has driven our development to become the leading player in wine in the Nordic region and has enabled us to focus on strong expansion in Europe.

Our companies



CHRIS WINE
& SPIRITS



ICONIC WINES

NORWEGIAN BEVERAGE GROUP



WINE TEAM
GLOBAL

Key performance indicators

240

Average number of employees

3,331

Net sales

12%

EBITA margin, adjusted

Our strategy

GROWTH

We will grow organically and through complementary acquisitions in the Nordic region and Europe.

AGILE LEADERSHIP

Our decentralised business model combined with a high degree of freedom for our entrepreneurs has enabled us to create a collective business intelligence and the driving force for growth.

SUSTAINABILITY

Our business must be sustainable in every link of the chain. Consideration for the environment and for people is integral to our business and a driver of our growth.

Sustainability

– one of our main drivers and success factors



We have a sustainable workplace in which we promote innovation and development.



We aim to achieve sustainable cultivation and production and require all of our producers to comply with the Amfori BSCI Code of Conduct.



We aim to achieve sustainable packaging and transport and are a driving force behind the Swedish Beverage Industry's Climate Initiative.



We are pioneers and market leaders in organic and ethically certified wine.



We promote moderate and responsible marketing, sale and consumption of alcohol.

We have over 350 producers in 20 countries and sales in 12 countries

• *Our sales markets*

• *The origin of our beverages*



Viva Wine Group is the Nordic market leader in wine.

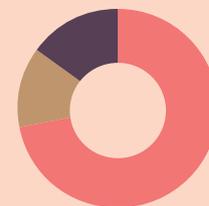
MARKET SHARE
(monopoly, litres of wine)



MARKET POSITION
(monopoly, litres of wine)



Market segment breakdown



72% Sweden
13% Nordics
15% Viva eCom

Sweden is the largest segment. Viva eCom is the fastest growing at a **rate of 254% in 2021.**



The year in review

2021 has been an intense year as Viva Wine Group seriously accelerated its European expansion and made its largest acquisition ever. The year ended with the listing on NASDAQ First North Premier Growth Market.

VICAMPO ACQUIRED

Viva eCom grows through the acquisition of Vicampo

In August, the acquisition of the German company Vicampo.de GmbH was completed.

Vicampo.de GmbH, with its Vicampo and Weinfürst platforms, will be the growth engine for Viva Wine Group's e-commerce business in Europe.

Together with Wine in Black and Vinexus, Vicampo and Weinfürst form Viva eCom, which will be one of the largest wine e-commerce companies in Europe.

LISTED ON NASDAQ

Listing of Viva Wine Group on First North

On 14 December, Viva Wine Group was listed on NASDAQ First North Premier Growth Market. The listing was a milestone in Viva Wine Group's history and part of a clear strategy to grow internationally.

In connection with the listing, the ownership structure of the Group was streamlined. Minority stakes in subsidiaries have been acquired to ensure an average of 90% ownership in the subsidiaries. The listing resulted in over 20,000 new shareholders and a market capitalisation of SEK 5.3 billion at 31 December.



Norwegian Beverage Group becomes subsidiary

In November 2021, an additional 40% of the Norwegian Beverage Group was acquired, after which Viva Wine Group owns 89% and Norwegian Beverage Group is therefore consolidated in the group.



Percentage organic wine highest ever

The share of organic wine was the highest ever and amounted to 50% of Viva Wine Group's sales in Sweden. Viva Wine Group is the market leader in organic and ethically certified wines on the Swedish market.

2.6%

Organic growth

12%

Adjusted EBITA-margin

465Net profit for the year,
SEK million**Financial performance**

	2018	2019	2020	2021
Net sales, SEK million	1,990	2,335	2,845	3,331
Gross margin, %	17.1	17.5	18.8	23.7
EBITA, SEK million	138	165	291	564
EBITA margin, %	6.9	7.1	10.2	16.9
EBITA margin, adjusted, %	6.9	7.1	10.3	12.0
Operating profit, SEK million	137	156	281	521
Operating margin, %	6.9	6.7	9.9	15.6
Net debt, SEK million	104	176	133	545
Net profit for the year, SEK million	123	133	219	465
Equity ratio, %	20.4	20.3	28.3	45.5
Average number of employees	61	118	130	240

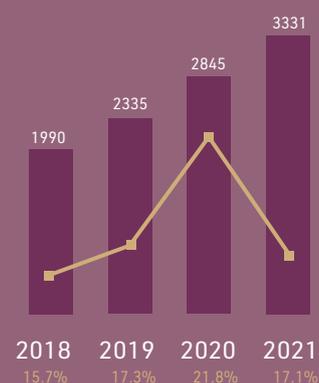
Sustainability (Sweden)

	2018	2019	2020	2021
Sales, million litres	45.26	48.36	56.37	56.66
Emissions tonnes CO ₂ eq, direct emissions from own activities (Scope 1)	45.52	32.32	38.48	36.14
Emissions tonnes CO ₂ eq, indirect emissions from own activities (Scope 2*)	4.34	5.36	5.38	5.69
Emissions tonnes CO ₂ eq, indirect emissions from own activities (Scope 2**)	10.09	10.20	7.11	13.49
Emissions tonnes CO ₂ eq, indirect emissions supply chain (Scope 3)	17,224	17,106	18,687*	17,969
Emissions kg CO ₂ eq per litre sold	0.38	0.35	0.33	0.32
Share of climate-smart packaging, %	69	70	72	73
Share of certified organic and /or ethical certified volume, %	41	48	49	49
Share of producers who confirmed the Amfori BSCI Code of Conduct	100	100	100	100
Staff turnover	10.6	3.5	8.6	14.7
Sick leave	2.96	2.72	2.18	1.31

*Data updated as a result of improved data quality.

**Net sales per year
SEK million**

Growth

**49%**Share of volume
certified organic
and or ethical**73%**Share of volume
in climate-smart
packaging**39%**Percentage of
producers audited in
country at risk

”

I am proud and grateful that we
have reached this point together.

Emil Sallnäs, CEO, Viva Wine Group

A WORD FROM THE CEO

Historic year for Viva Wine Group

A historic record-breaking year! Our business grew by over 17 percent, reaching sales of over SEK 3.3 billion, while strengthening profitability. We gained a foothold in the e-commerce market in Europe and became a listed company.

RETURN IN SOCIETY CAN BE SEEN IN CUSTOMERS

After an exceptional 2020, we saw a return to more normal buying patterns as restrictions eased during the year. The underlying Nordic monopoly markets developed weakly in the latter part of the year. At the same time, our businesses performed relatively well, which has strengthened our market shares. In e-commerce, where our main market is Germany, the rebound is evident as restaurants are gradually reopening after strict closures, but we can see that our customers are shopping via e-commerce much more than before the pandemic.

WE HAVE BECOME ESTABLISHED AS A SERIOUS CONTENDER IN EUROPE

In August, we made our largest acquisition ever when we bought the German e-commerce company Vicampo. As a result of the acquisition, we are among the largest in Europe in wine e-commerce. From our base in Germany, we now aim to grow organically and through acquisitions. Since the acquisition, we have entered three new markets – Italy, the Czech Republic and Slovakia – with positive initial results. In 2022, we will also further streamline operations in Europe with shared warehouses and central functions.

IPO FOR CONTINUED GROWTH

Going public is a milestone in the history of a company. For us, it was important to facilitate growth by gaining access to both Swedish and international capital.

We see many exciting acquisition opportunities in both Europe and the Nordic region. We are delighted that there was such strong interest in the listing and the secure and well-funded owners we now have.

FOR US, SUSTAINABILITY IS SURVIVAL

For us, sustainability is not about appearances, but about survival, innovation and development. Climate change is a real challenge for the entire wine industry and sustainable production and consumption are essential for businesses like ours to survive and flourish over time.

OUR SUCCESS DEPENDS ON OUR ENTREPRENEURS

During the listing process, we created an appropriate corporate structure that also preserves incentives for our entrepreneurs. Our entrepreneurs are the engine of the business and provide the daily drive and creativity. Maintaining this model, which has been so important to our growth journey, will therefore be at the top of my agenda.

2021 was a historic year for us, with record acquisitions and an IPO. We established a firm foothold in Europe and are the leading wine player in the Nordic region. At the same time, it is important to remember where we come from and not lose sight of the pleasure we experience in our work. All of our employees have worked hard during the year and I am incredibly proud and grateful that we have reached this point together.

Our guiding principles

At Viva Wine Group, the entrepreneur is the greatest asset. We are a values-driven company that puts people and the environment first. Our guiding principles are at the foundation of everything we do.



Passion and reliability

We invest in our producers and build long-term partnerships. It is only together with them that we can develop the best wine.



Value-driven entrepreneurship

We ensure that entrepreneurs retain their autonomy and the ability to grow. We are guided by a clear compass of ethics and responsibility in relation to all of our stakeholders.



Competition and cooperation

Our entrepreneurs will be encouraged to become even better through healthy internal competition. At the same time, a group-wide platform contributes to administrative efficiency.



Innovation and tradition

We think innovatively, but cherish tradition. We listen to our customers and their preferences, but never compromise on quality.



Owner-driven and inclusive

Everyone should feel involved. Every employee should feel significant and everyone's contribution makes a difference.

VISION

We will create stable, sustainable growth in the international wine market through a dynamic platform for entrepreneurship, sustainability and innovation.

Emil Sallnäs, CEO

We base our growth on six areas of excellence.



Our business model

Viva Wine Group is based on entrepreneurship. In 2021, we were 25 entrepreneurs in 10 different countries. These entrepreneurs drive our business and growth. A common platform streamlines administration, finance and logistics. We have created a model in which we share know-how and consumer insights, while being spurred on by each other's successes.

Sustainability

Sustainability is top of mind throughout our business, from producer to consumer. We want to be a leader and a role model, but we also want to meet customer demand for organic and ethically certified products.

Our commitment to sustainable development is a given. Sustainability is crucial for our planet, agriculture and the future of our business. We are convinced that caring for people and the environment is also good for business, especially in the long run.

Entrepreneurship

Our decentralised corporate structure provides a creative environment where innovation and entrepreneurial spirit permeate product work. We create value through the entrepreneurs' producer relationships, product and market knowledge.

Group-wide platform

Our common platform for administration, logistics and finance frees up our entrepreneurs to allow room for innovation and value creation.

1

Proximity to customers and consumers

Trends are constantly changing, as are consumer preferences. For us, it is important to be responsive and in close contact with our consumers in order to always have products that are relevant.

If the brands are not relevant to the consumer, it is also more difficult for us to help the consumer in their choices, and create the positive experience we want our consumers to enjoy.

By closely monitoring both sales trends and direct consumer feedback through our social media platforms and customer clubs, we get a unique picture of how consumers perceive our brands and products

2

Development based on consumer preferences

We base our product development on customer and consumer feedback and preferences. We have developed an iterative, data-driven product development process that is based on analysis of consumer preferences in combination with knowledge from wine experts.

Our efficient process dramatically reduces the lead time from idea to launch. This strategy makes it possible to quickly act on opportunities in the market.

The product development process begins with an analysis of market trends to find opportunities in the market. Once an opportunity has been identified, the test phase begins, during which additional information on the segment in question and consumer preferences is collected. The final step is an overall assessment during which a decision is made on whether or not to launch the product. This decision is usually made at a decentralised level, by the entrepreneurs at the individual subsidiaries.

3

Close cooperation with the producer

Through close collaboration with producers, market and consumer insights, we keep our brands relevant and available to consumers. Producers actively contribute to the development of new products and brands.

Our strong, long-standing partnerships with producers from all over the world have helped us to successfully create a high-quality product portfolio with great variety.

We ensure that producers have good working conditions and respect the environment. That is why we train and monitor all producers and require them to comply with Amfori BSCI guidelines for good working conditions in production and harvesting.

We have 350 producers in more than 15 countries on five continents, ranging from large wine groups to member-owned cooperatives and small family producers. The majority of our sales volume comes from producers with whom we have worked for over a decade.

4

Products requested by both customers and consumers

We have a strong portfolio of brands with products to suit most tastes. Our brands include range from highly praised consumer favourites to acknowledged prestige brands.

We offer products that have a market-leading value in terms of price, quality and sustainability. The carefully selected product offering comprises wines of every style from all over the world, encompassing red, white, rosé and sparkling wines.

In Sweden, Viva Wine Group is a pioneer and industry leader in organic and ethically certified wine.

5

Loyalty-building marketing

For Viva Wine Group, marketing is important to communicate with customers. At the same time, we take great responsibility for responsible communication that does not encourage increased consumption.

Our wine clubs are an important channel for gathering information about our customers and their preferences, while also providing information about our products. Viva Wine Group owns and operates several wine clubs in the Nordic region.

In e-commerce, marketing can be even more optimised and personalised. When our customers, both new and existing, interact with our platforms, data about their unique behaviours and buying patterns are automatically collected to optimise the customer experience on subsequent visits. When customers return, we can further personalise and tailor our offers. Our different companies within Viva eCom have different marketing strategies and messages to their respective customer groups.

6

Smart logistics solutions

We always strive to achieve sustainable transport and distribution solutions. We are continually on the lookout for smart, efficient and reliable solutions with minimal environmental impact. Our companies coordinate distribution as much as possible to maximise fill rates. In Europe, we have chosen to shift transport from truck to rail as much as possible and, for longer distances, to ships. We have developed unique partnerships for rail transport to and from the Nordic region. Products from Sweden are first transported to Europe, after which we fill the trains with our wines for the return journey back to Sweden, thereby optimally using train capacity.

The majority of transportation outside the Nordic region is carried out using tank containers in order to further reduce transportation costs and increase total capacity. Our part-owned bottling plant in France is strategically located for distribution to e-commerce consumers in Europe, as well as for our Nordic operations. For our European e-commerce we have a large warehouse in Mainz, Germany. In the Nordic region, we have three main warehouses, in Stockholm, Oslo and Turku, which supply most of the Nordic market.

Goals & Outcomes

At Viva Wine Group, the entrepreneur is the greatest asset. We are a values-driven company that puts people and the environment first. Our guiding principles are the foundation of everything we do.

Sustainability KPIs*	Explanation	Goals 2023	Goals 2030	Outcome 2021
Share or certified volume	Share of total sales volume certified organic and/or ethical	50%	67%	49%
Share of volume audited for social sustainability	Share of volume from risk country approved in independent sustainability audit	60%	100%	39%
Share of climate-smart packaging	Share of volume sold in climate-smart packaging	75%	90%	73%
CO ₂ eq/litre	Climate impact of transport and packaging per litre of beverage	0.30 kg	0.17 kg	0.32 kg

* KPIs and targets apply to the Swedish operations and supply chain. Corresponding KPIs and targets will be developed for the entire Group.



Mikael Sundström
SUSTAINABILITY
DIRECTOR
VIVA WINE GROUP

Sustainability benefits business

For us at Viva Wine Group, our commitment to sustainable development is a given. Sustainability is crucial for our planet, agriculture and the future of our business. We are convinced that caring for people and the environment is also good for business, especially in the long run. We aim to be the most sustainable player in our industry and hope to inspire competitors and partners to follow our example. We achieve this by focusing on a sustainable supply chain, a sustainable transport chain and a sustainable customer and consumer offer.



Linn Gäfvert
CFO
VIVA WINE GROUP

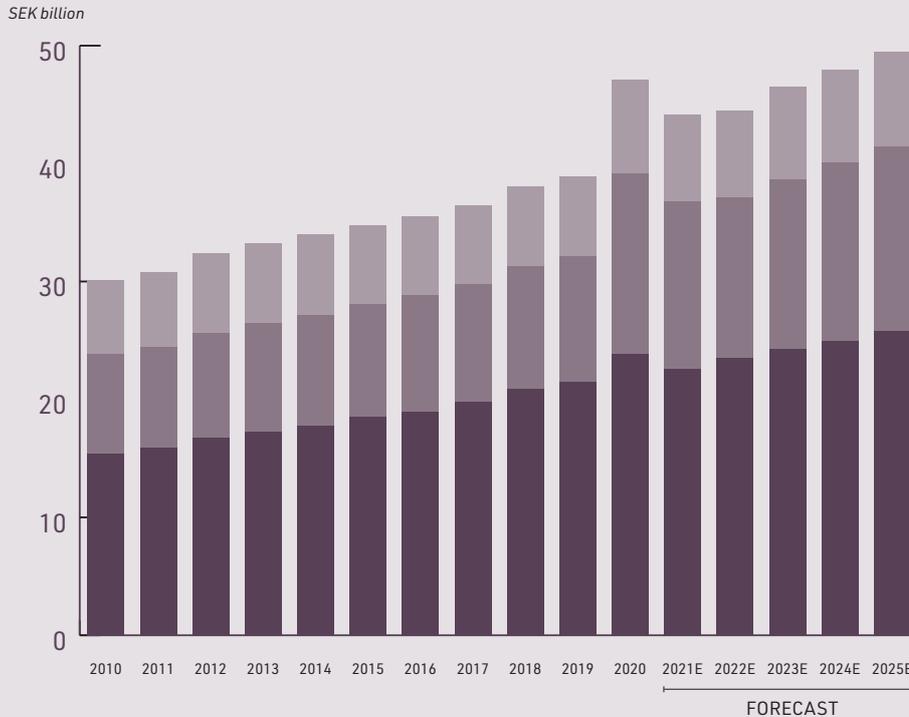
Acquisitions contributed to high growth

Net sales increased by SEK 486 million, corresponding to a growth rate of 17.1%. Viva eCom accounted for the majority and increased net sales by SEK 349 million, primarily through the acquisition of Vicampo. Adjusted EBITA increased by 36% to SEK 399 million. The acquisitions of Vicampo and Norwegian Beverage Group contributed SEK 40 million and SEK 10 million respectively before amortisation of excess values. The adjusted EBITA margin increased to 12% from 10.3% in 2020.

Financial targets	Explanation	Target	Outcome 2021
Organic growth in monopoly markets	For the Sweden and Nordics segments, the average annual organic growth will be at least 4% in the medium term	4% medium term	3.7%
Organic growth e-commerce	For the E-commerce segment, average annual organic growth is to total at least 10-15% over the medium term.	10-15% medium term	0.3%
Adjusted EBITA-margin	The adjusted EBITA margin is to be 10-12% over the medium term.	10-12%	12%
Indebtedness	Net debt in relation to EBITDA is not to exceed a multiple of 2.5. However, net debt in relation to EBITDA may exceed a multiple of 2.5 temporarily, for example in conjunction with acquisitions.	2.5 x	0.9 x



NORDIC MONOPOLY MARKET
Value of wines sold in Nordic monopoly markets



CAGR 2010 – 2020 4.6%
CAGR 2021 – 2025 3.0%

Source: Euromonitor International: Alcoholic Drinks 2022ed

MARKET

The Swedish and Nordic markets

Viva Wine Group has a strong base in Sweden, Norway and Finland, which are divided into the Sweden and Nordics segments, respectively. These countries all have a legislated monopoly market for alcohol sales, which is an approved exemption from EU competition law and is justified, in part, on public health grounds.

The Swedish Systembolaget, Norwegian Vinmonopolet and Finnish Alko all have exclusive rights to sell alcohol. The Nordic monopoly market offers serious industry players an equal and competitively neutral sales channel, as well as stable and secure growth conditions.

The Nordic monopolies are also tasked with educating the public about the risks of alcohol consumption and providing good service and knowledge about alcohol. To achieve their goals for the responsible sale of alcohol, the Nordic alcohol monopolies attach great importance to good service and consumer care and are therefore adapting to demand, for example by offering home delivery.



Percentage of the Nordic monopoly market in 2020 (wines sold, value)

- 51% Sweden
- 32% Norway
- 17% Finland

Each country's share of total wine sales in the Nordic region

Source: Euromonitor International, Alcoholic Drinks 2022ed



There are two entry channels for wine in the Nordic monopoly market.

- 1 **The offering process and fixed** product-structured process can lead to the product becoming part of the monopoly's fixed-product range and bases criteria on, for example, broader societal trends and consumer demand, as well as on sustainability requirements.
- 2 **On-demand range** – an alternative where the supplier can offer any products to consumers for ordering. Products that sell adequately in the on-demand range may become part of the fixed-product range in stores.



The shift among consumers could also drive changes toward

The ongoing consolidation in the Nordic wine market has resulted in a concentrated market situation with few major players. Five actors account for approximately half of the volume of wine sold in the Nordic monopoly market.

The remainder of the market consists of a number of medium-sized and smaller players who together account for a significant portion of wine sales.

Sweden

Systembolaget was founded in 1955 as Nya Systemaktiebolaget through the consolidation of 41 local state-owned liquor stores into one nationwide company. Systembolaget has about 448 stores, about 800 beverage suppliers and sales of SEK 36.7 billion. As part of Sweden's attitude of responsibility toward the sale of alcohol, there is, for example, a regulation stating that advertising is permitted only for products under 15% ABV. At Systembolaget in Sweden, the supplier sets the price. In addition to the supplier price, there are various mark-ups and taxes such as Systembolaget's own mark-ups, mark-ups for packaging, alcohol tax and VAT.

Norway

Vinmonopolet in Norway was established as a private company under state control in 1922. The private owners were eventually bought out, and in 1939 Vinmonopolet became a fully state-owned company. Vinmonopolet has about 337 stores, about 468 beverage suppliers and sales of NOK 20.6 billion. In Norway, there is a ban on advertising alcoholic beverages, which covers both Vinmonopolet and individual suppliers of alcohol. At Vinmonopolet in Norway, the suppliers also largely govern the pricing of wine and other types of alcoholic beverages.

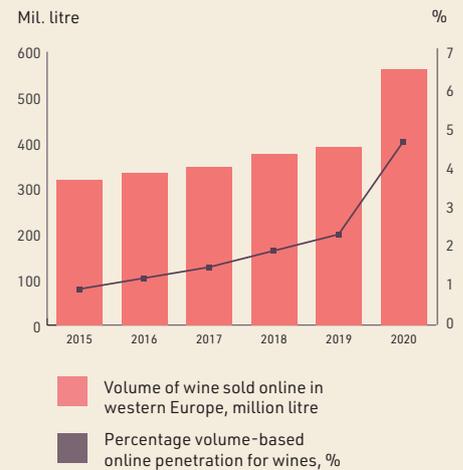
Finland

In Finland, Alko has a monopoly fixed by law on the retail sale of alcoholic beverages over 5.5% ABV. Alko has approximately 364 stores, about 780 beverage suppliers and SALES of EUR 1.3 billion. Finland has a regulation that restricts alcohol operators from marketing products with more than 22% alcohol by volume.

At Alko in Finland, the final consumer price is based on a "back door" price that excludes alcohol tax and mark-ups for recycling. This means that the supplier provides a price on the product that initially includes both alcohol tax and mark-ups for recycling.



ONLINE WINE MARKET IN WESTERN EUROPE
Total wine volume in Western Europe and online wine penetration in %



E-commerce market in Europe

The European wine e-commerce market has been relatively undeveloped but has seen strong growth in recent years and there is great potential in the market going forward.

Historically, the share of wine sold online has been low compared with, for example, electronics and clothing, but this has increased in recent years from 3.8% in 2015 to 6.5% in 2020 in Western Europe. Volume-based e-commerce sales for the Western European market accelerated further during the coronavirus pandemic, with growth of over 43% in 2020.



- 77% Supermarket sales
- 17% Specialist stores
- 6% Online
- 1% Other

Source: Euromonitor International, Alcoholic Drinks 2022ed

FRAGMENTED LANDSCAPE FOR ONLINE WINE

The market for online wine sales is currently highly fragmented, with many players active in each segment. The segments are distinguished by their unique market characteristics, which require specific market positioning. The differences lie mainly in the extent to which brand refinement is carried out in each segment.

- D2C (direct to consumer) – traditional e-commerce where only own-brand products are sold. Sales do not include third-party products. This leads to higher margins, but requires significant marketing strategies to build product and brand awareness among consumers.
- Marketplaces – do not own the products being sold, but merely act as a platform on which third-party operators are connected to consumers and can therefore often have very large product ranges.
- B2C (business to consumer) – traditional e-commerce where e-merchants buy products from third-party operators and sell them to consumers. Since the product range is rarely unique, margins are lower as consumers are able to compare prices between e-retailers.

Wine is well suited for e-commerce

Low cyclicality

Wine can be characterised as a non-cyclical commodity that does not build up large inventories or make similar demands when market conditions deteriorate.

High average order value

The order value for online wine is relatively high and ancillary costs such as shipping represent a lower relatively low proportion of the total order value.

High regularity of purchase

Products that are purchased regularly are well suited to e-commerce as these purchases are associated with lower engagement and therefore less need for physical evaluation prior to purchase.

Homogeneous product design

Wine bottles and boxes are homogeneous in design, which simplifies transport logistics and minimises excess space, making shipping more cost effective and environmentally efficient.

Long product life cycles

Products with long life cycles do not pose the same risk as, for example, clothing, since they do not go out of style or expire to the same extent.

Low return rates

Wine has low return rates. Returns increase administrative costs, labour, cost of shipping and complexity of logistics.

Low online penetration rate

Wine has a low online penetration rate, which creates opportunities for e-retailers to generate future growth as online penetration increases.

Information accessibility for purchase decisions

Consumers are given ample opportunity to obtain information before making purchasing decisions.

Trends

In the Nordic market, a couple of clear trends are apparent: interest in organic wines, and "premiumisation", where consumers are increasingly choosing wines in higher price ranges. In Europe, there is growing interest in buying wine online, which was given an extra boost during the pandemic.

GROWING INTEREST IN ORGANIC WINES

There has been a shift towards the organic wine segment in recent years, especially in Sweden, in line with the substantial increase in consumer awareness of social and environmental issues.

The share of organic wines at Systembolaget increased from about 17 to 25% between 2015 and 2020, corresponding to an annual increase of about 10%. Public interest in wine has increased and consumers are becoming more knowledgeable, based on new consumer influences and increased interest in the origin, growing conditions and production of wines.

Organic wines have also become more prominent in the Nordic monopoly stores and it is now possible to label the product as organic, both in stores and online.

The interest in organic wines in turn positively influences the rest of the value chain, with increased customer and consumer awareness driving changes towards more sustainable production, introduction of climate efficient packaging and transport.

PREMIUMISATION

Premiumisation of wine consumption means that consumers are paying more to buy wine in a higher price range than they did before. This trend was reinforced during the pandemic, when shutdowns and restrictions meant fewer restaurant visits and trips, which reduced travel and increased interest and opportunity to indulge in consumption at home instead.

STRONG TRENDS EXPECTED TO DRIVE E-COMMERCE GROWTH IN EUROPE

The proportion of the population that can be called "digital natives" is increasing. Their willingness to shop online will reinforce the shift to e-commerce for many product categories. As they get older, more affluent and reach an age where wine consumption is increasing, this will help to increase online penetration of wine.

A growing interest among consumers in fine food and appropriate, more expensive wine is also a driver, as these purchases are more planned and therefore lend themselves to ordering. Wine is a product where consumers often seek information before buying, for which reason the digital channel is well suited. Digital media simplify the availability of information and the option to communicate with the buyer.

The unique customer experience and range that is possible to tailor online, as well as the benefits of e-commerce for wine, such as ratings, detailed information, the convenience of home delivery, all contribute to customers continuing to shop online.

VIVA

WINE GROUP

Giertz
VINIMPORT

GIERTZ VINIMPORT

The largest importer in the group with wines from all over the world. Pioneer in organic and ethical wine, and the leader in Italian Prosecco.



WINE TEAM
GLOBAL

WINE TEAM GLOBAL

Sweden's largest importer of organic wines. Passionate developer of wholly owned brands. Focus on wines from Italy, France and the US.



CHRIS WINE
& SPIRITS

CHRIS WINE & SPIRITS

Experienced importer of quality wines for consumers and restaurants and well-known spirits brands from United Drinks.



ICONIC WINES

ICONIC WINES

Diversified portfolio with large portion of wholly owned brands in innovative packaging. Most are ethically and organically certified.



WINEMARKET NORDIC

Importer working for long-term sustainable solutions – from farm to fork. Wide range from everyday wine to superpremium. Leader in wines from South Africa.



TRYFFELSVINET

TRYFFELSVINET

Specialised in premium wines from around the world. Became part of the Viva Wine Group in 2020.



Sweden

#1

Market position

3.6%

Growth sales

46%

Own brands

25%

Market share
volume

>500

Listings

54%

Partner brands

Sweden

The Swedish market is our largest market and accounted for almost 71% of net sales in 2021. We are the leading supplier of wine and have a market share of around 25%.

In recent decades, wine has grown in popularity among Swedish consumers and is now the most popular alcoholic beverage, accounting for 45% of alcohol sales at Systembolaget. The coronavirus pandemic has led to a further increase in wine sales through Systembolaget as a result of restrictions on restaurants and travel. Of the total consumption of alcohol by Swedes, more than 76% comes from Systembolaget. The remaining parts come mainly from restaurants, travel imports and ordinary shops (beer with a maximum of 3.5% alcohol content).

OUR PRODUCTS

In Sweden Viva Wine Group sells over 50 million litres of wine annually. We have a large portfolio of wholly owned and partner brands and own most of the Swedes' favourites. The share of own brands has gradually grown and now accounts for 46%. Our portfolio consists of wines in all price ranges and styles from all over the world. We have six subsidiaries operating in the Swedish market and each company develops its own product portfolio in healthy internal competition. Some of our companies occupy more of a niche, such as Tryffelsvinet, which clearly focuses on premium wines from a number of selected growers and producers.

OUR CUSTOMERS

We sell the majority of our wines through the state-owned sales monopoly Systembolaget. Ultimately, the consumer determines the assortment at Systembolaget. Systembolaget has a fixed-product offering and an on-demand range. The selection for the fixed-product range is mainly done through bid processes, with several selection parameters where consumer preferences are important. If demand for a particular product is too low, it is removed from the fixed-product range. The on-demand range is based on

Sales Sweden		2018	2019	2020	2021
Sales volume	million litres	45.3	48.4	56.4	55.6
Sales	SEK million	1,774	1,925	2,268	2,350
EBITA, adjusted	SEK million	118	151	241	292
EBITA margin, adjusted	%	6.7	7.8	10.6	12.4
Average number of employees	number	50	56	67	76

Development 2021

In total, our sales in 2021 increased by 3.6% to SEK 2,350 million, corresponding with 57 million litres of wine. In 2021, we had over 500 listings across the fixed-product range, the on-demand range and the temporary range.

Focus moving forward

Our ambition is to continue to grow in Sweden and broaden our range. Increasing our digital presence is important and we will continue to develop our consumer site vivavinochmat.se and the Tryffelsvinet wine club.

consumer demand, which enables them to order products that are not on the shelves. If demand is high enough, the product can be added to the fixed-product range.

Being responsive to our customers and consumers is therefore crucial. This requires us to continuously launch new products that follow consumer preferences and trends. In addition, it is important to have a wide range of products in order to have good flexibility if demand changes. Our own customer clubs are an important channel for getting quick feedback from our consumers.

ORGANIC WINES AND PREMIUMISATION CLEAR TRENDS

In Sweden, interest in organic and ethically certified wines has increased significantly in recent years. The share of organic wines sold through Systembolaget was 25% in 2021.

In recent years a shift towards "premiumisation" has also occurred in which customers, as a group, have moved up a price bracket. Customers are buying a slightly more expensive wine, regardless of the price range in which they previously shopped. Over a slightly longer period of time, a different type of premiumisation has occurred, with increased consumption of sparkling wines. From being a product for more festive occasions, it has become a wine for all occasions and even to accompany food.



Fredrik Ålander
CEO GIERTZ VINIMPORT

Continued strong demand for organic wines

In Sweden, we see two clear trends: sustainability and premiumisation.

The demand for organic wines has been increasing for a long time, and Systembolaget has been an important driving force in promoting organic products to consumers. Quality is still crucial for the end customer and we have successfully developed organic wines of very high quality.

In recent years, premiumisation has begun, where consumers choose to buy more expensive wines. This trend was reinforced during the pandemic when travel, dining and other pleasures were not possible. We believe this shift will continue even after we leave the pandemic behind.



CISA GROUP

Cisa Group is one of the fastest growing alcohol importers in Finland and competes for the number one position among Finnish wine importers. Cisa Group owns Finland's largest wine and food club, with over two hundred thousand members.



NORWEGIAN BEVERAGE GROUP

Norwegian Beverage Group imports wine, beer and spirits from all over the world to Norway with sales to Vinmonopolet, hotels and restaurants.

Finland

#2	5.6%	14%
Market position	Growth	Own brands
16%	>230	86%
Market share	Listings	Partner brands

Norway

#6	50.0%*	26%
Market position	Growth	Own brands
5%	>50	74%
Market share	Listings	Partner brands

*Growth of legal entity for the full year, not since acquisition in November 2021.

Nordics

The Nordic market consists of Finland and Norway. In Finland, we are the second largest player through the Cisa Group with a market share of 16%. In Norway, we are the sixth largest wine importer through Norwegian Beverage Group with a market share of 5% at the end of the year.

MARKET

The Nordic wine market has grown in sales by about 2% annually from 2015 to 2019. Between 2019 and 2021 sales volumes grew with 30%, largely due to the pandemic. In terms of litres, Norway is larger with a total volume of 96 million litres in 2021, while the Finnish market had a total volume of 55 million litres. The coronavirus pandemic has had a clear impact in both Finland and Norway, with a marked increase in sales through the monopolies, particularly in 2020. In 2021, sales began to normalise, but remained above pre-pandemic levels. Both Finland and Norway have relatively high tax levels on wine, and Finland also increased the excise duty on wine by 6% in 2021, which meant increased cross-border trade and reduced sales through the state monopoly Alko.

OUR PRODUCTS

In Finland and Norway, our total sales in volume were around 13 million litres in 2021. Our portfolio consists of both own brands and partner brands. The share of own brands is just under 14% in Finland and 26% in Norway. We have a good mix of products from

different parts of the world in most price ranges. In Finland, we have also had great success with new product launches through the Finnish monopoly's on-demand range.

OUR CUSTOMERS

We sell most of our wines through the state monopolies Alko and Vinmonopolet. A smaller part is sold through restaurants and on trips abroad. In Norway, some sales also take place at airports that allow purchase on entry.

The Finnish monopoly Alko has a similar process as the Swedish Systembolaget for introducing new products with a fixed-product range and an on-demand range. Demand determines whether the products are then retained in the fixed-product range, or if other products take their place in the fixed-product range through the on-demand range. In Finland, we have been running by far the largest wine and food customer club, Rosa Viini & Ruoka, for several years, with over 200,000 members. This is a very important channel for promotion of our products. In Norway, Vinmonopolet's procurement process is

Sales Nordics		2018	2019	2020	2021
Sales volume	million litres	4.1	5.8	8.6	10.1
Sales	SEK million	178	242	353	426
EBITA, adjusted	SEK million	14	23	46	53
EBITA margin, adjusted	%	7.8	9.3	12.9	12.4
Average number of employees	number	11	11	12	13

Development 2021

In total, our sales increased in 2021 by 20.7% to SEK 426 million. Organic growth was about 6%. In Finland in 2021, we had a total of over 230 listings in the fixed-product range and more than 170 listings in the on-demand range. In Norway, we had over 50 listings in the fixed-product range and more than 350 listings in the on-demand range.

relatively detailed and often with clearly specified requirements for the origin and quality of the wine. The Norwegian market also has much stricter marketing regulations, making it more difficult to launch new products and get a quick response from consumers. The potential to enter the fixed-product range via the on-demand range by creating local demand is therefore limited.

MARKET DYNAMICS AND TRENDS

In the Nordic region, sustainability plays an increasingly important role in the market, especially for new products. Organic wines are more in demand, along with a focus on good working conditions, where interest from customers is higher than ever. This trend has only just begun and will become a natural part of the industry going forward.

A shift towards demand for higher priced wines has also been observed in Norway and Finland. At the same time, this demand is somewhat hampered by the high level of taxation. However, there is great potential for the interest in more expensive wines to continue.

Focus moving forward

We aim to increase our market share in both Finland and Norway. In the Finnish market, our goal is to outpace market growth and to challenge our competitors for the position of market leader. In Norway, where marketing opportunities are limited, the focus will therefore be on growth through acquisition.



Risto Suomio
CEO CISA GROUP OY

Unique wine club

One of our strengths in the Finnish market is our food and wine club Rosa Viini & Ruoka. It is the largest customer club of its kind in Finland and an important channel for us to reach our end customers.



Petter Wulff
CEO NORWEGIAN BEVERAGE GROUP

Market insight

The Norwegian market does not allow marketing of wine. It is therefore extremely important to have a good understanding of the monopoly's requirements and purchasing processes in order to successfully launch new products.



Viva eCom

For Viva Wine Group, e-commerce represents an exciting new sales channel in the European market. We have a clear strategy to grow and in 2021 we took a big step and acquired Vicampo. After the acquisition, Viva eCom is our second largest segment and accounted for 23% of Viva Wine Group's net sales in the last quarter. With the acquisition, Viva Wine Group became one of the five leading wine online retailers in Europe.

MARKET

The European online market for wine has experienced strong growth in recent years. Annual growth of online wine sales was more than 12% between 2015 and 2020, while online penetration of alcohol products is still low at just under 6%. The absolute majority of alcohol, about 77%, is still purchased in regular shops. According to estimates based on Euromonitor, the value of the online wine market was EUR 2.9 billion in 2020. The coronavirus pandemic has significantly increased interest in online shopping.

There are large regional differences in terms of both interest in foreign wines and buying behaviour. Buying wine online is much more common in the UK than in the rest of Europe. In wine-producing countries like Italy and France, people are faithful to their own products. Germany, which is also a major wine producer, has a high share of imported wines, around 50%. The country's central location, large population and interest in wine make it optimal for our European venture and the location of the headquarters of our e-commerce business Viva eCom.

OUR BRANDS

From our logistics platform and commercial base in Germany, we are expanding our business across Europe. We carry a wide range of premium brands, as well as our own affordable products. Over 75% of our sales are either wholly owned brands or exclusive products only available through our platforms.

Our brands

Wine in Black

Aimed at wine enthusiasts in the premium segment. Customers are introduced to an exciting new wine every day. The range varies greatly – from unknown winemakers to recognised prestige brands.

Vicampo

Vicampo is one of the leading online wine players in Germany, Austria and Switzerland. Customers are offered wines in all price ranges with over 15,000 wines, mainly our wholly owned brands or exclusive products, distributed directly from our warehouse.

Weinfürst

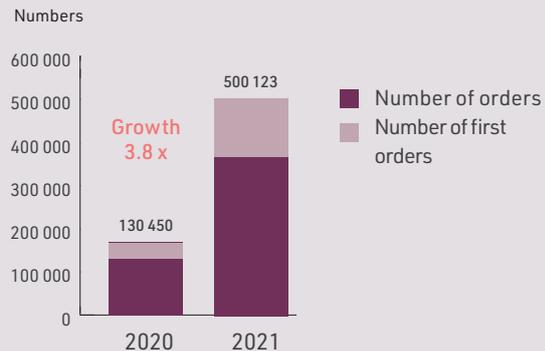
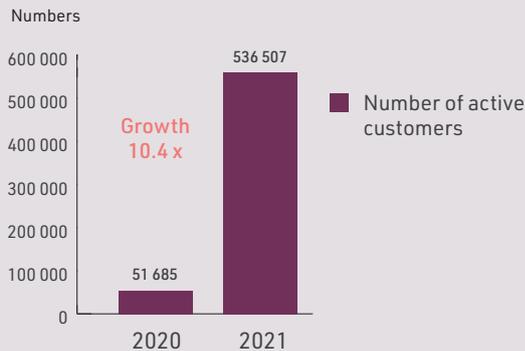
Customers are price-conscious and want a simple selection process without too much choice. Weinfürst makes it easy to buy good affordable wines online. Weinfürst is our brand for launches in new markets such as the Czech Republic, Slovakia and Italy. Our offer is almost exclusively own-brand through a pure D2C model.

Weinfürst and Vicampo are both part of Vicampo.de GmbH, which was acquired in 2021.

Sales E-commerce

2019 2020 2021

		2019	2020	2021
Sales volume	million litres	0.5	0.7	4.5
Sales	SEK million	92	137	486
EBITA, adjusted	SEK million	-12	-5	33
EBITA margin, adjusted	%	-12.5	-3.5	6.8
Average number of employees	number	29	24	130

*Development 2021*

In 2021, Vicampo was acquired and incorporated and consolidated from August in the Viva Wine Group. Sales for Viva eCom amounted to SEK 486 million in 2021. The number of active customers has increased tenfold in the year since the acquisition and sales from repeat customers increased to more than 78%.

Focus moving forward

Following several acquisitions, the focus is on consolidation and coordination to leverage the economies of scale that the acquisitions provide. In parallel with the acquisition strategy, the aim is to continue to grow in Europe, with Germany as a base, and launch in several countries. The market is still relatively fragmented and, in addition to organic growth, we see great potential in further complementary acquisitions that can contribute to our long-term growth strategy.



Christian Fricke
CEO Viva eCom Group

We will become the leader in Europe

The online wine market in Europe is still in its infancy and we see great potential. With our recent acquisitions, we have created a really strong platform for both organic and acquired growth. Our goal is to become the leading player in Europe.

OUR CUSTOMERS

We have over 500,000 active customers in nine countries across Europe. Digital platforms make it possible to get closer to customers and understand their preferences. We communicate with our customers through our platforms and newsletters. With over ten years of experience, we have developed a sophisticated customer relationship management process based on a large quantity of customer data. By analysing customer behaviour, we can increase accuracy and adapt our offers. The unique online customer experience creates strong customer loyalty, which is reflected in a high proportion of repeat customers, over 78%. Interest in online shopping, which strengthened during the coronavirus pandemic, has continued, contributing to new sales records in 2021.

A WORD FROM THE DIRECTOR OF SUSTAINABILITY

Sustainability as a key driver

At Viva Wine Group, we want to promote sustainable development. Sustainability is crucial for our planet, agriculture and the future of our business. We are convinced that caring for people and the environment is also good for business, especially in the long run.

A SUSTAINABLE VISION

We aim to be the most sustainable player in our industry and hope to inspire competitors and partners to follow our example. We achieve this by focusing on a sustainable supply chain, a sustainable transport chain and a sustainable customer and consumer offering.

SUSTAINABLE SUPPLY CHAIN

At Viva Wine Group, we aim to achieve the highest possible quality, at every stage. This applies to not only the contents of the bottle but also packaging and transportation. At our producers, we promote decent working conditions and environmental considerations. We educate, set requirements and monitor developments. We engage in constant dialogue and cooperate with local and global organisations.

SUSTAINABLE TRANSPORT CHAIN

Our transports to Sweden are climate neutral. Most of the goods are transported by ship and rail, while trucks are only used in exceptional cases. The climate impact that arises despite all this is carbon compensated through investments in Solvatten, a world leader in water purification solutions for

families in rural areas in developing countries. Using the Solvatten system means that forests do not need to be cut down to produce the wood used to boil and purify water. In turn, protecting trees and forests has a positive climate effect and reduces desertification.

SUSTAINABLE OFFERING

Our range spans many wine styles and origins. Our producers include both innovators and loyal traditionalists. We sell both conventional and organic wine and are the market leader in organic and ethically certified wines. In addition, we require all producers to follow the Amfori BSCI guidelines for good working conditions in production and farming.

SUSTAINABLE CONSUMPTION

There were concerns during the pandemic that lockdowns would lead to increased alcohol problems. Sales also increased at the Nordic state sales monopolies. But all studies and reports have shown that in fact, overall consumption is stable or falling. The pandemic has not led to increased consumption, but it has reduced importation, smuggling and purchases from uncontrolled channels, which has protected vulnerable groups.

”

Our vision and goal is to be the most sustainable in our industry.

MIKAEL SUNDSTRÖM
Director of Sustainability, Communications and Investor Relations

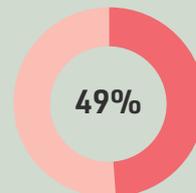
SUSTAINABLE PARTNERSHIP

The pandemic hit our restaurant customers hard, and during the most acute phase of the crisis we helped out, including by supporting lunch and take-away businesses. We promote responsible consumption of our products and unique social gathering places. We want our activities to contribute to a sustainable planet and to quality of life.

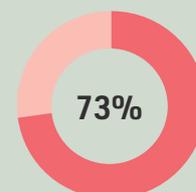
SUSTAINABLE SUCCESS

Despite the disruptions in society caused by the pandemic, our sustainability performance continued to improve in 2021. Among other things, we succeeded in further increasing our climate efficiency, especially on the packaging side. We reduced our emissions from transports and packaging by an additional 4.3% per litre during the year.

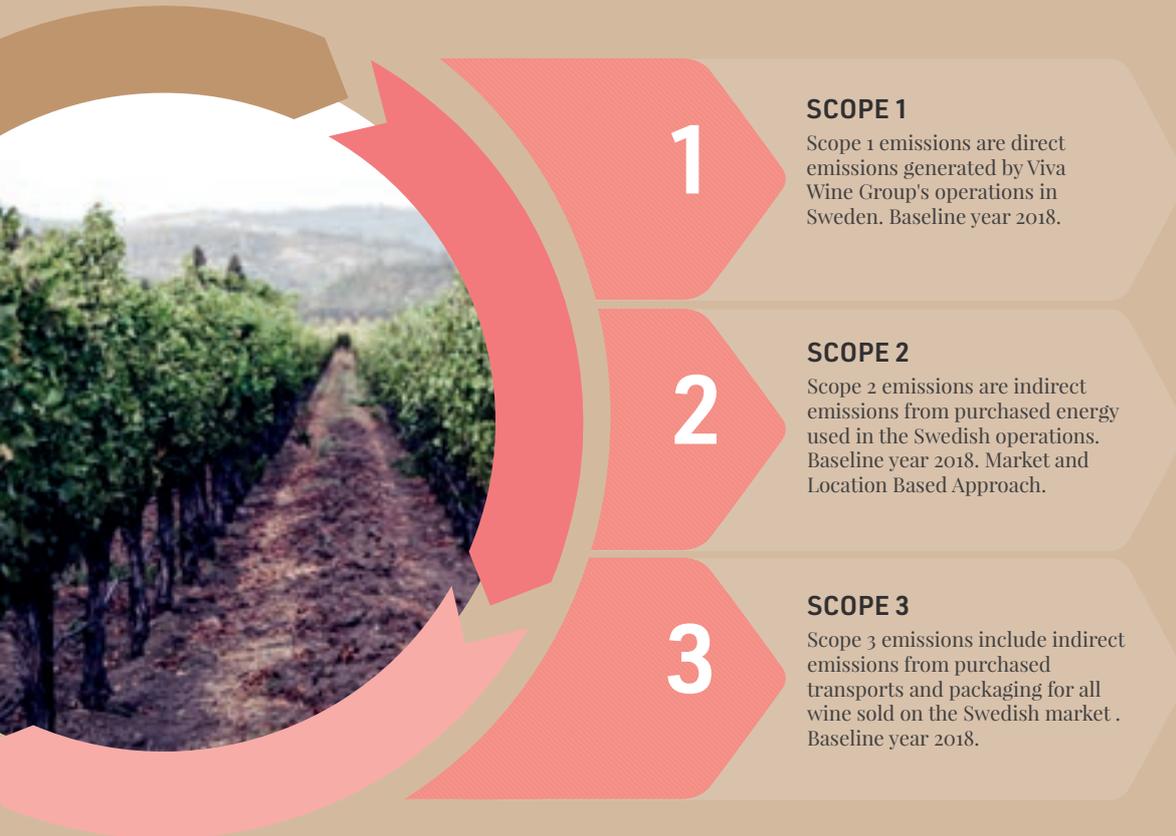
The world is only eight years away from achieving the 2030 Agenda and its 17 Sustainable Development Goals. Despite the challenging environment, Viva Wine Group has continued to do our part in ensuring the achievement of our goals.



Share of volume certified organic and or ethical



Share of volume in climate-smart packaging



Accounting policies and framework

This report is Viva Wine Group's integrated Annual and Sustainability Report, in which the sustainability section is prepared in accordance with Global Reporting Initiative (GRI) Standards at Core level.

SCOPE OF REPORTING

The Sustainability section of the 2021 Annual Report contains comprehensive and material information on the economic, social and environmental impact of Viva Wine Group's operations between 1 January 2021 and 31 December 2021. The report has been prepared in accordance with the core level of the GRI Standards with respect to content and quality. Sustainability data are limited to operations in Sweden and the goods sold on the Swedish market. Financial data refer to the Group as a whole. The integrated Annual and Sustainability Report is published on the Company's website once every calendar year. The previous Sustainability Report for 2020 was published on 29 June 2021.

ENVIRONMENTAL DATA

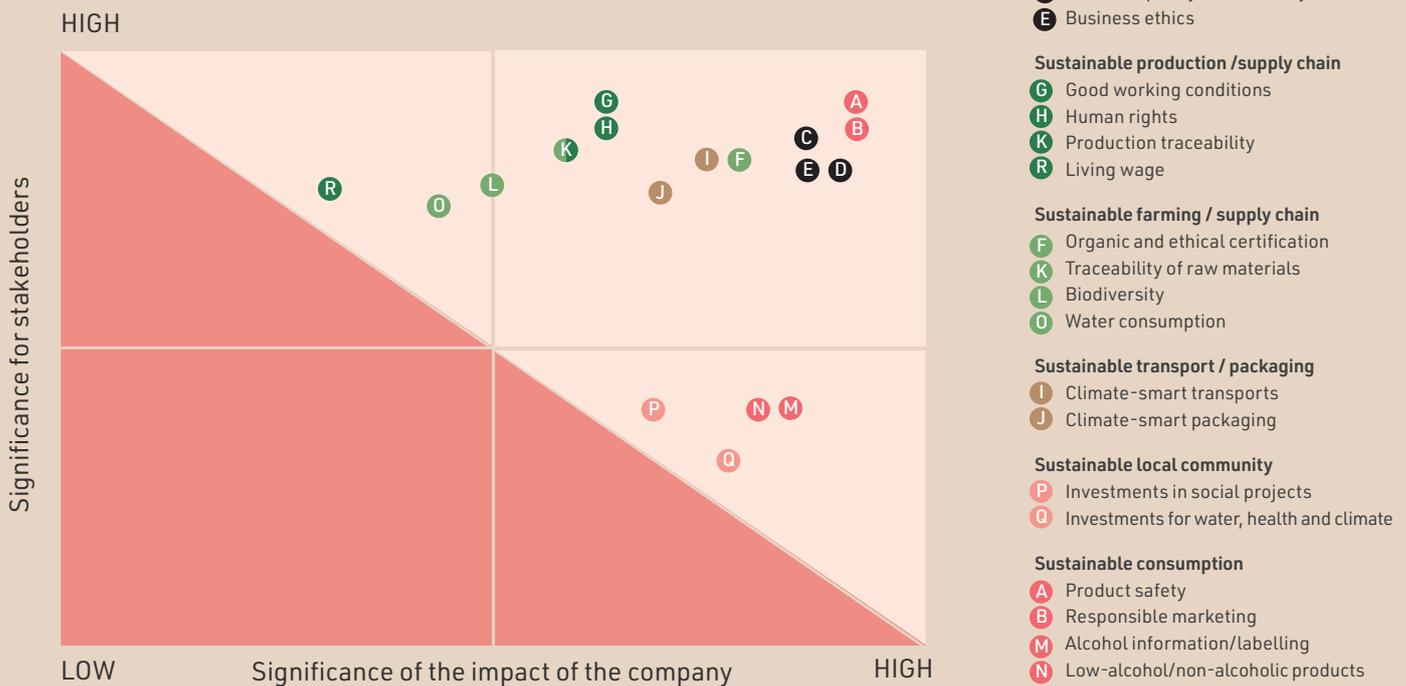
Viva Wine Group's reported environmental data cover its Swedish operations, the environmental impact of transporting goods to the Swedish market and the environmental impact of the packaging of these goods.

The report also describes the environmental initiatives of selected producers and other parts of the supply chain. All climate-warming emissions are calculated and reported in accordance with the GHG Protocol. In addition to reporting direct greenhouse gas emissions (Scope 1) and indirect greenhouse gas emissions (Scope 2), we also calculate and report large parts of the indirect emissions of our operations that are outside the direct control of our business (Scope 3). We do so because the significant majority of our environmental and climate impact occurs in the supply chain. All emission factors come from open sources. The majority of the emission factors come from authorities such as the Swedish Environmental Protection Agency and the Swedish Transport Administration, while a smaller part comes from product-specific reports. The IPCC AR5 is the source of the Global Warming Potential (GWP). All greenhouse gas emissions data contain inherent uncertainties due to incomplete scientific knowledge.

SOCIAL DATA

The social data reported by Viva Wine Group include salary and sickness data for employees in the Swedish operations. Reported staff data refer to the average of the previous year. We also monitor implementation of the Amfori BSCI Code and Guidelines in the supply chain and provide descriptions of initiatives to promote sustainable local communities in producer countries.

MATERIALITY ANALYSIS ↓



STAKEHOLDER DIALOGUE

The views of our stakeholders are our main drivers for prioritising and further developing our business and corporate responsibility. We want our actions to meet and preferably exceed our the expectations of our stakeholders, while balancing them against what is within our control and then prioritising them based on business benefit.

We check in regularly with key stakeholders, and in preparation for the GRI adaptation of our 2020 Sustainability Report and our updated materiality analysis, we arranged to have a comprehensive and systematic stakeholder dialogue with structured interviews conducted by Enact Sustainable Strategies. The results of the stakeholder dialogue form the basis for the information and data reported in this integrated Annual and Sustainability Report.

OUR KEY STAKEHOLDERS

We have divided our key stakeholders into ten main groups; Shareholders, Employees, Producers, Suppliers, Carriers, Customers, Consumers, Politicians, Decision makers and Authorities, NGOs, Media.

We have regular dialogue with all of our key stakeholders, usually through trainings, workshops, meetings, trade fairs and events, surveys, audits and reporting – such as this integrated Annual and Sustainability Report.

KEY SUSTAINABILITY ISSUES

Based on our stakeholders' expectations and concerns, as well as the impact of our business and control over this impact, a number of overarching areas and related sustainability issues have been identified as material.

Our sustainability work focuses on these overarching areas and issues, which we target, implement, measure and report. It is important to point out that we are not the owners of the vast majority of production and farming, which takes place in our supply chain. However, as buyers and partners, we do have the opportunity to exert influence through our purchasing requirements, including the Code of Conduct.

- Sustainable workplace with a focus on health, equal opportunity and diversity.
- Sustainable production with a focus on working conditions and human rights.
- Sustainable farming with a focus on biodiversity, fertiliser use and water consumption.
- Sustainable transport and packaging with a focus on climate, packaging materials and recycling issues.
- Sustainable consumption with a focus on responsible marketing, alcohol information and moderation.

OTHER SUSTAINABILITY ISSUES

Some issues have been judged, on balance, to be less important in the structured dialogue with key stakeholders. At Viva Wine Group, we have chosen to work and report on these areas as well, since we consider them to be of importance to the business where we have some opportunity to indirectly influence their development. We feel that sustainable local communities, especially among producers in countries with socioeconomic challenges, are crucial to development and long-term functional viticulture. We therefore have a chapter on Sustainable Communities, focusing on our work to promote fair trade and investment in social projects to create better living conditions and prospects in vulnerable areas.



Sustainable strategy

Developing beverages requires the know-how and commitment of several participants in a complex value chain – everything from farming, production, transport, marketing and sales. Responsiveness and long-term relationships, sustainability and the will to find mutually beneficial solutions have proven to be a recipe for success.

KEY STAKEHOLDERS

Our customers and consumers, together with our producers and vineyard workers, are our most important stakeholders. Most important of all are the Nordic retail monopolies, especially Systembolaget. Other important customers are wholesalers and restaurants. Certification programmes such as KRAV, Fairtrade and Fair for Life are also important as we are committed to organic and ethical production.

DIALOGUE AND COOPERATION

There is much that we can contribute on our own, but we can make the biggest difference when we work with others. The more of us who want to achieve the same thing, and make a concerted effort, the faster we will achieve large-scale change for the benefit of people and the environment. The Beverage Industry Climate Initiative is an example of the positive force created when suppliers and customers decide to work together.

MATERIAL IMPACT

Growing grapes, bottling the product and transporting wine and beverages all have an impact on the environment involving water consumption, biodiversity and climate impact. Consumption in and of itself can also be problematic. Inappropriately consumed alcohol can lead to medical and social problems, for individuals, families and society at large. We are committed to informing consumers about the risks and invest heavily in projects that promote responsibility and moderation.

CONTINUOUS IMPROVEMENTS

Viva Wine Group's companies are all strongly entrepreneurial, where action is more important than words. The focus has been on launching projects and achieving results, rather than on communicating successes.

Our overall climate performance improved further in 2021. However, the pandemic disrupted global logistics flows, which had a negative impact on the emission efficiency of our transports. The pandemic and its travel restrictions also interfered with physical visits and complicated AMFORI audits of producers.

We continued our efforts in the Beverage Industry Climate Initiative where we managed to further increase total efficiency in 2021 despite already low carbon emissions. We aim to inspire the entire industry to achieve the 2030 Agenda by setting a good example – if possible, in advance.

FOCUS AREAS AND PRIORITIES



* Due to the Covid-pandemic sustainability audits could not be conducted as planned.
** The Covid-pandemic created disruptions in international logistics chains, which partly resulted in less climate-efficient transport.

Focus areas	Target	Results 2018	Results 2019	Results 2020	Results 2021	Goals 2023	Goals 2030
Sustainable farming and production	Share of producers with an approved code of conduct	100%	100%	100%	100%	100%	100%
	Share of volume audited for social sustainability	39%	47%	50%	39%*	60%	100%
	Share of volume certified organic and/or ethical	41%	48%	49%	49%	50%	75%
Sustainable transports and packaging	Share of climate-smart packaging	69%	70%	72%	73%	75%	90%
	Climate impact CO ₂ eq/litre from transport	0.13 kg	0.12 kg	0.12 kg	0.13 kg**	0.11 kg	0.06 kg
	Climate impact CO ₂ eq/litre from packaging	0.25 kg	0.23 kg	0.21 kg	0.19 kg	0.19 kg	0.11 kg
	Climate impact CO ₂ eq/litre total	0.38 kg	0.35 kg	0.33 kg	0.32 kg	0.30 kg	0.17 kg
Sustainable workplace	Sick leave	2.96%	2.72%	2.18%	1.3%	2.0%	2.0%
Sustainable consumption	Warning text on advertisements	100%	100%	100%	100%	100%	100%

Our
7

selected UN
Global Goals

Global Goals

At the 2015 UN Summit, 17 sustainability goals were agreed, setting out the direction for work by all Member States until 2030.

GOAL 3: GOOD HEALTH AND WELL-BEING

We develop and sell alcoholic beverages and want them to be consumed in a way that provides pleasure and well-being. We promote moderation, both in marketing and through financial support for health promotion projects.
Read more on pages 40-41.

GOAL 5: GENDER EQUALITY

We take responsibility on the ground in Sweden, in our own organisation. We want to offer an equitable and safe workplace where everyone is given the opportunity to reach their full potential. The gender distribution in management positions should be equal and reflect the composition of the company as a whole.
Read more on pages 32-33.

GOAL 6: CLEAN WATER AND SANITATION

Water is in short supply around the world, which is why we encourages producers to implement smart irrigation systems.
Read more on pages 36-37.

GOAL 8: DECENT WORK AND ECONOMIC GROWTH

For us it is important that workers in the fields and vineyards have good working conditions. That is why we are part of the amphora BSCI and regularly visit our producers.
Read more on pages 34-35.

GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

We promote organic and ethical farming and invest in climate-smart and recyclable packaging to thereby promote effective use of natural resources.
Read more on pages 36-37.

GOAL 13: CLIMATE ACTION

Farming, transports and packaging all affect the climate. If we don't succeed in curbing global warming, it will become increasingly difficult to grow grapes for good wine.
Read more on pages 38-39.

GOAL 15: LIFE ON LAND

Farming can both deplete and enhance biodiversity. We are dedicated to ensuring that wine is cultivated in a way that has as little impact on the ecosystem as possible.
Read more on pages 36-37.



Sustainable workplace

Our employees, along with our producers, are Viva Wine Group's greatest asset. We bring together curious, committed, creative and knowledgeable people with a passion for beverages and entrepreneurship.

GOOD LEADERSHIP

For us at Viva Wine Group, it is important that everyone strives to be a good role model. Humanistic and value-driven leadership is therefore a hallmark of the business. The aim is to help both employees and the organisation to develop and grow. Together we create an open, fast-paced and inclusive work environment.

CONSTANT DEVELOPMENT

We are committed to ensuring that all employees develop and reach their full potential. Further training is offered on an ongoing basis and internal mobility is encouraged. Our staff grow and develop with the company, and are given the opportunity to take on new roles with wider responsibilities.

DIVERSITY IS AN ASSET

We hire based on merit and believe that people with different backgrounds, interests and personalities contribute to an innovative and progressive business. We consider internal and external differences to

be an asset, and we believe that an equitable and equal workplace benefits both the individual and the organisation. We strive for an even distribution regarding gender and age, both among employees in general, and those with managerial responsibilities or other leading positions.

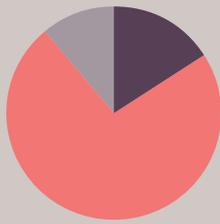
INVESTMENTS IN PERSONNEL

We value our employees and surveys show that we offer above-average pay in the industry. In 2021, the total wage payment in Sweden was SEK 138 million. In addition to the basic salary, bonuses are paid for good performance and achievement of targets. We offer all employees in Sweden a generous wellness allowance and voluntary health insurance. We run compulsory courses on alcohol culture and addiction issues on a regular basis in cooperation with Ljung and Sjöberg, specialists in alcohol problems and co-dependency in the workplace. Employees have the right to organise and bargain collectively, but in 2021 none of the employees in the Swedish operations were covered by a collective agreement.

GOOD BUSINESS PRACTICE

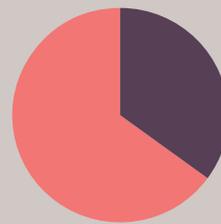
We consider ethics and good business practice to be fundamental, as summarised in our anti-corruption policy. We will demonstrate good conduct and ethical judgment in all business relationships with employees, suppliers, customers and other stakeholders.

DISTRIBUTION OF EMPLOYEES 2021 (SWEDEN SEGMENT)



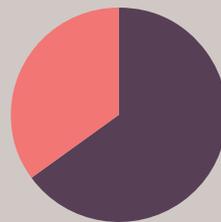
Age distribution

- 16% are younger than 30 years
- 73% are between 30 and 49 years
- 11% are older than 50 years



Gender distribution

- 35% men
- 65% women

Gender distribution,
Board and Management

- 64% men
- 36% women

ANTI-CORRUPTION

In accordance with our values, guidelines and the Amfori BSCI, we do not accept corruption in any form – bribery, extortion, abuse of power, or the like. Our employees may not give or receive bribes, or gifts that could be perceived as bribes. If an employee has doubts about a gift or a benefit, they should ask their supervisor for an opinion. We ensure that employees, agents and representatives are aware of, and follow, the guidelines in Systembolaget's policy for contacts between suppliers and Systembolaget staff. This policy aims to provide equal conditions for all suppliers of alcoholic beverages to become established on the Swedish market.

We also follow the rules of the Swedish Wine and Spirits Suppliers Association (SVL) for member companies' conduct in relationships with customers and each other. Briefly, they focus on not taking unfair advantage of competitors.

WHISTLEBLOWING

We also care about sustainable workplaces and good working conditions within our supply chain. To support this, we use a whistleblower system in collaboration with Lantero. No incidents were reported in 2021.



Lottie Söderberg
HR MANAGER

Time for the next step!

Over the past year in Sweden, we have worked on adopting new HR procedures and providing training in leadership and human resources. Now it's time for the next step as we aim to bring our work on gender equality, equal opportunity and whistleblowing to our other markets.



Dance performance, LEVA foundation-funded preschool.



Fairtrade funded school, La Riojana

Amfori BSCI Guidelines



FAIR PAY



PROTECTION OF THE ENVIRONMENT



FREEDOM OF ASSOCIATION



PROTECTION FOR YOUNG PEOPLE



NO FORCED LABOUR



NO CORRUPTION



LEGAL WORKING HOURS



LEGAL EMPLOYMENT



NO DISCRIMINATION



NO CHILD LABOUR



HEALTH AND SAFETY

Sustainable production

Viva Wine Group expects to have good working conditions in all parts of the supply chain and we set detailed requirements for our producers and growers based on the Amfori BSCI Code of Conduct and Working Practices.

AMFORI BSCI

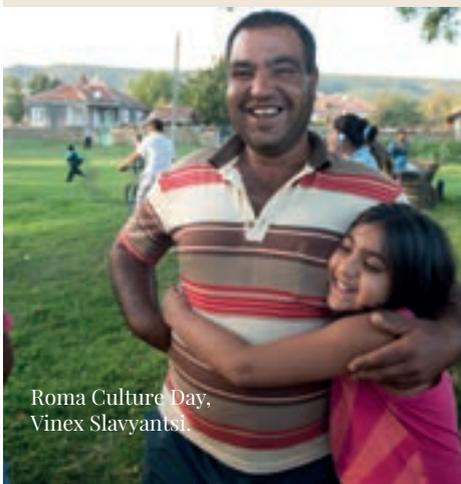
The Amfori BSCI is an international initiative based on the UN Declaration of Human Rights and ILO Conventions. It presumes that all workers should have the right to decent working hours, proper pay and the opportunity to organise. Discrimination is not permitted, and the health and safety of workers must be respected. Naturally, all forms of child and forced labour are forbidden.

CONTROLLED OPERATIONS

Viva Wine Group regularly monitors the sustainability performance of producers with a particular focus on our 58 producers in risk countries (Argentina, Bulgaria, Chile, Italy and South Africa), where there is an increased risk of violations of the Amfori BSCI guidelines. Audits are carried out by independent auditing firms. Every such audit runs for two to five days, during which the operations and the employees' working conditions are examined in detail. In the event of any deviations, we help the producer put together action plans in order to address the problems over the coming months. The results of these efforts are subsequently reviewed again with a new site visit. If after a follow-up audit the producer has not addressed the shortcomings, the partnership may be terminated.

ACT ON ABUSES

The Viva Wine Group is committed to early detection and action on signals of potential wrongdoing from employees, as well as from producers, agents, customers and other business partners. We recommend contacting someone in a position of authority or a union representative in the first instance, but in cases where anonymity is desirable, we have an external reporting tool in collaboration with Lantero whistleblowing system.



Roma Culture Day,
Vinex Slavyantsi.



Morning assembly, LEVA
foundation-funded preschool

Vinex Slavyantsi & Leva

La Rioja

- The La Rioja wine cooperative is located in the northwest of Argentina. The area is poor, but considered one of Argentina's most exciting wine regions.
- Large cooperative with 500 families.
- Since Fairtrade certification in 2006, La Rioja has implemented over 30 projects funded by the Fairtrade premium. For example, a technical agricultural school was built in 2010 with money from sales in Sweden and England. The school currently has over 600 students. A small hospital with a health centre is also under construction and is expected to be completed in 2023.

- Vinex Slavyantsi produces the Leva wines in the Rose Valley region.
- In order to improve the living conditions and future prospects of ethnic minorities in the area, the Viva company Giertz Vinimport together with Vinex Slavyantsi and representatives of the Roma population started the Leva Foundation in 2008. Since then, Giertz Vinimport has contributed over SEK 3 million, which has helped finance three pre-schools, support for families so they can afford to pay school fees, scholarships for higher education and various cultural and sporting activities.
- In 2014, Vinex Slavyantsi received Fair for Life certification.

Sustainable local community

Viva Wine Group wants to contribute to prosperous and sustainable local communities. Where farming and production take place in socio-economically vulnerable areas, we make targeted efforts to improve the living conditions of winegrowers. In our sales markets, responsibility is assumed in the form of certified products, responsible marketing, controlled sales and significant excise duty payments.

FAIRTRADE AND FAIR FOR LIFE

In addition to our work with Amfori BSCI, we have chosen to focus specifically on winegrowers in socially vulnerable areas in Argentina, Bulgaria and South Africa. We are working in cooperation with Fairtrade and Fair for Life to ensure economic security and social sustainability for producers and growers.

Fairtrade certification of wines means that winegrowers receive a guaranteed minimum price for their grapes and guaranteed sale of the harvest each year. It also provides access to loans and credit, free technical assistance and advice, insurance in case of production losses and a Fairtrade premium per kilo of grapes sold. For every litre of Fairtrade wine sold, a sum goes directly back to the local community, often hundreds of thousands of Swedish kronor each year. The winegrowers jointly decide how this money should be invested.

Fair for Life is an internationally recognised ethical certification for fair trade which, in addition to fair working conditions and trade agreements, also includes requirements for a good environment, both in and around the vineyard. Fair for Life projects also invest in the local community by investing in pre-schools, schools and similar institutions.



KRAV- labelled wines

We are pleased that Viva Wine Group offers several KRAV eco-labelled wines, since these wines have been produced using more sustainable methods – without unnatural chemical pesticides and fertilisers, with respect for nature that is worth protecting and by workers with good working conditions.

*Eva-Lena Rådberg,
Market and Standard
Developer, KRAV*

HEALTHY FOR EMPLOYEES

Organic farming without chemical pesticides not only benefits biodiversity, but is also healthy for people at the vineyard.

Sustainable farming

For us at Viva Wine Group, sustainable farming means safeguarding the soil, water and biodiversity in the vineyard. We do this by optimising production methods based on local conditions and working to reduce chemical use, as well as energy and water consumption.

ORGANIC FARMING AND WINEMAKING

For a wine to be labelled and sold as organic, both the farming and winemaking processes must be organic. This means that the grapes are grown without artificial fertilisers, chemical herbicides or pesticides. Organic farming uses nature's own pest control methods, such as ladybirds. The excipients used in vinification are also organic. In addition, the use of sulphur and copper are also restricted. To be certified, organic farming methods must be used for at least three consecutive years.

BIODIVERSITY

The natural methods of organic farming promote biodiversity and provide a rich variety of plants, which also benefits the wildlife on the farm,

reduces the impact on groundwater and ensures that vineyard workers are not exposed to herbicides while at work.

EFFICIENT WATER USE

The vine is a hardy plant, with deep roots, which means limited water requirements. The amount of water also affects the quality of the wine and watering is therefore often strictly regulated. Watering is usually done using smart drip irrigation systems that do not give the vines more water than they really need, and reduce the risk of water evaporation.

CERTIFICATION MAKES A DIFFERENCE

Organic farming is time consuming, which can affect the price to the consumer. At the same time, it contributes to rich, diverse and productive ecosystems, preserves biodiversity and reduces the amount of poisons in nature. However, there are other ways to contribute to sustainable farming besides organic farming, and many winegrowers are working systematically to reduce their environmental impact without being certified organic.



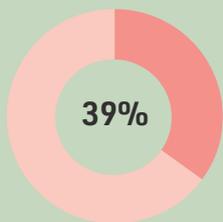
NATURAL FARMING

Organic farming prohibits the use of chemical pesticides. Instead, weeds and pests are kept away naturally.

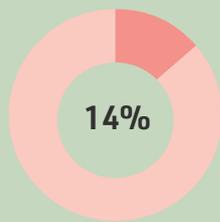


KIND PRODUCTION

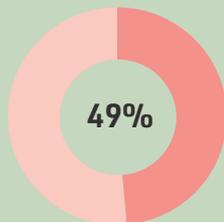
Organic production means less use of sulphur in winemaking.



Share of organic wine



Share of ethical wine



Share of organic and/or ethical wine



Camilla Taube
VICE PRESIDENT, THE WINE TEAM GLOBAL AB

More than 150 organic wines

We are proud to offer quality wine with a very low environmental impact.

In organic farming, there are more restrictions on fertilisers and pesticides than in conventional farming. In recent years, the demand for organic wines has steadily increased. Viva Wine Group has been a leader in this trend.

Glass recycling

93% of glass collected in Sweden will become new bottles.

**Efficient logistics and smart warehousing**

Most of our transports in Europe are by train, and the wine is shipped by rail all the way to our Swedish climate-smart warehouse in Jordbro.

**Joint venture**

Leading players in the beverage industry work together to reduce climate impact.



Sustainable transports and packaging

Viva Wine Group sees sustainable transports and packaging solutions as key factors in radically reducing the climate impact of its operations and meeting its climate neutrality targets. We know that shipping, warehousing and packaging have a significant environmental impact and together with our partners we strive to constantly develop smart solutions and innovative projects.

OPTIMISED LOGISTICS

Together with our partners, our logisticians create efficient co-distribution solutions with good reliability, minimal environmental impact and maximum fill rate. We have successfully switched most of our transport within Europe to Sweden from trucks to trains. For longer distances, ships are used. Our choice to switch from trucks to trains and ships has radically reduced emissions. Some products are transported long distances in tanks, after which the wine is bottled or boxed in Denmark or France. This reduces transport weight and thus the climate impact. Once in Sweden, our warehouse partner has a train terminal, which means that our products roll by train all the way into the warehouse, where they are unloaded using electric forklifts.

SMART PACKAGING

Packaging is one of the areas of the business with the greatest climate impact because of its weight, the manufacturing process and its potential recyclability.

In collaboration with suppliers and customers, we therefore prioritise climate-smart packaging, i.e. bag-in-box, tetra, lightweight glass and PET. We already offer 73% of our volumes in climate-smart packaging.

WORLD-LEADING RECYCLING

We take active producer responsibility in Sweden for the recycling of our products through the financing and development of Svensk Glasåtervinning (SGÅ) and Förpacknings- och Tidningsinsamlingen (FTI). Together with other industry participants, we have helped to build the Swedish and Nordic glass and paper recycling systems into world leaders.

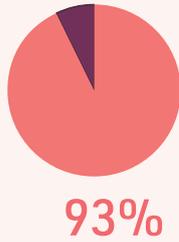
BEVERAGE INDUSTRY CLIMATE INITIATIVE

The joint framework for the Swedish beverage industry, DKI, was initiated in 2017 by Systembolaget, the Swedish Brewers Association (Sveriges Bryggerier) and the Swedish Wine and Spirits Suppliers Association (Sprit & Vinleverantörsföreningen, SVL). Viva Wine Group companies have been involved from the outset, driving the collaboration forward with a third-party audited calculation tool and common goals.

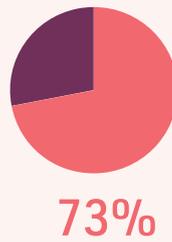
EFFICIENT E-COMMERCE

We work systematically to reduce our carbon footprint in our non-Nordic e-commerce. Low return rates and partnerships with delivery companies that run exclusively on renewable fuels help to reduce climate impact. Studies also show that e-commerce itself can reduce climate impact compared with consumers going to the store for their purchases.

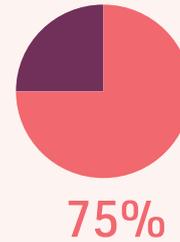
Glass recycling rate



Share of volume in climate smart packaging



The climate impact of trains is about 75% lower than that of trucks for comparable routes in Europe



Emissions 2021
Climate impact transports



Emissions 2021
Climate impact packaging



IN EUROPE, the majority of transports are by train instead of by truck



OUTSIDE EUROPE, transport is by ship



Climate compensation

To ensure that our climate impact from transport to Sweden is climate neutral, the emissions that do occur are offset by investing in Solvatten, a combined portable water treatment and water heating system designed for off-grid household use in developing countries. We always invest more than our actual emissions and we run several projects in Thana and Tharaka, Kenya, together with Solvatten and International Aid Services. Solvatten is an innovative water treatment solution that contributes to improved health, increased gender equality and reduced climate impact. It is important to us at Viva Wine Group that our carbon offsetting contributes to several important sustainability goals.

Read more at www.solvatten.org



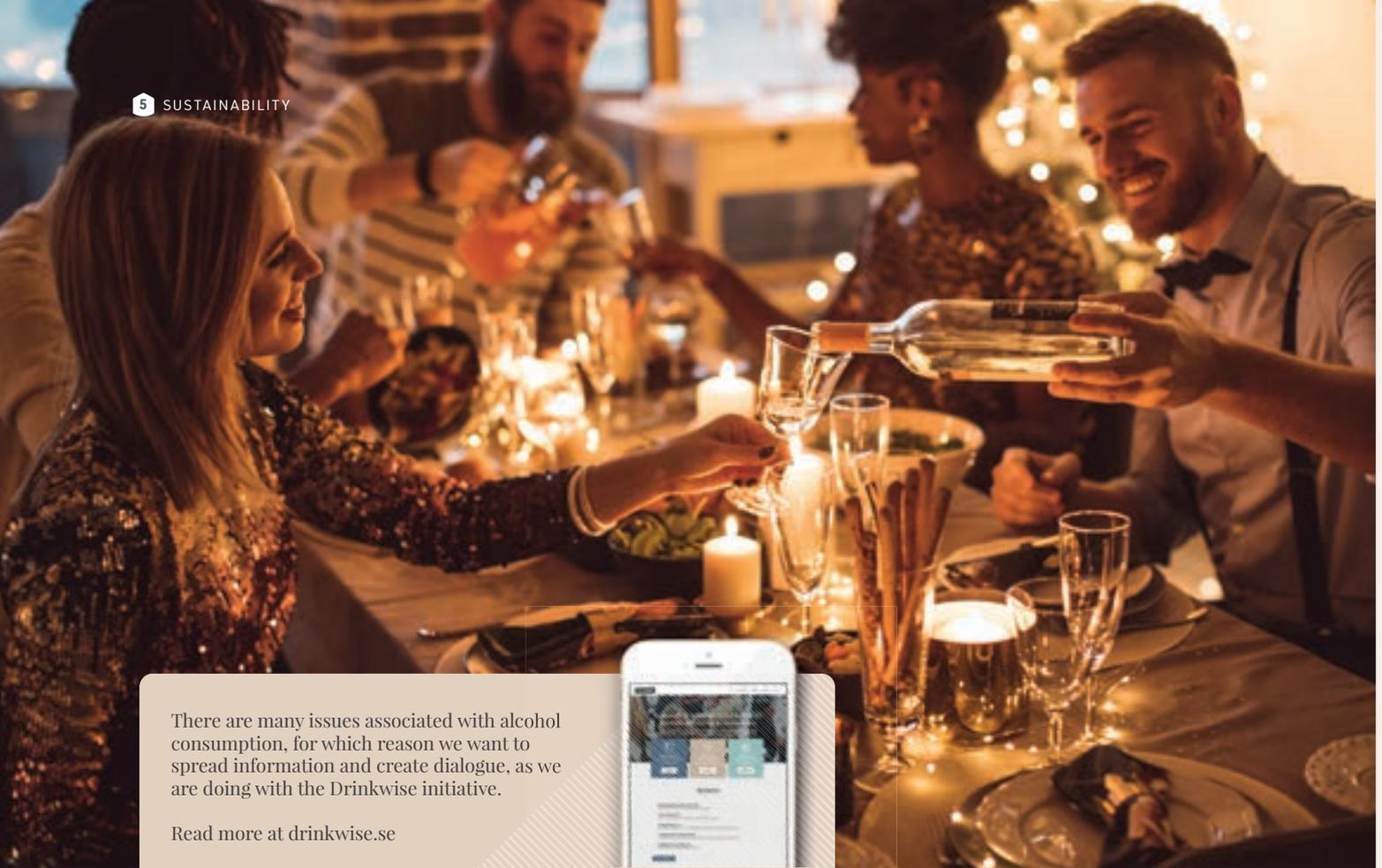
Solvatten 2018-2021

7,477 → 47,023
Entities Saved trees

52,339 → 3,138,097
Estimated tonnes of CO₂ m³ of clean water

Solvatten® Innovative water treatment solution

- Heated water in 2-6 hours
- Yields about 6,000 litres per year
- Indicator shows when the water is clean
- Used several times a day
- Easy to use and to carry
- No batteries, spare parts or chemicals needed
- Has a long life span, 7-10 years



There are many issues associated with alcohol consumption, for which reason we want to spread information and create dialogue, as we are doing with the Drinkwise initiative.

Read more at drinkwise.se

Responsible consumption

At Viva Wine Group, we care about how our products are produced as well as how they are consumed. Alcoholic beverages are part of our dining culture and, for many, part of a complete dining experience. However, we are aware that alcohol consumed inappropriately can cause problems for individuals, their families and society at large. We therefore promote moderate and responsible consumption.

CONTROLLED SALES

Viva Wine Group safeguards this Nordic model with controlled sales and responsible marketing. In Sweden, Finland and Norway, there is a strong desire to protect public health, for which reason alcohol is sold in shops through the state-owned companies Systembolaget, Alko and Vinmonopolet. The Nordic monopolies ensure controlled sales, equal treatment of origin and a breadth and depth of choice that is in many ways unparalleled in the world.

SELF-REGULATION

Sweden and the Nordic countries have imposed many restrictions on communication and marketing related to alcohol. Viva Wine Group's company is careful to comply with the law but as part of the Swedish

trade association SVL, has also initiated a code of ethics and the Swedish Alcohol Suppliers' Scrutineer (Alkoholgranskningsmännen, AGM).

The Swedish Alcohol Suppliers' Scrutineer (the AGM) is the alcohol industry's self-regulatory mechanism, which provides education and support, but also has the right to intervene against companies that violate laws and ethical guidelines and demand that marketing ceases. Anyone can report an advertisement to the AGM, which investigates, examines and decides on the matter.

CONSUMER INFORMATION

In Sweden, we promote consumer information by developing the Drinkwise.se website together with other industry players. The website aims to be a thought-provoking platform for information, discussion and reflection on attitudes towards alcohol and how to consume it responsibly. With this initiative, we and other companies in the sector want to disseminate information, create dialogue and promote a more responsible approach to alcohol.

INITIATIVE AGAINST YOUTH DRINKING

We work with the industry to reduce youth drinking and delay alcohol onset among young people. In 2006, the educational initiative Prata Om Alkohol (Talking About



Patrik Stare
VIVA WINE & SPIRITS AB

Responsible consumption

The proactive efforts of the Swedish Wine and Spirits Suppliers Association (SVL), with common guidelines and self-regulatory mechanisms, have had a major impact on the increased accountability of the Swedish alcohol industry, thereby setting an international example.



Alcohol) was started by companies within the Swedish Wine and Spirits Suppliers Association (SVL) and since 2010 the initiative has been run in collaboration with the Swedish Brewers Association. The Talk About Alcohol method is a conversation-based training programme that teaches young people to resist social pressure, raises their self-esteem and helps them to understand their own responsibility. All materials are free of charge and adapted for use in schools. A three-year scientific study conducted by Karolinska Institutet evaluated the Talk About Alcohol method and the results showed that students who completed the course had less risky drinking behaviour than comparable students who did not take the course.

CUSTOMER CLUBS

We believe that wine should mainly be consumed in combination with a good meal. This is the essence of our Swedish, Nordic and European customer clubs. Viva Vin & Matklubb (Viva Wine and Food Club) is our largest customer club in Sweden and sends recipes and drink tips to interested consumers once a week. For consumers who want selected premium wines from small-scale vineyards and iconic producers, we have the Tryffelsvinet customer club. In Finland, our customer club is called Rosa. Viva Vin & Matklubb and Rosa are both available by email, as well as on Facebook and Instagram and focus on culinary pleasures and knowledge about beverages.



Talk about alcohol with young people

Material adapted for schools, free of charge. Focus on teaching young people to resist social pressure, raise self-esteem and understand their own responsibilities.



Viva Wine & Food Club

Every week we write about food and wine. Read more at vivavinomat.se



Risks and governance

Good governance and control reduces risk and safeguards value in growing businesses. Effective risk management needs to be integrated into strategies and business models, and governance must ensure that it reaches everyone.

RISKS AND RISK MANAGEMENT

Viva Wine Group's risk management aims to support the realisation of the Group's strategy, continuity, risk identification and means to reduce the likelihood and impact of internal and external risks. Viva Wine Group's risk management is carried out in accordance with the COSO framework. The Group's risk management policy has been approved by the Viva Wine Group's Board of Directors.

RISK POLICY

The Risk Management Policy describes the objectives, principles and responsibilities of Viva Wine Group's risk management and reporting. Risks are managed by the relevant business and operational area and are evaluated annually by the Group's management team. The results are monitored by the Board of Directors.

RISK CATEGORIES

We categorise risks into five general classes: strategic risk, operational risk, financial risk and compliance

risk. We also include an industry-specific risk class: security risk. Management and the Board assess these key risks and actions aimed at reducing the likelihood of their occurrence each year. Risks are evaluated based on the probability of occurrence and the consequences of their possible occurrence. The relevant time period for assessment is a 3–5 year horizon. In addition to risks within this short timeframe, we also monitor and address longer-term sustainability risks, including the impact of climate change on viticulture and developments in the wine industry.

SIGNIFICANT RISKS

Our main risks are related to political, regulatory and macroeconomic factors. The alcohol market, especially in Sweden and the Nordic countries, is heavily regulated and taxed. Predictability, equivalence and consistency in regulation and taxation are prerequisites for a level playing field and a well-functioning market. As with all international trade, there is also significant currency risk. There are also significant seasonal variations in the consumption of alcoholic beverages that affect Viva Wine Group's net sales and cash flow during the year. Most of the revenue is generated in the second, third and fourth quarters. Between years, there may be differences between the first and second quarters depending on whether Easter falls in March or April.



Linn Gäfvert
CFO VIVA WINE GROUP

Good governance

Good governance, clear guidelines and a high level of risk awareness strengthen and protect our operations and continued expansion. Effective risk management needs to be integrated into strategies and business models, and governance must ensure that it reaches everyone.

Risk area	Risk factors	Significant risks	Risk management
Strategic risks Sector-specific risks that may hinder the realisation of the vision and the achievement of the set goals	Political and regulatory factors	Increased excise duties and changes to rules on accessibility and marketing	Dialogue and cooperation through relevant industry associations
Financial risks Interest rate, liquidity, credit and currency risks	Macroeconomic factors	Currency changes	Currency hedging
Operational risks Risks related to the effective management of resources such as internal processes, systems and employees	Organisational factors	Redundant and inefficient governance	Maintaining local governance and entrepreneurship within a Group framework
Regulatory compliance risks Risk of financial and legal penalties related to own and others' compliance with laws and regulations	Legal factors	Trademark infringement Corruption in supply chain	Trademark protection Anti-corruption initiatives and whistleblower system
Security risks Risks linked to wine growing, production and finished product	Quality factors	Product safety	Quality controls at producer, importer and retailer levels
Sustainability risks Risks linked to wine growing, production and finished product	Supply and quality factors	Climate change affecting conditions for farming and production	Industry-wide partnerships and future-proofing of wine growing and production.



The share and shareholders

The Viva Wine Group share has been listed on Nasdaq First North Premier Growth Market since 14 December 2021. The stock's ticker symbol is VIVA. The share capital of Viva Wine Group amounts to SEK 740,265.70 divided into 88,831,884 shares, with a quota value of approximately SEK 0.008 per share on 31 December 2021.

OWNERSHIP

There were 9,134 registered shareholders on 31 December 2021. Institutional shareholders owned 15% of the total number of shares and private shareholders owned 85%. Foreign shareholders owned 10% of shares at the end of 2021. The ten largest shareholders accounted for 89.9% of the total number of shares in the company.

SHARE PERFORMANCE

Viva Wine Group was listed on 14 December 2021 on the Nasdaq First North Premier Growth Market and was traded during a total of 12 days in December 2021. The final price paid for the year was SEK 59.6, up 21.6% from the introductory price. A total of 2,275,822 shares were traded during the 12 trading days of 2021, resulting in a daily turnover of 189,652 shares.

DIVIDEND POLICY

Viva Wine Group intends to use generated cash flow for dividends to shareholders after considering long-term financial stability, growth opportunities and strategic initiatives. Taking these considerations into account, Viva Wine Group intends to distribute 50-70% of the annual result attributable to the shareholders of the Parent Company as dividends.

LONG-TERM INCENTIVE PROGRAMME FOR THE BOARD OF DIRECTORS AND MANAGEMENT

At an extraordinary general meeting held on 5 December 2021, a resolution was passed to issue warrants as part of the introduction of a series 2021:3 incentive programme for the management and series 2021:4 for the Board of Directors. In total, the series 2021:3 warrants will comprise 469,692 warrants and series 2021:4 will comprise 232,560 warrants.

For both series, the warrants may be utilised during the 15-day period beginning immediately following the day after the publication of the Company's interim report for the fourth quarter of 2024, although not later than from 1 March 2025 to 15 March 2025. The exercise price for the warrants for both series 2021:3 and 2021:4 will correspond to SEK 63.70.

The terms of the warrants contain customary conversion provisions.

If all warrants in the incentive programmes are utilised for the subscription of new shares, the share capital in the Company will increase by approximately SEK 5,852.10, corresponding to approximately 0.78% of the Company's share capital.

Five reasons to own shares in Viva Wine Group

- 1 Nordic market leader**
Market leading position in the stable Nordic monopoly markets
- 2 Great potential in e-commerce**
Strong and profitable position in the large and attractive European E-commerce market
- 3 Sustainability as a strategy**
Industry pioneer in sustainability
- 4 Profitable organic growth**
History of combining growth and profitability
- 5 Successful acquisitions**
Proven strategy for driving growth and consolidation through acquisitions

Successful IPO

On 14 December 2021, Viva Wine Group became a listed company when trading began on First North Premier Growth Market.

Interest in the listing was very high. With over 20,000 new shareholders, Viva Wine Group raised approximately SEK 1,200 million in new capital before expenses. Including the overallotment option, the entire offering totalled SEK 1,380 million, corresponding to 31.7% of the Company. The largest of the new owners were Bergendahl & Son AB, Capital World Investors (through funds), Erik Selin through companies and Svolder AB. They bought shares for a total of SEK 950 million, corresponding to 21.8% of the company.

The market value amounted to SEK 4,353 million at the time of listing and increased by 21.6% to SEK 5,294 million on the last trading day of 2021.

Source: Holdings

Distribution of ownership



85% Private individuals
15% Institutions



90% Swedish shareholders
10% Foreign shareholders

OWNER	SHARE	SHARE OF CAPITAL	SHARE OF VOTES	LAND
Late Harvest Holding 1971 AB	23,273,482	26.2%	26.2%	Sweden
Vin & Vind AB	23,273,482	26.2%	26.2%	Sweden
Legendum Capital AB	9,380,889	10.6%	10.6%	Sweden
Bergendahl & Son Aktiebolag	6,942,857	7.8%	7.8%	Sweden
Capital Group	4,081,633	4.6%	4.6%	The US
Svolder	4,081,633	4.6%	4.6%	Sweden
Erik Selin	4,081,633	4.6%	4.6%	Sweden
Arinto AB	3,149,160	3.5%	3.5%	Sweden
Danica Pension	900,000	1.0%	1.0%	Denmark
Varma Mutual Pension Insurance Company	675,000	0.8%	0.8%	Finland
Total 10 largest owners	79,839,769	89.9%	89.9%	
Other shareholders	8,992,115	10.1%	10.1%	
TOTAL NUMBER OF SHARES	88,831,884	100%	100%	

CHANGES IN SHARE CAPITAL		NUMBER OF SHARES		SHARE CAPITAL	
Reg. (year)	Event	Change	Total	Change	Total
2018	Formation	50,000	50,000	50,000	50,000
2019	Split (1:100)	4,950,000	5,000,000	-	50,000
2021	Bonus issue	-	-	450,000	500,000
2021	Split (1:12)	55,000,000	60,000,000	-	-
2021	New share issue	4,342,089	64,342,089	36,184.08	536,184.08
2021	New share issue, listing	24,489,795	88,831,884	204,082.63	740,265.70

Directors' report

The Board of Directors of Viva Wine Group AB (publ), corporate registration number 559178-4953, hereby submit the Annual Report and the consolidated financial statements for the financial year 1 January 2021 - 31 December 2021. The company has its registered office in Stockholm. The annual report has been prepared in Swedish kronor, SEK, all amounts are in SEK million, unless otherwise stated.

INFORMATION ABOUT THE BUSINESS

Viva Wine Group is the leading wine group in the Nordic region with a strong position in the European online market for wine. The Company develops, markets and sells both its own and partners' brands in several growing markets.

The Group consists of several entrepreneurial companies that share a platform that provides economies of scale. The Company sells quality wines from around the world to consumers in the Nordics, Germany, Switzerland, Austria, France and the Netherlands. The Company's operations are conducted by ten entrepreneurial companies based in six countries. The operations are distinguished in the market through the Company's decentralised organisation which is characterised by creativity and entrepreneurship. In Sweden, the Company is the principal owner of the wine importers Giertz Vinimport AB, The Wine Team Global AB, Chris-Wine Sweden AB, Iconic Wines AB, Winemarket Nordic AB and Tryffelsvinet AB. In Finland, the Company is the principal owner of Cisa OY, and in Norway the Company is the principal owner of Norwegian Beverage Group AS. In addition to the Nordic operations, the Company owns the Viva e-com Group in Germany with the companies Vicampo.de GmbH and Wine-in-Black GmbH. In addition, the company has operations in France, China, and the United States.

The Company divides its operations into four segments: (i) Sweden, (ii) Nordics (excluding Sweden), (iii) E-commerce and (iv) Other. The Sweden segment is the largest segment based on net sales, in which Systembolaget, the state retail monopoly, is the largest customer. In the Nordics segment, the main customers are the Finnish counterpart to Systembolaget, Alko, and the Norwegian counterpart, Vinmonopolet. Other customers in the Sweden and Nordics segments include wholesalers, hotels and restaurants. The E-commerce segment includes consumer e-commerce sales in Europe. The Other segment includes the Company's pilot sales to B2B customers in China and the US, as well as management and administration of the Group, Parent Company and Group-wide activities.

SIGNIFICANT EVENTS DURING THE YEAR

In January, the Group acquired Global Wine Brands Holding Ltd, which holds the rights to the Pietro di Campo brand, one of the largest brands in the Norwegian market. The acquisition was carried out to strengthen the Group's presence in Norway.

Viva Wine Group has, as of 3 August 2021, acquired all shares in Vicampo.de GmbH ("Vicampo"), which is part of the E-commerce operating segment.

During October-November, Viva Wine Group carried out buyouts of minority shareholders to ensure a more appropriate group structure in a listed environment.

As of 1 November 2021, Viva Wine Group acquired and took over ownership of 40% of the shares in the former associated company Norwegian Beverage Group AS ("NBG").

On 14 December 2021, Viva Wine Group was listed on Nasdaq First North Premier Growth Market. The allocation option was fully exercised and SEK 1,200 million gross was raised in connection with the listing.

FINANCIAL DEVELOPMENTS DURING THE FINANCIAL YEAR

Net sales

For the full year 2021, net sales increased by 17.1% to SEK 3,331 (2,845) million.

Net sales in the Sweden segment increased by SEK 2,350 (2,268) million as a result of continued increased distribution of existing products and successful new product launches.

Net sales in the Nordic segment increased in 2021 to SEK 426 (353) million, mainly from the acquisition of NBG.

Net sales in the E-commerce segment increased significantly during the year as a result of the acquisition of Vicampo. Net sales totalled SEK 486 (137) million, of which SEK 287 million is attributable to Vicampo.

Operating profit

Operating profit for full-year 2021 increased to SEK 521 (281) million.

Operating profit in the Sweden segment increased to SEK 291 (240) million during the year. The increase in earnings can be attributed to increased market share, improved margin, a good product mix and favourable currency effects.

Operating profit in the Nordic segment increased to SEK 49 (45) million. The acquired business in Norway contributed SEK 7 million.

Operating profit for the full year 2021 in the E-commerce segment was SEK -13 (-14) million, with the acquired Vicampo business contributing SEK +40 million before amortisation of surplus values of SEK -25 million.

Operating profit in the Other segment was SEK 193 (9) million. The change was largely attributable to non-recurring items. Items affecting comparability include the non-cash effect of the revaluation at fair value of the former associated company in the NBG acquisition + SEK 213 million, as well as listing costs of SEK -32 million.

Net profit

Net profit for the full year 2021 was SEK 465 (219) million and was positively impacted by the acquisition and revaluation of the former interest in NBG. The majority of costs, including acquisition costs and costs related to listing preparations, were of a non-recurring nature.

Financial position and liquidity

Viva Wine Group acquired all shares in Vicampo.de GmbH ("Vicampo") as of 3 August 2021. The purchase price was EUR 129 million and was settled in cash. For more information on the acquisition, see note 28.

On November 1 2021, Viva Wine Group acquired an additional 40% of NBG and subsequently owns 89% of the company thereafter. NBG has been part of the Nordics segment since the acquisition. Payment for the shares was made partly in cash and cash equivalents and partly through the issue of shares in Viva Wine Group. Viva Wine Group decided on 30 November 2021 on a new issue of shares in which the sellers of NBG subscribed and were allotted a total of 105,759 shares in Viva Wine Group. The remaining part of the payment for the shares in NBG was settled in cash and cash equivalents in the amount of SEK 187 million. The acquisition of NBG is what is known as an acquisition in steps, where the transaction is recognised in two steps: firstly as an accounting disposal of associated companies, and secondly as an acquisition of subsidiaries. See also note 28.

In order to ensure a more appropriate group structure in a listed environment, Viva Wine Group acquired shares in a number of subsidiaries from minority shareholders. Payment was made in the form of cash and cash equivalents and the issuance of shares in Viva Wine Group, where Viva Wine Group decided on 30 November 2021 on a new share issue in which the selling minority shareholders have subscribed for and been allotted a total of 4,342,089 shares in Viva Wine Group. The remaining part of the payment of SEK 265 million was settled with cash and cash equivalents.

In connection with the listing on the Nasdaq First North Premier Growth Market, an issue was made to raise proceeds of SEK 1,200 million gross and SEK 1,162, net of expenses, for the Company. Cash and cash equivalents at 31 December 2021 totalled SEK 331 (42) million. In addition, at the end of the year there were unused credit lines of SEK 155 million. The Group's net debt, including lease liabilities under IFRS 16, decreased during the quarter by SEK 739 million to SEK 545 million at 31 December 2021. Net debt/EBITDA, for the last 12-month period, was 0.9.

Cashflow

Cash flow from operating activities before changes in

working capital increased to SEK 297 million (252). Cash flow from investing activities for the year was SEK -1,589 million (-64) as a result of the acquisitions of Vicampo, which had a cash flow impact of SEK -1,043 million, and NBG, which had a cash flow impact of SEK -174 million, as well as the buy-out of minority shareholders, which had a cash flow impact of SEK -265 million. Cash flow from financing activities was positive, with a new share issue providing SEK 1,152 million in cash flow effect, a loan of SEK 1,570 million from credit institutions and a repayment of SEK -854 million during the year.

Equity

Viva Wine Group's equity increased during the year to SEK 1,736 million (404) and the equity ratio to 46% (28), an increase due to the completed issues which produced a total increase of SEK 1,374 million. During the quarter, the acquisition of shares in subsidiaries from minority shareholders had an impact on equity of SEK -485 million.

FUTURE DEVELOPMENTS

The Group intends to further work on achieving synergies between the Swedish and Nordic business segments and catalyse further operationalisation of the Group's Areas of Excellence. In February 2022, Anna Möller was hired as Chief Operating Officer Nordics, a new central function in the Viva Wine Group that will be responsible for this purpose. In the E-commerce segment, the Group intends to realise synergies between the companies.

Based on the combination of strong organic growth in several segments and a continued acquisition strategy, the Group is expected to continue to grow.

RISKS AND UNCERTAINTIES

The Group's profitability is sensitive to changes in exchange rates, particularly in EUR/SEK, for which reason the Group hedges its currency exposure through forward contracts and other instruments. See note 22 and the Risk section on pages 42-43 for a more detailed description of operational risks and uncertainties.

ENVIRONMENTAL IMPACT

The Group is aware of its sustainability impact and works systematically to reduce the negative effects of its operations and to create business solutions that have a positive impact on people and the environment. The Company is convinced that caring for people and the environment will benefit its business, particularly over the long term. For more information on the Group's sustainability work, see the Sustainability chapter of the Annual Report. Each company in the Group holds the necessary permits for the import and handling of alcoholic beverages.

THE SHARE

Viva Wine Group was listed on 14 December 2021 on the Nasdaq First North Premier Growth Market and was traded during a total of 12 days in December 2021.

The final price paid for the year was SEK 59.6, up 21.6% from the introductory price. A total of 2,275,822 shares were traded during the 12 trading days of 2021, resulting in a daily turnover of 189,652 shares. The market capitalisation of the Company as at 31 December 2021 was SEK 5,294 million.

Largest shareholders 31 Dec 2021

NAME	NUMBER OF SHARES	CAPITAL, %	VOTES, %
Vin & Vind AB	23,273,482	26.20	26.20
Late Harvest Wine Holding 1971 AB	23,273,482	26.20	26.20
Legendum Capital AB	9,380,889	10.56	10.56
Bergendahl & Son Aktiebolag	6,942,857	7.82	7.82
Erik Selin	4,081,633	4.59	4.59
Svolder	4,081,633	4.59	4.59
Capital Group	4,081,633	4.59	4.59
Arinto AB	3,149,160	3.55	3.55
Danica Pension	900,000	1.01	1.01
Varma Mutual Pension Insurance Company	675,000	0.76	0.76
Total 10	79,839,769	89.88	89.88
Other	8,992,115	10.12	10.12
Total number of shareholders	8,232		
TOTAL NUMBER OF SHARES	88,831,884		

SUSTAINABILITY REPORT

In accordance with ÅRL Chapter 6, Section 11, Viva Wine Group has chosen to prepare the statutory Sustainability Report as a separate report from the Annual Report. The Sustainability Report has been submitted to the auditor at the same time as the Annual Report. The Sustainability Report can be found on pages 4-14 and 26-43 in this document.

NUMBER OF EMPLOYEES

The average number of employees in the Group was 240 in 2021, up from 130 in the previous year. The proportion of women was 54% and 46% men (60% women and 40% men).

REMUNERATION POLICY FOR SENIOR EXECUTIVES

The Board's proposed remuneration policy for senior executives, to be presented at the 2022 annual general meeting of shareholders for approval, is consistent with the policy approved by the AGM on 14 June 2021. Information on the current remuneration policy for senior executives, which was approved by the AGM, can be found in note 7 and in the Corporate Governance Report on pages 92-97.

MULTI-YEAR OVERVIEW

GROUP (SEKM)	2021	2020	2019
Net sales	3,331	2,845	2,335
Profit after financial items	539	276	169
Operating margin, %	15.6	9.9	6.7
Total equity/total assets	3,813	1,426	1,206
Equity ratio, %	46	28	20
The average number of employees	240	130	118

Parent company (SEKM)	2021	2020	2019
Profit/loss after financial items	-24	178	169
Total equity/total assets	2,592	520	379
Equity ratio, %	66	63	45
The average number of employees	1	0	0

For definitions of key figures, see Accounting and valuation policies.

Proposal for appropriation of profit

The following profits are at the disposal of the Annual General Meeting:

Profit brought forward	296,253,673
Share premium reserve	1,375,760,662
Net profit/loss for the year	45,079,577
	1,717,093,913
To be allocated:	
To be paid to shareholders (SEK 1.50 per share)	133,247,826
To be carried forward	1,583,846,087
	1,717,093,913

The Board of Directors has proposed that the 2022 AGM resolves on the appropriation of profits, which means that SEK 1.50 per share will be distributed to the shareholders. The proposed dividend amounts to SEK 133 million. The Board of Directors considers the proposed dividend to be justified in accordance with Chapter 18, Section 4 of the Swedish Companies Act. The Group's equity attributable to the shareholders of the Parent Company as at 31 December 2021 was SEK 1,662 million and the Parent's unrestricted equity was SEK 1,717 million. With reference to the above and other information brought to the attention of the Board of Directors, the Board of Directors is of the opinion that the proposed dividend is justifiable with reference to the demands that the nature, scope and risks of the business place on the size of the Company's and the Group's equity, as well as on Company's and the Group's level of consolidation, liquidity and position in general.

Consolidated statement of profit or loss

AMOUNTS IN SEK MILLION	NOTE	2021	2020
OPERATING REVENUE			
Net sales	3, 4	3,331	2,845
Other operating income	5	8	9
		3,339	2,854
OPERATING EXPENSES			
Goods for resale		-2,543	-2,310
Other external expenses	6	-261	-151
Personnel expenses	7	-185	-101
Depreciation and amortisation		-59	-22
Profit from participations in associated companies and joint ventures	15	233	11
Other operating expenses		-3	0
Operating profit		521	281
FINANCIAL INCOME AND EXPENSES			
Financial income	8	40	5
Financial expenses	9	-22	-9
Profit after financial items		539	276
Tax	10	-74	-57
NET PROFIT FOR THE YEAR		465	219
Profit for the year attributable to			
the shareholders of the Parent Company		414	168
Non-controlling interests		51	51
Earnings per share			
Earnings per share before dilution (SEK)	11	6.63	2.80
Earnings per share after dilution (SEK)	11	6.63	2.80

Consolidated statement of comprehensive income

AMOUNTS IN SEK MILLION	NOTE	2021	2020
Net profit for the year		465	219
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss (after tax)			
Translation difference		7	-5
Other comprehensive income for the year, net of tax		7	-5
Comprehensive income for the year, net of tax		472	214
Comprehensive income for the year attributable to			
Parent Company shareholders		420	164
Non-controlling interests		52	50

Consolidated statement of financial position

AMOUNTS IN SEK MILLION	NOTE	31 Dec 2021	31 Dec 2020
ASSETS			
NON-CURRENT ASSETS			
Goodwill	12	821	19
Intangible assets	12	1,170	50
Tangible assets	13	50	44
Right-of-use assets	14	57	37
Participations in associated companies and joint ventures	15, 16	54	71
Other securities held as non-current assets	16	0	1
Other non-current receivables	16	19	16
Deferred tax assets	10	11	17
Total non-current assets		2,183	255
CURRENT ASSETS			
Inventories	17	477	424
Trade receivables	16	730	616
Receivables from associated companies	16	12	15
Current tax assets		2	3
Other receivables	16	20	30
Derivative instruments	16	10	7
Prepaid expenses and accrued income	18	46	33
Cash and cash equivalents	19	331	42
Total current assets		1,630	1,171
TOTAL ASSETS		3,813	1,426
EQUITY AND LIABILITIES			
EQUITY			
Share capital	21	1	0
Other contributed capital		1,376	–
Reserves		4	-3
Retained earnings including net profit for the year	31	281	341
Total equity attributable to the shareholders of the Parent Company		1,662	338
Non-controlling interests	31	75	66
Total equity		1,736	404
NON-CURRENT LIABILITIES			
Overdraft facility	22	0	61
Other liabilities to credit institutions	22	732	47
Lease liabilities	14	41	29
Deferred tax liabilities	10	309	12
Other provisions	23	10	–
Other non-current liabilities	22	0	2
Total non-current liabilities		1,092	152
CURRENT LIABILITIES			
Liabilities to credit institutions	22	86	29
Trade payables	22	443	398
Advances from customers	22	6	9
Liabilities to associated companies	22	23	2
Current tax liabilities		29	20
Lease liabilities	14	17	9
Current provisions	23	5	–
Derivative instruments	16, 22	1	27
Other current liabilities	24	333	346
Accrued expenses and prepaid income	25	41	29
Total current liabilities		985	870
TOTAL EQUITY AND LIABILITIES		3,813	1,426

Consolidated statement of changes in equity

AMOUNTS IN SEK MILLION	Equity attributable to the shareholders of the Parent Company							
	NOTE	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. net profit for the year	Total equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
	21							
OPENING EQUITY, 1 JAN 2020		0	–	1	197	199	41	240
Correction of errors	32	–	–	–	6	6	-1	5
ADJUSTED OPENING EQUITY		0	–	1	203	205	40	245
Net profit for the year		–	–	–	168	168	51	219
Other comprehensive income for the year		–	–	-4	–	-4	-1	-5
Comprehensive income for the year		–	–	-4	168	164	50	214
Transactions with the Group's owners								
Dividends paid		–	–	–	-20	-20	-31	-51
Changed participating interest in subsidiaries		–	–	–	-10	-10	7	-3
Total		–	–	–	-30	-30	-24	-55
CLOSING EQUITY, 31 DEC 2020		0	–	-3	341	338	66	404
OPENING EQUITY, 1 JAN 2021		0	–	-3	341	338	66	404
Net profit for the year		–	–	–	414	414	51	465
Other comprehensive income for the year		–	–	6	–	6	1	7
Comprehensive income for the year		0	–	6	414	420	52	472
Transactions with the Group's owners								
New share issue net of transactions costs and tax *		0	1,374	–	–	1,374	–	1,374
Bonus issue		0	–	–	0	0	–	0
Issue of warrants		–	2	–	–	2	–	2
Non-controlling interests arising from the acquisition of subsidiaries		–	–	–	–	–	53	53
Transaction with non-controlling interests		–	–	–	-442	-442	-45	-487
Dividend		–	–	–	-31	-31	-52	-83
Total		1	1,376	0	-473	903	-43	860
CLOSING EQUITY, 31 DEC 2021		1	1,376	4	281	1,662	75	1,736

* New share issue includes issue expenses of SEK -48 million and tax effect of the issue expenses of SEK 10 million.

Consolidated statement of cash flows

AMOUNTS IN SEK MILLION	NOTE	2021	2020
OPERATING ACTIVITIES			
Profit after financial items		539	276
Adjustment for non-cash items	26	-180	30
Dividends from associated companies		10	-
Tax paid		-73	-54
Cash flow from operating activities before changes in working capital		297	252
Cash flow from change in working capital			
Change in inventories		23	-98
Changes in operating receivables		-55	-94
Changes in operating liabilities		-106	157
Net cash from operating activities		158	217
INVESTING ACTIVITIES			
Business combinations	29	-1,217	-13
Acquisition of intangible assets		-105	0
Acquisition of tangible assets		-4	-48
Redemption of shares, purchase of minority interests		-265	-
Change in other financial assets		1	-3
Cash flow from investing activities		-1,589	-64
FINANCING ACTIVITIES			
New share issue*		1,152	-
Payment of warrants		2	-
Dividend paid to Parent Company shareholders		-31	-20
Dividend paid to non-controlling interests		-52	-31
Change in overdraft facility		-60	-125
Loans raised from credit institutions		1,570	6
Repayment of debt		-854	-27
Repayment of lease liability		-13	-8
Net cash from financing activities		1,714	-205
CASH FLOW FOR THE YEAR			
Cash and cash equivalents at the beginning of the year		42	97
Exchange rate differences in cash and cash equivalents		6	-2
Cash and cash equivalents at the end of the year		331	42
Interest with cash flow impact included in operating activities			
Interest received		2	2
Interest paid		-14	-3

* New share issue includes issue expenses of SEK -48 million.

Parent Company income statement

AMOUNTS IN SEK MILLION	NOTE	1 Jan 2021 -31 Dec 2021	1 Jan 2020 -31 Dec 2020
OPERATING REVENUE			
Other operating income		5	0
		5	0
Other external expenses	6	-39	-2
Personnel expenses	7	-4	0
Operating profit		-38	-2
Profit from participations in Group companies	20	-	171
Profit from participations in associated companies	15	7	7
Interest income and similar income items	8	22	4
Interest expenses and similar income items	9	-14	-1
Profit after financial items		-24	178
Group contributions received	28	81	-
Group contributions paid	28	-2	-
Profit before tax		55	178
Tax on net profit for the year	10	-10	-
NET PROFIT FOR THE YEAR		45	178

Parent Company statement of comprehensive income

AMOUNTS IN SEK MILLION	NOTE	2021	2020
Net profit for the year		45	178
Other comprehensive income		-	-
Comprehensive income for the year		45	178

Parent Company balance sheet

AMOUNTS IN SEK MILLION	NOTE	31 Dec 2021	31 Dec 2020
ASSETS			
Financial assets			
Participations in Group companies	15	866	67
Participations in associated companies	20	0	14
Total financial assets		866	81
Total non-current assets		866	81
Current assets			
Receivables from Group companies	28	1,491	410
Receivables from associated companies	28	–	7
Other receivables		3	21
Prepaid expenses and accrued income		0	0
Cash	19	232	–
Total current assets		1,726	439
TOTAL ASSETS		2,592	520
EQUITY AND LIABILITIES			
Equity			
Share capital	21	1	0
Restricted equity		1	0
Share premium reserve		1,376	–
Retained earnings		296	149
Net profit for the year		45	178
Unrestricted equity		1,717	327
Total equity		1,718	327
Non-current liabilities			
Overdraft facility	11	–	61
Borrowing from credit institutions	22	713	–
Total non-current liabilities		713	61
Current liabilities			
Trade payables		11	1
Liabilities to Group companies	28	69	129
Borrowing from credit institutions	22	80	–
Other current liabilities		1	0
Accrued expenses and prepaid income		1	1
Total current liabilities		161	131
TOTAL EQUITY AND LIABILITIES		2,592	520

Parent Company statement of changes in equity

AMOUNTS IN SEK MILLION	NOTE	Restricted equity		Retained earnings incl. net profit for the year	Total equity
		Share capital	Share premium reserve		
OPENING EQUITY, 1 JAN 2020	21	0	–	169	169
Net profit for the year		–	–	178	178
Comprehensive income for the year		–	–	178	178
Transactions with owners of the Parent Company					
Dividends paid		–	–	-20	-20
Total		–	–	-20	-20
Closing equity, 31 Dec 2020		0	–	327	327
OPENING EQUITY, 1 JAN 2021		0	–	327	327
Net profit for the year		–	–	45	45
Comprehensive income for the year		–	–	45	45
Transactions with owners of the Parent Company					
New share issue net of transactions costs and tax *		0	1,374	–	1,374
Bonus issue		0	–	–	0
Issue of warrants		–	2	–	2
Dividends paid		–	–	-31	-31
Total		1	1,376	-31	1,345
Closing equity, 31 Dec 2021		1	1,376	341	1,718

* New share issue includes issue expenses of SEK -48 million and tax effect of the issue expenses of SEK 10 million.

Parent Company statement of cash flows

AMOUNTS IN SEK MILLION	NOTE	2021	2020
OPERATING ACTIVITIES			
Profit after financial items		-24	178
Adjustment for non-cash items	26	-	0
Tax paid		0	-
Cash flow from operating activities before changes in working capital		-24	179
Cash flow from change in working capital			
Changes in operating receivables		-977	-101
Changes in operating liabilities		-63	36
Net cash from operating activities		-1,064	114
INVESTING ACTIVITIES			
Acquisition of participations in Group companies		-559	-5
Divestment of financial assets		-	0
Cash flow from investing activities		-559	-5
FINANCING ACTIVITIES			
Dividends paid		-31	-20
New share issue*		1,152	-
Payment of warrants		2	-
Loans raised from credit institutions		1,575	-
Repayment of debt		-782	-
Change in overdraft facility		-61	-89
Net cash from financing activities		1,855	-109
Cash flow for the year		232	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year		232	-
Interest with cash flow impact included in operating activities			
Interest received		17	0
Interest paid		-12	-1

* New share issue includes issue expenses of SEK -48 million.

Notes for the Group

Note 1 Significant accounting policies

This Annual Report and the consolidated financial statements relate to the Swedish Parent Company Viva Wine Group AB with corporate registration number 559178-4953 and its subsidiaries.

The Group's principal activity is to trade in alcoholic beverages. Viva Wine Group develops, imports, markets and sells both own and partner brands in most growing markets worldwide.

The Parent Company is a limited liability company with its registered office in Stockholm, Sweden. The address of the head office is Blasieholmsgatan 4A, SE-111 48 Stockholm, Sweden.

On 26 April 2022, the Board of Directors approved this Annual Report and Consolidated Financial Statements, which will be presented for adoption at the Annual General Meeting on 20 May 2022.

BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRIC) as adopted by the European Union (EU). The Group has also applied the Swedish Annual Accounts Act (1995:1554) and Recommendation RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board.

The consolidated accounts have been prepared based on the assumption of a going concern. Assets and liabilities are measured based on cost, with the exception of certain financial instruments that are measured at fair value. The consolidated accounts have been prepared in accordance with the acquisition method, and all subsidiaries in which a controlling interest is held have been consolidated as of the date this interest was received.

The preparation of financial statements in accordance with IFRS requires the use of several accounting estimates by management for accounting purposes. Those areas that include a high level of judgement, that are complex or such areas where assumptions and estimates are of material importance for the consolidated accounts are stated in Note 2 Key estimates and judgements. These judgements and assumptions are based on historical experience and on other factors considered reasonable under the prevailing circumstances. Actual outcomes may differ from judgements made if such judgements are changed or other circumstances are in place.

The Parent Company has applied the same accounting policies as those applied in the consolidated financial statements except as set out below in the section "Parent Company's accounting policies". The Parent Company applies the Swedish Annual Accounts Act (1995:1554) and Recommendation RFR 2 Financial Reporting for Legal Entities. The deviations that occur are caused by restrictions on the possibilities of applying IFRS in the Parent Company as a result of the Annual Accounts Act and current tax rules.

Unless otherwise indicated, the accounting policies stated below were applied consistently to all periods presented in the consolidated financial statements.

Last year was the first time that Viva Wine Group prepared its financial statements in accordance with IFRS. The transition to IFRS was described in more detail in a separate note in the previous year's annual report.

BASIS OF PREPARATION OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

The Parent Company has prepared its annual accounts in accordance with the Annual Accounts Act (1995:1554) and the recommendation RFR 2 "Accounting for Legal Entities" issued by the Swedish Financial Reporting Board. The Parent Company applies the same accounting policies as the Group with the exceptions and additions set out in RFR 2. This means that IFRS is applied with the exceptions set out below. The accounting policies stated below were applied consistently to all periods presented in the Parent Company's financial statements, unless stated otherwise.

The income statement and balance sheet for the Parent Company are prepared in accordance with the presentation requirements of the Annual Accounts Act, while the statement of comprehensive income, statement of changes in equity and statement of cash flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows, respectively.

CONSOLIDATION

Subsidiaries

Subsidiaries are all entities over which Viva Wine Group AB has a controlling interest. The Group controls an entity when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated accounts from the date on which controlling influence is transferred to the Group, and are eliminated from the consolidated accounts from the date on which the controlling interest ceases.

Subsidiaries are recognised using the acquisition method. This method entails that the acquisition of a subsidiary is viewed as a transaction through which the Group indirectly acquires the assets of the subsidiary and assumes its liabilities. The purchase price allocation determines the fair value on the acquisition date of the identifiable assets, assumed liabilities and any non-controlling interests. Any transaction costs that arise, except for transaction costs attributable to issues of equity instruments or debt instruments, are recognised directly in net profit for the year. In the case of business combinations where the transferred consideration exceeds the fair value of the acquired assets and assumed liabilities that are to be recognised separately, the difference is recognised as goodwill. Should the difference be negative, which is known as a bargain purchase, it is recognised directly in net profit for the year.

For step acquisitions, goodwill is determined on the date on which controlling interest arises. Previous holdings are measured at fair value and the change in value is recognised in profit or loss. If further participations are acquired after controlling interest has been received, these are recognised in equity as a transaction between owners.

Non-controlling interests

Non-controlling interests, meaning shares in subsidiaries that are directly or indirectly attributable to a Parent Company, are recognised separately in equity. Changes in participating interest that do not cause the Parent Company to lose its controlling interest are recognised as an equity transaction.

Related-party transactions

The Group's related parties include its owners, Group management, subsidiaries, joint ventures and associated companies. Related-party transactions in the consolidated accounts comprise remuneration to senior executives as well as purchases from and sales to joint ventures and associated companies. For information about related-party transactions, refer to Note 28.

Associated companies and jointly controlled entities

Shareholdings in associated companies in which the Group holds no less than 20% and not more than 50% of the votes or in another manner have a significant influence are recognised in accordance with the equity method. The equity method entails that the carrying amount of the shares in associated companies and joint ventures recognised in the Group corresponds to the Group's participations in the associated companies' and joint ventures' equity and consolidated surpluses or deficits. The equity method is applied until the date on which the significant influence ceases or the jointly owned company ceases to be jointly owned.

Transactions eliminated on consolidation

Intercompany receivables and liabilities, revenue or expenses, and unrealised gains or losses arising in intercompany transactions between Group companies are eliminated in their entirety when preparing the consolidated accounts.

CURRENCY

Functional currency and presentation currency

The functional currency of the Parent Company is Swedish kronor (SEK), which is also the presentation currency for the Parent Company and the Group. All amounts in this report are presented in millions of Swedish kronor (SEK million) unless otherwise stated. Rounding differences may occur.

Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate on the balance-sheet date. Non-monetary items measured at historical cost in a foreign currency are not translated. Exchange rate differences that arise during translation are recognised in net profit for the year.

Translation of foreign subsidiaries

Assets and liabilities in foreign operations are translated from the foreign

operations' functional currency to the Group's presentation currency at the exchange rate prevailing on the balance-sheet date. Revenue and expenses in foreign entities are translated to SEK at the average exchange rate, which constitutes an approximation of the foreign-exchange rates prevailing on each transaction date. Translation differences arising from currency translation of foreign operations are recognised in other comprehensive income and accumulated in the translation reserve in equity. When the controlling influence in foreign operations ceases, the associated translation differences are reclassified from the translation reserve in equity to profit or loss.

CLASSIFICATION

Non-current assets and non-current liabilities consist essentially of amounts that are expected to be recovered or paid more than 12 months from the balance-sheet date. Current assets consist essentially of amounts that are expected to be realised during the Group's normal operation cycle, which is 12 months after the reporting period. Current liabilities consist essentially of amounts that are expected to be settled during the Group's normal operation cycle, which is 12 months after the reporting period.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM is the function that is responsible for allocating resources and assessing the results of the operating segments. In the Group, this function was identified as Group management. An operating segment is a part of the Group that conducts operations from which revenue can be generated and costs incurred, and for which independent financial information is available. The division of the Group into segments is based on the internal structure of the Group's business operations, which means that the Group's operations have been divided into four reporting segments: Sweden, Nordics, E-commerce and Other.

The same accounting policies are used in the segments as for the Group.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group recognise revenue when the Group satisfies a performance obligation, which is when a promised good or service is delivered to the customer and the control of the good or service is passed to the customer. Control of a performance obligation can be transferred over time or at a point in time. The revenue comprises the amount that the Company expects to receive as consideration for the goods or services transferred. The Group's recognition of revenue from contracts with customers requires each customer contract to be analysed in accordance with the five-step model set out in the standard:

- Step 1: Identify a contract between two or more parties that creates enforceable rights and obligations.
- Step 2: Identify the distinct promises (performance obligations) in the contract.
- Step 3: Determine the transaction price, that is, the amount of consideration that the Company expects to receive in exchange for the promised goods or services. The transaction price must be adjusted for any variable components, for example any discounts.
- Step 4: Allocate the transaction price to each performance obligation.
- Step 5: Recognise revenue when a performance obligation is satisfied, that is when the customer obtains control. The obligation may be satisfied at a point in time or over time if any of the criteria set out in the standard are met.

The Group's significant revenue is derived from trading in alcoholic beverages, primarily wine. Its revenue is mainly distributed between the following streams of revenue: sales to monopoly companies (Systembolaget and Alko), sales to restaurant customers, sales to wholesalers, E-commerce and B2B sales (in China and the US). Contracts with the Group's customers encompass sales of goods with only one performance obligation that includes several distinct services such as customer service and transportation. Revenue is recognised at a point in time when the goods have been delivered to the customer.

EMPLOYEE BENEFITS

Short-term benefits

Short-term employee benefits such as salaries, social security contributions and holiday pay are expensed in the period when the employees perform the services.

Defined contribution pension plans

The Group has only defined contribution pension plans. A defined contribution pension plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. The Group has no legal or informal obligations to pay additional contributions if this legal entity does not have sufficient assets to pay all employee benefits that relate to the employees' service during current or prior periods. The Group thus has no additional risk. The Group's obligations pertaining to fees for defined contribution pension plans are recognised as an expense in profit or loss at the rate they are vested as the employees perform services for the Group during the period.

Termination benefits

An expense for benefits in connection with the termination of employment is recognised only if the company is demonstrably obligated, without any realistic possibility of withdrawal, by virtue of a formal detailed plan to prematurely terminate an employment contract. When benefits are paid as an offer to encourage voluntary redundancy, an expense is recognised if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

FINANCIAL INCOME AND EXPENSE

Financial income

Financial income comprises interest income and capital gains on sales of financial assets as well as currency effects. Interest income is recognised in accordance with the effective interest rate method. The effective interest rate discounts estimated future receipts and disbursements during the financial instrument's expected term to the recognised net value of the financial asset or the liability. The calculation also encompasses all fees paid or received by the contracting parties that are part of the effective interest rate, transaction costs and all other share premiums and discounts. Financial income is recognised in the period to which it pertains.

Dividends are recognised when the right to receive payment is considered certain. Proceeds from the sale of subsidiaries are recognised when control of the subsidiary is transferred to the buyer.

Financial expenses

Financial expenses consist primarily of interest expenses on liabilities, which are calculated based on application of the effective interest rate method, and interest expenses on lease liabilities as well as currency effects. Financial expenses are recognised in the period to which they are attributable.

INCOME TAX

Income tax comprises current tax and deferred tax. Income tax is recognised in net profit for the year, except when the underlying transaction is recognised in other comprehensive income or in equity, in which case the associated tax effect is also recognised in other comprehensive income or in equity.

Current tax is tax to be paid or refunded relating to the current year, with the application of the tax rates enacted, or in practice enacted, as of the balance-sheet date. Current tax also includes adjustments of current tax attributable to prior periods.

Deferred tax is recognised in its entirety, according to the balance sheet method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Temporary differences are not taken into consideration in the recognition of goodwill or on initial recognition of the acquisition of an asset, since the acquisition does not affect either recognised or taxable profit. Nor are temporary differences attributable to shares in subsidiaries that are not expected to be reversed in the foreseeable future taken into consideration. The valuation of deferred tax is based on how and in which jurisdiction the underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated by applying the tax rates and rules that have been enacted or announced on the balance-sheet date and that are expected to apply in that jurisdiction when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets on deductible temporary differences and loss carry-forwards are only recognised to the extent that it is likely that these will be possible to utilise. The value of the deferred tax assets is reduced when it is no longer considered probable that they can be utilised.

EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net earnings attributable to the Parent Company's shareholders by a weighted average of the number of shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net earnings attributable to the shareholders of the Parent Company (adjusted where

applicable) by the sum of the weighted average number of ordinary shares outstanding and potential ordinary shares that may give rise to a dilutive effect. The dilutive effect of potential ordinary shares is only recognised if a conversion to ordinary shares would lead to a decrease in diluted earnings per share.

INTANGIBLE ASSETS

An intangible asset is recognised when it is probable that future economic benefits that can be attributed to the asset will accrue to the Company and if the cost of the asset can be reliably calculated. An intangible asset is measured at cost on initial recognition in the financial statements. Intangible assets with definite useful lives are recognised at cost less amortisation and any impairment. Intangible assets with indefinite useful lives are tested annually for impairment and in cases where there is indication that impairment may be required. The useful life of intangible assets with indefinite useful lives is reappraised at the end of every reporting period as well.

Goodwill

Goodwill represents the difference between the cost of a business combination and the fair value of net assets acquired. Goodwill is measured at cost less any accumulated impairment. Goodwill is distributed to cash-generating units that are expected to benefit from the synergy effects of the business combination. The factors that comprise recognised goodwill are primarily synergies, employees, know-how and strategically important producer contacts. Goodwill is considered to have an indefinite useful life and is therefore tested for impairment on at least an annual basis.

Internally generated intangible assets

The Group's internally generated assets are divided into two phases in accordance with IAS 38: the research phase and the development phase. Costs arising in the research phase are continuously expensed as they arise and are never capitalised afterwards. Costs arising in the development phase are capitalised as intangible assets when, in the opinion of management, it is probable that they will result in future financial advantages for the Group, the criteria for capitalisation have been met and the costs can be reliably measured.

Internally generated intangible assets are recognised at cost less any accumulated impairment during the development phase. The expenditures that are capitalised encompass expenditures for materials, direct salaries and other expenditures directly attributable to projects. All other costs that do not meet the criteria for capitalisation are charged to earnings as they arise.

Depreciation policies

Intangible assets are amortised systematically over the estimated useful life of the asset. The useful life is reviewed at the end of each reporting period and adjusted as necessary. Once the amortisable amount of the asset has been determined, the residual value is taken into account where applicable. Amortisation is recognised in pace with the anticipated consumption of the economic benefits flowing from intangible assets with definite useful lives. Goodwill with an indefinite useful life is tested for impairment annually, or as soon as indications arise that the asset in question has decreased in value. Intangible assets with a definite useful life are amortised from the date they are available for use. The estimated useful lives of material intangible assets are as follows:

IT platforms	5 years
Customer relationships	3–15 years
Producer relationships	15 years
Brands	15 years – Indefinite
Internally generated intangible assets	5 years
Goodwill	Indefinite

TANGIBLE ASSETS

Tangible assets are recognised as an asset in the balance sheet if it is probable that future economic benefits will accrue to the Company and the cost of the asset can be reliably calculated. Tangible assets are recognised in the Group at cost less accumulated depreciation and any impairment. Cost includes the purchase price and expenditures directly attributable to the acquisition of the asset for bringing the item to the location and in the condition for its intended use.

The carrying amount of an asset is derecognised from the balance sheet when it is disposed or divested or when no future economic benefits are expected from the use or disposal/divestment of the asset. Gains or losses arising from the sale or disposal of an asset consist of the difference between the selling price and the asset's carrying amount less direct selling expenses. Gains and losses are recognised as other operating income/

expenses.

Additional expenditures

Additional expenditures are added to the cost only to the extent that it is probable that the future economic benefits associated with the asset will accrue to the Group and the cost can be reliably calculated. All other additional expenditures are recognised as an expense in the period in which they arise.

Depreciation policies

Depreciation takes place straight-line over the estimated useful life of the asset. The estimated useful lives are:

Buildings	33 years
Leasehold improvements	3–25 years
Equipment, tools, fixtures and fittings	3–8 years

The depreciation methods applied, residual values and the useful lives of the assets are assessed at each year end.

LEASES

When a contract is signed, the Group establishes whether the contract is or contains a lease based on the substance of the agreement. A contract is or contains a lease if the contract transfers the right during a given period to determine the use of an identified asset in exchange for remuneration. The Group only has leases in the form of lessees.

Lease liabilities

On the start date of a lease, the Group recognises a lease liability corresponding to the present value of the lease payments to be made over the lease term. The lease term is defined as the non-cancellable period along with periods for extending or terminating the lease if the Group is reasonably certain that it will exercise these options. The lease payments include fixed payments (less any benefits received in conjunction with signing the lease), variable lease payments that depend on an index or a rate (for example, a reference interest rate) and amounts that are expected to be paid under residual value guarantees. Additionally, the lease payments include the exercise price for an option to purchase the underlying asset, or penalties to be paid for termination in accordance with a termination option, if it is reasonably certain that such options will be exercised by Viva Wine Group. Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period to which they are attributable.

For calculation of the present value of lease payments, the Group uses the implicit rate in the contract if it can be determined, otherwise the incremental borrowing rate as of the start date of the lease. After the start date of a lease, the lease liability increases to reflect the interest rate on the lease liability and decreases with lease payments paid. Additionally, the value of the lease liability is remeasured as a result of modifications, changes to the lease term, changes in lease payments or changes in an assessment of whether to purchase the underlying asset.

Right-of-use assets

The Group recognises right-of-use assets in the statement of financial position as of the start date of the lease (meaning the date on which the underlying asset becomes available for use). Right-of-use assets are measured at cost less accumulated depreciation and any impairment, and adjusted for remeasurements of lease liabilities, with the exception of currency translations. The cost of right-of-use assets includes the initial value recognised for the attributable lease liability, initial direct costs, and any advances paid on or before the start date of the lease less any incentives received. Provided that Viva Wine Group is not reasonably certain that the right of use for the underlying asset will be assumed upon expiration of the lease, the right-of-use asset is depreciated straight-line over the shorter of the lease term and the useful life.

Application of practical exemptions

Viva Wine Group tests for impairment in the event that there are indications of a decline in value in tangible or intangible assets, meaning whenever events or changes in circumstances indicate that the carrying amount is not recoverable. Short-term leases are defined as leases with an initial lease term of no more than 12 months after taking into account any options to extend the lease. Leases where the underlying asset is of low value include, for example, office furniture in the Group. Lease payments for short-term leases and leases where the underlying asset is of low value are expensed on a straight-line basis over the lease term.

Parent Company

The lease accounting rules under IFRS 16 are not applied in the Parent

Company. This means that lease payments are recognised as an expense on a straight-line basis over the lease term, and that rights of use and lease liabilities are not included in the Parent Company's balance sheet. However, leases are identified in accordance with IFRS 16, in that a contract is or contains a lease if the contract transfers the right during a given period to determine the use of an identified asset in exchange for remuneration.

PARTICIPATIONS IN SUBSIDIARIES

Participations in subsidiaries are accounted for in the Parent Company in accordance with the cost method. This means that participations are recorded at cost less any impairment losses. Any transaction costs are included in the carrying amount of the holding. Where the book value exceeds the consolidated value of the companies, an impairment loss is recognised and charged to the income statement. An impairment analysis is performed at the end of each reporting period. Where a previous impairment is no longer justified, it is reversed.

Assumptions are made about future conditions in order to calculate future cash flows that determine the recoverable amount. The recoverable amount is compared with the carrying amount of these assets and is the basis for any impairment or reversal. The assumptions that most affect the recoverable amount are future profitability, discount rate and useful life. If future environmental factors and conditions change, assumptions may be affected so that the carrying amounts of the Parent Company's assets change.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group tests for impairment in the event that there are indications of a decline in value in tangible or intangible assets, meaning whenever events or changes in circumstances indicate that the carrying amount is not recoverable. This also applies to right-of-use assets attributable to leases. Moreover, assets with an indefinite useful life, meaning the Group's goodwill, are impairment tested annually by calculating the recoverable amount of the asset regardless of whether there are indications of a decline in value.

Impairment is recognised at the amount by which the carrying amount of the asset exceeds its recoverable amount. A recoverable amount is the higher of net selling price and value in use, which is an internally generated value based on future cash flows. When determining impairment requirements, assets are grouped down to the lowest level where separate identifiable cash flows (cash-generating units) exist. When impairment requirements are identified for a cash-generating unit (or group of units), the impairment amount is primarily allocated to goodwill. Other assets in the unit (or group of units) subsequently undergo proportional impairment. In calculating value in use, future cash flows are discounted at a discount rate that takes into account risk-free interest and the risk related to the specific asset. Impairment is charged to profit or loss.

Previously recognised impairment is reversed if the recoverable amount is deemed to exceed the carrying amount. However, there is no reversal of an amount greater than what the carrying amount would have been if impairment had not been recognised in previous periods. Any reversals are recognised in profit or loss. However, impairment of goodwill is never reversed.

GROUP CONTRIBUTIONS AND SHAREHOLDER CONTRIBUTIONS

The Parent Company recognises both Group contributions received and made as appropriations in accordance with the alternative rule. Shareholder contributions made by the Parent Company are recognised directly in the equity of the recipient and are accounted for as participations in the Parent Company. Shareholder contributions received are recognised as an increase in unrestricted equity.

FINANCIAL INSTRUMENTS

Financial instruments are every form of agreement that gives rise to a financial asset in one company and a financial liability or an equity instrument in another company. Financial instruments recognised in the balance sheet include on the assets side: securities held as non-current assets, non-current receivables, trade receivables, receivables from associated companies, other receivables, derivative instruments, and cash and cash equivalents. Liabilities include: overdraft facilities, other liabilities to credit institutions, other non-current liabilities, trade payables, advances from customers, liabilities to associated companies, derivative instruments, other current liabilities, and accrued expenses. Recognition depends on how the financial instruments have been classified.

Recognition and derecognition

Financial assets and liabilities are recognised when the Group becomes a party under the contractual terms of the instrument. Transactions with financial assets are recognised on the transaction date, which is the date

when the Group undertakes to acquire or dispose of the assets. Trade receivables are recognised in the balance sheet once an invoice has been sent and the Group's right to remuneration is unconditional. Liabilities are recognised when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been received. Trade payables are recognised once the invoice has been received.

A financial asset is derecognised from the balance sheet (in whole or in part) when the rights in the contract have been realised or expired, or when the Group no longer has control over it. A financial liability is derecognised from the balance sheet (in whole or in part) when the obligation in the agreement is fulfilled or in another way extinguished. A financial asset and a financial liability are offset and recognised net in the balance sheet when there is a legal right to offset the recognised amounts and the intention is either to settle the net amount or to realise the asset at the same time as the liability is settled. Gains and losses from derecognition in the balance sheet as well as modifications are recognised in profit or loss. On every reporting date, the company evaluates the need for impairment pertaining to expected credit losses for a financial asset or group of financial assets as well as any other existing credit exposure.

Classification and measurement

Financial assets

Debt instruments: classification of financial assets that are debt instruments is based on the Group's business model for asset management and the character of the contractual cash flows of the asset. The instruments are classified at:

- Amortised cost,
- Fair value through other comprehensive income, or
- Fair value through profit or loss.

Financial assets classified at amortised cost are held under the business model of collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets classified at amortised cost are initially measured at fair value plus transaction costs. Following initial recognition, the assets are measured according to the effective interest rate method. The assets are subject to a loss allowance for expected credit losses. The Group's financial assets that constitute debt instruments classified at amortised cost are presented in Note 16 Financial instruments.

The Group does not hold any financial assets classified at fair value through other comprehensive income. Nor does the Group hold any financial assets that constitute debt instruments classified at fair value through profit or loss.

Derivatives: classified at fair value through profit or loss. The Group does not apply hedge accounting.

Fair value is determined in accordance with the description in Note 16 Financial instruments.

Financial liabilities

Financial liabilities, except derivative instruments, are classified at amortised cost. Financial liabilities recognised at amortised cost are initially measured at fair value including transaction costs. Following initial recognition, they are measured at amortised cost using the effective interest rate method.

Borrowing is classified as current liabilities unless the Group has an unconditional right to postpone payment of the liability for at least 12 months after the balance-sheet date. Borrowing costs are recognised in profit or loss in the period to which they are attributable. Accrued interest is recognised as part of short-term borrowing from credit institutions in the event that settlement of the interest is expected within 12 months of the balance-sheet date.

Fair value is determined in accordance with the description in Note 16 Financial instruments.

Parent Company

Because of the relationship between accounting and taxation, the rules on financial instruments under IFRS 9 are not applied in the Parent Company as a legal entity; instead, the Parent Company applies the cost method in accordance with the Swedish Annual Accounts Act. Accordingly, in the Parent Company, non-current financial assets are measured at cost and current financial assets at the lower of cost or market, with the application of an impairment loss for expected credit losses in accordance with IFRS 9 for assets that are debt instruments.

The Parent Company applies the exemption not to measure financial guarantee contracts in favour of subsidiaries, associates and joint ventures in accordance with the rules of IFRS 9, but instead applies the measurement principles of IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets, except those classified at fair value through profit or loss, or equity instruments that are measured at fair value through other comprehensive income are covered by impairment for expected credit losses. Impairment of credit losses in accordance with IFRS 9 is forward-looking, and a loss allowance is made when there is an exposure to credit risk, normally on the initial recognition of an asset or receivable. Expected credit losses reflect the current value of all deficits in the cash flow attributable to defaults, either for the next 12 months or for the expected remaining tenor of the financial instruments, depending on the type of asset and on credit impairment since initial recognition.

The simplified model is applied for trade receivables. In the simplified model, a loss allowance is recognised for the expected remaining tenor of the receivable or asset.

For other items covered by expected credit losses, a three-stage impairment model is applied. Initially, and on every balance-sheet date, a loss allowance is recognised for the next 12 months, or alternately for a shorter period of time depending on the remaining tenor (stage 1). If there has been a substantial increase in credit risk since initial recognition that results in a rating below investment grade, a loss allowance is recognised for the remaining tenor of the asset (stage 2). For assets deemed to be credit impaired, provisions for expected credit losses continue to be made for the remaining tenor (stage 3). For credit-impaired assets and receivables, the calculation of interest income is based on the carrying amount of the asset, net of loss allowance, in contrast to the gross amount as in previous stages. The Group's assets are deemed to be at stage 1, meaning no material increase in credit risk has occurred.

The measurement of expected credit losses is based on different methods; refer to the Group's Note 22 Financial risks. Individual assessments are made for credit-impaired assets and receivables as well as receivables, which take into account past, current and forward-looking information. The measurement of expected credit losses takes into account any collateral and other credit enhancement in the form of guarantees.

The financial assets are recognised at amortised cost in the balance sheet, meaning net of gross value and loss allowance. Changes in the loss allowance are recognised in profit or loss.

Parent Company

Financial assets, including intercompany receivables, are written down for expected credit losses. For the methodology regarding impairment for expected credit losses, see note 22.

Expected credit losses on financial assets have not been recognised for the Parent Company, as the amount is deemed to be immaterial.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the "first in, first out" method, and includes expenditures that arose in conjunction with the acquisition of inventories and their transportation to their current locations in their present condition. The net realisable value is defined as the selling price reduced by selling expenses.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash as well as immediately available balances in banks and corresponding institutions. Utilised overdraft facilities are recognised as borrowings in non-current liabilities. Cash and cash equivalents are covered by loss allowance requirements for expected credit losses.

EQUITY

The company's shares consist of ordinary shares, which are recognised as share capital. The share capital is recognised at its quota value, and the excess portion is recognised as Other contributed capital. Transaction costs that can be directly attributed to an issue of new shares are recognised, net of tax, in equity as a deduction from the issue proceeds.

PROVISIONS

A provision is recognised in the balance sheet when the Company has an existing legal or informal obligation as a result of an event that has occurred, it is probable that an outflow of financial resources will be required to settle the obligation, and the amount can be reliably estimated. Where the effect of when a payment is made is significant, provisions are calculated through the discounting of the anticipated future cash flow at an interest rate before tax that reflects current market assessments of the time value of money and, if applicable, the risks related to the liability. Provisions are reappraised at the end of every reporting period.

CONTINGENT LIABILITIES

A contingent liability is recognised when there is a possible commitment originating from events that have occurred and whose occurrence is confirmed only by one or several uncertain future events or when there is a commitment that is not recognised as a liability or provision because it is probable that an outflow of resources will be required.

CASH FLOW

The statement of cash flows is prepared using the indirect method. This means that earnings are adjusted for transactions that have not resulted in inflows or outflows during the period, and for any revenue or expenses attributable to investing and/or financing activities.

Note 2 Key estimates and judgements

The preparation of financial statements requires that company management and the Board of Directors make certain judgements and assumptions that impact the carrying amounts of asset and liability items, and revenue and cost items, as well as other information submitted. These judgements are based on experience and the assumptions that management and the Board of Directors deem reasonable under the prevailing circumstances. The actual outcome may then differ from these judgements if other conditions arise. The estimates and assumptions are routinely evaluated and are deemed not to involve any significant risk for material adjustments in the carrying amounts of assets and liabilities during the next financial year. Changes in estimates are recognised in the period when the change is made if the change affects that period only, or in the period when the change is made and in future periods if the change affects the period in question as well as future periods. The judgements that are most material in preparing the company's financial statements are described below.

Impairment testing of goodwill

To determine whether the value of goodwill has decreased, the cash-generating units to which the goodwill is attributable, meaning the respective segments, are measured by discounting the cash flows of the units. In applying this method, Viva Wine Group relies on a number of factors including results achieved, business plans, economic forecasts and market data. Changes in circumstances for these assumptions and estimates could have a material effect on the value of goodwill.

Options

The Group has acquired part of the minority shareholding in the Group company, while at the same time the minority shareholders have an option to sell the remaining shares in the Group company to Viva Wine Group.

In accordance with IFRS 3, a liability is recognised for an estimated purchase price for the remaining shares. The Group makes estimates of the amounts that are expected to be paid to sellers. For the remaining shares of the minority in the company, an assessment has been made with regard to the estimated acquisition price, which is essentially based on the assumptions made at the time of the acquisition of the shares already transferred.

Purchase price allocation

Where subsidiaries are acquired, a PPA is carried out wherein the fair value, on the acquisition date, of acquired identifiable assets and liabilities and contingent liabilities assumed is recognised. PPA are based on significant estimates and judgements of future events. Actual values may therefore differ from those included in the PPA.

Deferred tax

In preparing the financial statements, the Company calculates income tax for each tax jurisdiction in which the Company operates as well as deferred tax on temporary differences. Deferred tax assets that are mainly attributable to loss carryforwards and temporary differences are recognised if the tax assets are expected to be recovered through future taxable income. Further information on tax is provided in Note 10.

Note 3 Operating segments

For accounting and monitoring, the Group has divided its operations into four operating segments: Sweden, Nordics, E-commerce and Other. This division is based on geographic domicile and revenue stream.

Segment reporting is based on the structure followed by management. Transactions between segments are carried out on the same terms as for external customers.

1 Jan 2021 - 31 Dec 2021	Sweden	Nordics	E-Commerce	Other	Total segments	Eliminations	Group total
Net sales, external	2,348	426	486	72	3,331	–	3,331
Net sales, intercompany	2	0	0	1	4	-4	–
Other operating income	4	1	3	56	64	-57	8
Total revenue	2,354	427	489	129	3,400	-61	3,339
Operating expenses							
Goods for resale	-1,838	-346	-312	-53	-2,549	6	-2,543
Other external expenses	-175	-13	-70	-59	-316	55	-261
Personnel expenses	-48	-12	-81	-43	-185	–	-185
Depreciation and amortisation	-2	-6	-38	-13	-59	–	-59
Profit from participations in associated companies and joint ventures	–	–	–	233	233	–	233
Other operating expenses	0	–	-3	0	-3	–	-3
Operating profit/loss	291	49	-13	193	521	–	521
Other disclosures							
Goodwill	1	234	586	–	821	–	821
Investments in non-current assets	–	0	5	103	109	–	109
Total assets	563	515	1,554	2,660	5,293	-1,480	3,813
Total liabilities	735	281	1,618	921	3,556	-1,480	2,077
1 Jan 2020 - 31 Dec 2020*							
	Sweden	Nordics	E-Commerce	Other	Total segments	Eliminations	Group total
Net sales, external	2,263	353	137	92	2,846	–	2,846
Net sales, intercompany	5	-	-	1	6	-6	–
Other operating income	7	0	0	1	9	–	9
Total revenue	2,275	353	138	94	2,860	-6	2,854
Operating expenses							
Goods for resale	-1,843	-290	-105	-78	-2,316	6	-2,310
Other external expenses	-119	-6	-15	-11	-151	1	-151
Personnel expenses	-67	-9	-20	-5	-101	–	-101
Depreciation and amortisation	-7	-2	-12	-1	-22	–	-22
Profit from participations in associated companies and joint ventures	–	–	–	11	11	–	11
Other operating expenses	0	–	0	0	0	–	0
Operating profit/loss	240	45	-14	9	280	1	281
Other disclosures							
Goodwill	1	6	12	–	19	–	19
Total assets	1,019	198	231	696	2,144	-719	1,426
Total liabilities	803	157	226	313	1,499	-477	1,022

*Due to a change in the assessment of the segments, adjustments have been made for the segments Sweden and Other as well as Eliminations. The adjustments have the following impact on net sales in the Sweden segment: SEK -55 million, Other segment: SEK -44 million and on eliminations: SEK 99 million. The change in assessment does not affect the operating profit or loss of the segments. Nor do they affect the Group as a whole, only between segments.

Note 3 Operating segments (cont.)

Viva Wine Group has two customers that account for more than 10% of sales: Systembolaget in Sweden and its counterpart in Finland, Alko. The combined revenue from Systembolaget amounted to SEK 2,290 million

for 2021 (2,233) and is recognised as part of the Sweden segment. The combined revenue from Alko amounted to SEK 417 million for 2021 (348) and is recognised as part of the Nordics segment.

Disclosures per country in which the Group has operations	Revenue from external customers	Non-current assets
Sweden	2,339	202
Finland	383	13
Germany	361	1,436
Norway	66	528
Other countries	182	4
Total	3,331	2,183

External revenue is based on where the customers are located and the carrying amounts of the non-current assets are based on where the assets are located.

Note 4 Revenue from contracts with customers

Group

	31 Dec 2021	31 Dec 2020
Contract liabilities		
Opening balance	9	10
Material changes in contract liabilities attributable to normal business	-3	0
Translation effect	1	-1
Closing balance	6	9
	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
Revenue recognised during the year		
Outstanding in contract liability on 1 January	9	10

Contract liabilities are advance payments from customers for which performance obligations have not been satisfied, which mainly arise in the E-commerce segment and in China. Contract liabilities are recognised as revenue when the performance obligation of the contract has been satisfied. For the above contract liabilities as of 31 December, performance obligations corresponding to 58% are expected to be satisfied in the first quarter of 2022, 16% within four to six months and the remaining 26% during the second half of 2022. All revenue from contracts with customers is recognised at a point in time.

Note 5 Other operating income

Group	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
Compensation for brand dispute	-	5
Commission revenue	2	1
Capital gains on sales of tangible and intangible assets	-	0
Foreign exchange gains	1	-
Other	5	3
Total	8	9

Note 6 Other external expenses

Group	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
Costs of premises	-9	-3
Consumable equipment and material	-5	-3
Other selling expenses	-16	-19
Freight and transportation	-1	-2
Travel costs	-3	-2
Advertising and PR	-141	-89
Office supplies	-3	-2
Consultancy costs	-79	-21
Other	-5	-9
Total	-261	-150

Parent Company	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
Other external expenses including consulting expenses	-38	-2
Other	-1	0
Total	-39	-2

Group Ernst & Young AB	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
Audit engagement	-2	-2
Other auditing activities	-7	0
Tax advisory services	0	0
Total	-9	-2

Other auditors	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
Rödl & Partner	0	-
Deloitte	0	-
Total	0	0

Parent Company Ernst & Young AB	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
Audit engagement	0	0
Other auditing activities	-7	0
Total	-7	0

Audit engagement refers to the auditor's work on the statutory audit, and auditing activities refers to various types of quality-assurance activities. Other services are such services that are not included in the audit engagement or tax advisory services.

Note 7 Employees and personnel costs

Group	1 Jan 2021 - 31 Dec 2021			1 Jan 2020 - 31 Dec 2020		
	Average number of employees	Of whom women, %	Of whom men, %	Average number of employees	Of whom women, %	Of whom men, %
Average number of employees						
Parent Company	1	0	100	–	0	0
<i>Subsidiaries in:</i>						
Sweden	76	66	34	67	63	37
Finland	13	46	54	12	42	58
Germany	130	48	52	24	59	41
Norway	2	44	56	–	–	–
China	18	56	44	27	59	41
Total, Group	240	54	46	130	60	40

Gender distribution, board and senior executives	1 Jan 2021 - 31 Dec 2021			1 Jan 2020 - 31 Dec 2020		
	Average number of employees	Of whom women, %	Of whom men, %	Average number of employees	Of whom women, %	Of whom men, %
Board and other senior executives	9	33	67	3	0	100
Total	9	33	67	3	0	10

Personnel expenses	1 Jan 2021	1 Jan 2020
	- 31 Dec 2021	- 31 Dec 2020
Salaries and other benefits	-138	-73
Social security contributions	-32	-18
Pension costs	-7	-6
Other personnel costs	-8	-5
Total	-185	-101

Remuneration of senior executives and Board of Directors	1 Jan 2021	1 Jan 2020
	- 31 Dec 2021	- 31 Dec 2020
Salaries	-10	-4
Pension	-1	0
Total	-11	-4

Parent Company Personnel expenses	1 Jan 2021	1 Jan 2020
	- 31 Dec 2021	- 31 Dec 2020
Salaries and other benefits	-2	–
Social security contributions	-1	–
Pension costs	0	–
Other personnel costs	-1	–
Total	-4	0

Remuneration of the Board of Directors

The chairman of the Board of Directors and other board members are paid a fee in accordance with the resolution of the Annual General Meeting. At the extraordinary general meeting on 15 April 2021, it was resolved that chairman of the board Anders Moberg would be paid a remuneration of SEK 650,000, that board members Anne Thorstvedt Sjöberg, Helen Fasth Gillstedt and Mikael Aru would receive remunerations of SEK 300,000 each, that chairman of the audit committee Helen Fasth Gillstedt would receive a remuneration of SEK 100,000 and that audit committee member Mikael Aru would receive a remuneration of SEK 60,000. In addition, it was resolved that remunerations of SEK 150,000 will be paid to board member John Wistedt from 1 December 2021 and that no fees would be paid to Emil Sallnäs and Björn Wittmark.

The board members of the Company are not entitled to any benefits after resigning as members of the Board of Directors.

Remuneration of the CEO and senior executives

Remuneration of the CEO and other senior executives is subject to an annual review in accordance with the Company's guidelines for remuneration.

Guidelines for remuneration of senior executives

The following guidelines for remuneration of employees in the Company were adopted at the Annual General Meeting held on 14 June 2021.

General

These guidelines are intended to help establish the conditions for the Company to retain and recruit capable and committed employees to successfully carry out the Company's business strategy and fulfil the Company's long-term interests, including its sustainability. In order to achieve the Company's business strategy, it is necessary that the total annual

remuneration is market based and competitive in light of the employee's profession and the individual's area of responsibility, authority and performance. Remuneration can include fixed salary, variable remuneration, other remuneration and pension.

Variable remuneration

Variable remuneration shall be based on objectives that contribute to financial objectives or to the creation of value for the Company's shares. The aim of remuneration is to fulfil the Company's business strategy and long-term targets in order to enable the Company to operate as a going concern. Remuneration is to be paid in cash. Short-term remuneration must not exceed 100% of the individual's annual salary without special approval by the board of directors.

Short-term performance targets are to include components for operating profit (Earnings Before Interest and Taxes, EBIT) and can encompass sustainability targets, targets concerning organic growth, individual targets or a combination thereof. The Company does not apply long-term performance targets or cash remuneration.

Pensions and other benefits

Pensions are to be defined-contribution plans and amount to a maximum of 30% of fixed annual salary. The retirement age is generally 67 years. Other minor benefits can encompass health insurance, company car benefits and fitness subsidies.

Preparation and decision-making processes

The remuneration committee is to review and approve the terms and conditions for the employment contract of the CEO. Decisions related to the remuneration of other senior executives are to be proposed by the CEO and decided on by the chairman of the board. Senior executives that are em-

Note 7 Employees and personnel costs (cont.)

employees report directly to the CEO. The same principles apply to all levels in the Company's organisation, meaning that all remuneration decisions are proposed by the immediate manager and decided on by the individual to whom the immediate manager reports.

Concerning the CEO, all matters related to remuneration are to be handled by the board of directors remuneration committee and decided on by the Board of Directors. When the Board of Directors or remuneration committee addresses and decides on remuneration-related matters, senior executives must not be present or attend the meetings in question insofar as the matters concern them.

The remuneration committee is also to prepare board decisions concerning proposals for guidelines for senior executives, and to oversee and monitor the implementation and application of the guidelines. In addition, the Board of Directors is to prepare a remuneration report.

Application and deviations from the guidelines

The Board of Directors has the right to decide to temporarily deviate from the guidelines, entirely or in part, if there are particular reasons in individual cases where a deviation is necessary to fulfil the Company's long-term interests. The remuneration committee is responsible for preparing proposals ahead of board decisions concerning remuneration, including deviations from the guidelines. For positions regulated by laws other than Swedish law, appropriate adaptations are made concerning pension benefits and other benefits to comply with the applicable legislation and local practice, wherein the overall aim of the guidelines is to be fulfilled to the greatest extent possible.

The guidelines have not been given preferential rights ahead of binding legislation or collective bargaining agreements applicable to employment terms and are not applied for agreements already entered into.

Benefits for the CEO and other senior executives should the employment relationship be terminated

The CEO receives a fixed salary of SEK 120,000 per month that is subject to an annual review as of 1 January. The period of notice for both the CEO and the Company is twelve months. Upon termination of employment by the Company, the CEO has the right to severance pay amounting to twelve months' salary, in addition to termination pay. Upon termination, the CEO is also entitled to a maximum of 60% of the fixed monthly salary during the period in which the CEO is subject to a non-compete agreement, which applies for twelve months after the termination of employment.

Other senior executives receive a fixed salary of between SEK 79,000 and SEK 100,000 per month. All other senior executives have a mutual period of notice of six months, with the exception of Mikael Sundström who has a mutual period of notice of four months. Other senior executives who are not major shareholders in the Company are entitled to an annual bonus that is performance based. In addition, these persons were also entitled to compensation in the implementation of the listing. Upon termination, John Wistedt and Björn Wittmark are entitled to a maximum of 60% of their fixed monthly salary during the period in which they are subject to a non-compete agreement, which applies for twelve months after the termination of employment.

Pensions for senior executives are to be defined-contribution plans and amount to a maximum of 30% of fixed annual salary in accordance with the Company's guidelines.

In addition to what has been described above, no senior executives are entitled to any benefits during their periods of notice, and the Company has not made any provisions or capitalised any amounts for pensions or similar benefits in the event that a senior executive resigns from their position.

Note 8 Financial income

Group	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
<i>Assets and liabilities measured at fair value through profit or loss:</i>		
Changes in value of currency derivatives	28	-
Total recognised in profit or loss	28	-
<i>Assets measured at amortised cost:</i>		
Interest income, other financial assets	1	2
Total interest income in accordance with effective interest rate method	1	2
<i>Other financial income:</i>		
Exchange rate differences - income, financial items	11	3
Total	11	3
Total financial income	40	5
Parent Company		
<i>Assets and liabilities measured at amortised cost:</i>		
Interest income on receivables from Group companies	17	3
Interest income on external receivables	0	0
Total interest income in accordance with effective interest rate method	17	4
<i>Other financial income:</i>		
Foreign exchange gains on financial items	5	0
Total	5	0
Total interest income and similar income items	22	4

Note 9 Financial expenses

Group	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
<i>Assets and liabilities measured at fair value through profit or loss:</i>		
Changes in value of currency derivatives	-	-4
Total recognised in profit or loss	-	-4
<i>Liabilities measured at amortised cost:</i>		
Interest expenses on liabilities to credit institutions	-13	-3
Interest expenses on other financial liabilities	-2	0
Total interest expenses in accordance with effective interest rate method	-15	-4
<i>Other financial expenses:</i>		
Exchange rate differences - expenses, financial items	-6	0
Interest expenses on lease liabilities	-1	-1
Total	-7	-1
Total financial expenses	-22	-9
Parent Company		
<i>Assets and liabilities measured at amortised cost:</i>		
Interest expenses on liabilities to credit institutions	-12	-1
Interest expenses, Group companies	-1	-1
Total interest expenses and similar expense items	-12	-1
<i>Other financial expenses:</i>		
Origination fees for borrowings	-2	-
Total	-2	-
Total interest expenses and similar expense items	-14	-1

Note 10 Tax

Group	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
Current tax		
Current tax on net profit for the year	-51	-63
Total current tax	-51	-63
Deferred tax		
Deferred tax attributable to temporary differences	-24	6*
Total deferred tax	-24	6
Recognised tax in profit or loss	-74	-57
Reconciliation of effective tax rate	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
Profit before tax	539	276
Tax according to applicable tax rate for the Parent Company (20.6% in 2021 and 21.4% in 2020)	-111	-59
<i>Tax effect of:</i>		
Non-deductible expenses	-9	-1
Depreciation consolidated goodwill	-	1
Non-taxable revenue	5	1
Profit in associated companies	48	1*
Effect of foreign tax rates	3	1
Utilisation of previously non-capitalised loss carryforwards	0	-
Increase in loss carryforwards without a corresponding capitalisation of deferred tax assets	-10	-2
Temporary differences in leases	0	0
Other	0	0
Recognised tax	-74	-57
Effective tax rate	13.8%	21.5%
Parent Company	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
Current tax		
Current tax on net profit for the year	-10	-
Total current tax	-10	-
Recognised tax in profit or loss	-10	-
Reconciliation of effective tax rate	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
Profit before tax	55	178
Tax according to applicable tax rate for the Parent Company (20.6% in 2021 and 21.4% in 2020)	-11	-38
<i>Tax effect of:</i>		
Non-taxable revenue	1	38
Non-deductible expenses	-	0
Increase in loss carryforwards without a corresponding capitalisation of deferred tax	-	-
Recognised tax	-10	-
Effective tax rate	-18%	0%

* Amounts are after restatement due to correction of errors (see note 32).

In June 2018, the Swedish parliament decided to lower corporate tax in two stages, whereby corporate tax will be reduced from 22% to 21.4% for financial years beginning on 1 January 2019 or later. In the second stage, corporate tax will be reduced to 20.6% from the financial year starting 1 January 2021.

The Group has no tax items that are recognised in other comprehensive income. Tax effects on issue costs of SEK 10 million have been booked directly to equity.

Note 10 Tax (cont.)

Disclosures on deferred tax assets and tax liabilities

The tables below specify the tax effect of temporary differences:

Group	Right of use assets	Tax loss carryforwards	Financial assets	Total
Deferred tax assets				
Opening carrying amount, 1 Jan 2021	1	10	6	17
<i>Recognised:</i>				
Through profit or loss	0	-22	-6	-28
Added through business combinations	-	22	-	22
Translation effect	-	-	-	-
Closing carrying amount, 31 Dec 2021	1	10	-	11

Deferred tax assets	Right of use assets	Tax loss carryforwards	Financial assets	Total
Opening carrying amount, 1 Jan 2020	0	6	4	10
<i>Recognised:</i>				
Through profit or loss	0	1	2	3
Added through business combinations	-	4	-	4
Translation effect	-	0	0	-1
Closing carrying amount, 31 Dec 2020	1	10	6	17

Deferred tax liabilities	Intangible assets	Financial assets	Total
Opening carrying amount, 1 Jan 2021	12	-	12
<i>Recognised:</i>			
Through profit or loss	-10	6	-4
Added through business combinations	326	-	326
Translation effect	-25	-	-25
Closing carrying amount, 31 Dec 2021	303	6	309

Deferred tax liabilities	Intangible assets	Financial assets	Total
Opening carrying amount, 1 Jan 2020	8	-*	8
<i>Recognised:</i>			
Through profit or loss	-3	-*	-3
Added through business combinations	7	-	7
Translation effect	0	-	0
Closing carrying amount, 31 Dec 2020	12	-*	12

* Amounts are after restatement due to correction of errors (see note 32).

There are tax loss carryforwards for which deferred tax assets have not been recognised in the balance sheet in the amount of SEK 147 million (SEK 107 million for 2020); the amount is SEK 9 million is limited to within one year, while no time limit applies to the rest.

Deferred tax assets were not recognised for these items since it was not deemed probable that the Group would be able to utilise them to offset future taxable profit.

Note 11 Earnings per share

Basic earnings per share	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
Net profit for the year attributable to the shareholders of the Parent Company (SEK million)	414	168
Average number of shares, diluted (thousands)	62,403	60,000
Basic earnings per share (SEK)	6.63	2.80
Weighted average number of basic ordinary shares	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
Number of shares at the beginning of the year	60,000	60,000
Number of shares at the end of the year	88,832	60,000
Weighted average number of shares	62,403	5,000

In light of the 1:12 share split that took place on 25 November 2021, the number of shares is adjusted as though the event had occurred at the beginning of the earliest period presented.

Note 12 Intangible assets

Group								
Cost	Goodwill	Software including IT platforms	Customer relationships	Producer relationships	Brands	Capitalised expenditure for development	Total intangi- ble assets excl. Goodwill	
As of 1 January 2021	19	9	32	11	16	3	71	
Acquisitions for the year	–	–	–	–	103	2	105	
Business combinations	798	67	267	291	426	–	1,052	
Reclassifications	–	–	–	–	–	–	–	
Translation effects	4	0	2	3	2	-1	6	
As of 31 Dec 2021	821	77	300	305	548	4	-1,234	
Depreciation/amortisation								
As of 1 January 2021	–	-9	-7	-1	-2	-2	-20	
Depreciation/amortisation for the year	–	-9	-18	-4	-12	–	-43	
Reclassifications	–	–	–	–	–	–	–	
Translation effects	–	-0	-0	-0	-0	–	-1	
As of 31 Dec 2021	–	-19	-25	-5	-14	-2	-64	
Closing carrying amount, 31 December 2021	821	58	275	301	534	2	1,170	
Cost	Goodwill	Software including IT platforms	Customer relationships	Producer relationships	Brands	Capitalised expenditure for development	Total intangi- ble assets excl. Goodwill	
As of 1 January 2020	14	10	17	–	12	3	41	
Business combinations	5	0	15	11	5	1	32	
Reclassifications	–	–	–	–	–	-1	-1	
Translation effects	-1	-0	-1	–	-1	-0	-2	
As of 31 Dec 2020	19	9	32	11	16	3	71	
Depreciation/amortisation								
As of 1 January 2020	–	-5	-3	–	-1	-2	-11	
Depreciation/amortisation for the year	–	-5	-4	-1	-1	-0	-11	
Reclassifications	–	–	–	–	–	0	0	
Translation effects	–	0	0	–	0	0	1	
As of 31 Dec 2020	–	-9	-7	-1	-2	-2	-20	
Closing carrying amount, 31 Dec 2020	19	-0	24	10	15	1	50	

Note 12 Intangible assets (cont.)

Impairment test

The Group tests intangible assets with indefinite useful lives, i.e. goodwill, for impairment at least annually.

The Group's goodwill of SEK 821 million arose in connection with the acquisition by Viva Wine Group AB of Tryffelsvinet AB as at 31 January 2020 (in the cash generating unit Sweden below), Cisa Oy as at 31 July 2015 and Norwegian Beverage Group as at 1 November 2021 (included in the Nordic region below), as well as Vicampo.de GmbH as at 3 August 2021, Wine in Black as at 1 January 2019 and Vinexus Group as at

30 November 2020 (in E-Commerce below). In connection with the acquisition of Vicampo, part of the excess value was allocated to brands, some of which are considered to have an indefinite useful life and are therefore also tested for impairment as part of the Group's impairment test.

Impairment testing is carried out at the lowest levels where there are separate identifiable cash flows (cash-generating units), which for the Group is the acquired company. The carrying amount that is tested for impairment is allocated to cash-generating units as follows:

31 Dec 2021	Sweden	Nordics	E-commerce	Total
Goodwill	1	234	586	821
Brand	–	–	381	381
31 Dec 2020	Sweden	Nordics	E-commerce	Total
Goodwill	1	5	12	19

The impairment test for the Group's goodwill consists of assessing whether the recoverable amount of the unit is higher than its carrying amount for the respective cash-generating unit to which the asset belongs. The recoverable amount has been calculated on the basis of the value in use of the unit, which represents the present value of the expected future cash flows of the unit without taking into account any future business expansion and restructuring. These calculations use estimated future pre-tax cash flows based on financial budgets approved by management. The calculation of value in use has been based on:

31 Dec 2021	Sweden	Nordics	E-commerce
Pre-tax discount rate, %	8.7	8.7	8.7
Cash flow estimates for	5 years	5 years	5 years
Extrapolation of cash flows thereafter with a growth of, %	2	2	2

31 Dec 2020	Sweden	Nordics	E-commerce
Pre-tax discount rate, %	10	10	10
Cash flow estimates for	1 year	0 years	1 year
Extrapolation of cash flows thereafter with a growth of, %	10	10	10

In 2021, the estimated recoverable amount of the Viva Group's operations exceeded the carrying amount for all operating segments, for which reason no impairment charge was recognised. The Viva Group also analysed whether a negative adjustment to the assumptions made for discount rate, growth and operating profit would result in impairment.

Based on that analysis, there is no need for impairment for any of the operating segments. In sensitivity testing of the carrying amount to value in use, growth assumptions, operating profit and the discount factor have all been adjusted by - 1 percentage point each.

Note 14 Leases

Viva Wine Group's material leases mainly comprise leases for office premises and vehicles. Viva Wine Group classifies its leases in the categories premises, vehicles and office equipment. The table below presents the Group's closing balances for right-of-use assets, lease liabilities and changes for the year:

Group	Right-of-use assets			Total	Lease liabilities
	Premises	Vehicles	Office equipment		
Opening balance, 1 January 2020	38	2	0	40	41
Additional leases	3	3	–	6	6
Depreciation/amortisation	-7	-2	0	-9	–
Interest expenses	–	–	–	–	1
Lease payments	–	–	–	–	-9
Currency effects	0	–	–	0	0
Closing balance, 31 Dec 2020	34	3	0	37	38
Additional leases	31	1	0	32	32
Depreciation/amortisation	-11	-2	0	-13	–
Interest expenses	–	–	–	–	1
Lease payments	–	–	–	–	-14
Currency effects	1	0	0	1	1
Closing balance, 31 Dec 2021	54	3	0	57	58

The amounts recognised in the consolidated statement of profit or loss for the year attributable to leasing activities are presented below:

	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
Depreciation of right-of-use assets	-13	-9
Interest expenses on lease liabilities	-1	-1
Expenses for short-term leases	–	–
Expenses for low-value leases	–	–
Costs related to the variable lease payments	–	–
Total	-14	-10

Viva Wine Group recognised a cash outflow attributable to leases amounting to SEK 13 million for the 2021 financial year (SEK 9 million). For a maturity analysis of the Group's lease liabilities, refer to Note 22 Financial risks.

Note 15 Participations in associated companies

The associated companies that were material for the Group during the 2021 financial year are presented below. The companies listed above have a share capital consisting only of ordinary shares, which are owned directly by the Group. The share of equity is the same as the share of votes unless otherwise stated below.

Group Company name	Country of registration and operation	Revenue 2021	Profit 2021	Share of equity, %		Nature of the Company's commitment	Valuation method
				31 Dec 2021	31 Dec 2020		
Norwegian Beverage Group AS*	Norway	196	26	–	49.2	Associated company	Equity method
SA Vins Biecher	France	428	31	25.0	25.0	Associated company	Equity method

*The company became a group company as of 1 November 2021, whereby revenue and profit refer to the first 10 months only, see more details below.

Norwegian Beverage Group AS

The former associated company Norwegian Beverage Group AS became a Group company during the year after the Group acquired an additional 40% of the shares in the company, which means it now owns 89% of the shares. See note 20 for more information about the company.

SA Vins Biecher

The company is active in the purchase and bottling of wine. The investment was made to strengthen the partnership between the Group and an important sub-supplier.

Company name	31 Dec 2021	31 Dec 2020
Norwegian Beverage Group AS	–	22
SA Vins Biecher	53	46
Other holdings*	2	3
Total investments recognised in accordance with the equity method	54	71

*In addition to holdings in associated companies as described above, the Group also has holdings in a number of associated companies and joint ventures that are individually insignificant, which have been recognised in accordance with the equity method.

Condensed financial information for associated companies

The table below shows condensed financial information for the associated companies deemed by the Group to be material. The information shows

the amounts that have been recognised in the financial statements for each associated company. They have been adjusted to reflect adjustments made by the Group when applying the equity method, including adjustments to fair value at the time of the acquisition and adjustments for differences in accounting policies.

Condensed balance sheet	Norwegian Beverage Group AS	
	31 Dec 2021	31 Dec 2020
Non-current assets	–	1
Current assets	–	59
Current liabilities	–	44
Net assets	–	16
Reconciliation of carrying amount	31 Dec 2021	31 Dec 2020
Opening carrying amount, 1 Jan	22	14
Change in Group structure	-236	–
Share of profit in associated company*	226	8
Dividends paid	-12	–
Translation difference	0	0
Closing carrying amount, 31 Dec	–	22

*SEK 213 million relates to gain on revaluation of existing holding to fair value on acquisition of control

Note 15 Participations in associated companies (cont.)

		SA Vins Biecher			
		31 Dec 2021		31 Dec 2020	
Condensed balance sheet					
Non-current assets		45		50	
Current assets		289		181	
Current liabilities		177		103	
Non-current liabilities		0		0	
Net assets		156		128	
Reconciliation of carrying amount					
		31 Dec 2021		31 Dec 2020	
Opening carrying amount, 1 Jan		46		45	
Share of profit in associated company		8		3	
Dividends paid		–		–2	
Translation difference		–1		–1	
Closing carrying amount, 31 Dec		53		46	
Other holdings					
		31 Dec 2021		31 Dec 2020	
Opening carrying amount, 1 Jan		2		2	
Investments		2		1	
Share of profit in associated company		1		0	
Impairment of participations in associated companies		–2		–	
Dividends paid		–2		–1	
Closing carrying amount		2		2	
Parent company					
Company name	Country of registration and operation	Share of equity, %		Nature of the Company's commitment	Valuation method
		31 Dec 2021	31 Dec 2020		
Norwegian Beverage Group AS	Norway	–	49.2	Associated company	Equity method
Larex AB	Sweden	40.0	40.0	Associated company	Equity method
Ecoviva AB	Sweden	39.0	39.0	Associated company	Equity method
		1 Jan 2021		1 Jan 2020	
Profit from participations in associated companies		– 31 Dec 2021		– 31 Dec 2020	
Dividends from associated companies		7		7	
Total profit from participations in associated companies		7		7	
Reconciliation of carrying amount					
		31 Dec 2021		31 Dec 2020	
Opening carrying amount, 1 Jan		14		15	
Change in Group structure		–14		–	
Impairment of participations in associated companies		–		–1	
Closing carrying amount		0		14	

Note 16 Financial instruments

Measurement of financial assets and liabilities, 31 Dec 2021

Group	Financial assets/liabilities measured at fair value through profit or loss	Financial assets/liabilities measured at amortised cost	Total carrying amount	Fair value
Financial assets				
Other securities held as non-current assets	–	0	0	0
Other non-current receivables	–	19	19	19
Trade receivables	–	730	730	730
Receivables from associated companies	–	12	12	12
Other receivables	–	20	20	20
Prepaid expenses and accrued income	–	46	46	46
Derivative instruments	10	–	10	10
Cash and cash equivalents	–	331	331	331
Total	10	1,158	1,168	1,168
Financial liabilities				
Overdraft facility	–	–	–	–
Other liabilities to credit institutions	–	818	818	818
Other non-current liabilities	–	–	–	–
Trade payables	–	443	443	443
Advances from costumers	–	6	6	6
Liabilities to associated companies	–	23	23	23
Derivative instruments	1	–	1	1
Other current liabilities	–	333	333	333
Accrued expenses and prepaid income	–	41	41	41
Total	1	1,664	1,665	1,665

Measurement of financial assets and liabilities, 31 Dec 2020

Group	Financial assets/liabilities measured at fair value through profit or loss	Financial assets/liabilities measured at amortised cost	Total carrying amount	Fair value
Financial assets				
Other securities held as non-current assets	–	1	1	1
Other non-current receivables	–	16	16	16
Trade receivables	–	616	616	616
Receivables from associated companies	–	15	15	15
Other receivables	–	30	30	30
Prepaid expenses and accrued income	–	33	33	33
Derivative instruments	7	–	7	7
Cash and cash equivalents	–	42	42	42
Total	7	754	761	761
Financial liabilities				
Overdraft facility	–	61	61	61
Other liabilities to credit institutions	–	76	76	76
Other non-current liabilities	–	2	2	2
Trade payables	–	398	398	398
Advances from costumers	–	9	9	9
Liabilities to associated companies	–	2	2	2
Derivative instruments	27	–	27	27
Other current liabilities	–	346	346	346
Accrued expenses	–	29	29	29
Total	27	924	951	951

The Group has no financial assets or liabilities that are offset in the accounts or that are subject to legally binding netting agreements. The maximum credit risk of the assets comprises the net amount of the carrying amounts in the tables above. The Group did not receive any pledged assets for the financial net assets.

Note 16 Financial instruments (cont.)

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The table below shows financial instruments measured at fair value, based on the classification in the fair value hierarchy. The different levels are defined as follows:

Level 1 – Quoted prices (unadjusted) for similar assets or liabilities in active markets

Level 2 – Inputs other than quoted prices in level 1 that are observable for the asset or liability, either directly (meaning price quotations), or indirectly (meaning derived from price quotations)

Level 3 – Inputs are unobservable inputs for the asset or liability (meaning non-observable data)

Financial assets measured at fair value, 31 Dec 2021	Level 1	Level 2	Level 3	Total
Derivative instruments	–	10	–	10
Financial assets measured at fair value, 31 Dec 2020	Level 1	Level 2	Level 3	Total
Derivative instruments	–	7	–	7
Financial liabilities measured at fair value, 31 Dec 2021	Level 1	Level 2	Level 3	Total
Derivative instruments	–	1	–	1
Financial liabilities measured at fair value, 31 Dec 2020	Level 1	Level 2	Level 3	Total
Derivative instruments	–	27	–	27

Note 17 Inventories

Group	31 Dec 2021	31 Dec 2020
Finished goods and goods for resale	477	424
Advance payments to suppliers	1	0
Carrying amount	477	424
Of which, share recognised at net realisable value	0.7%	0.5%

Note 18 Prepaid expenses and accrued income

Group	31 Dec 2021	31 Dec 2020
Prepaid rental charges	2	1
Accrued interest income	1	1
Accrued promotional income	2	4
Prepaid insurance premiums	0	1
Prepaid alcohol tax	15	10
Advance payments to supplier	18	6
Other	9	10
Carrying amount	46	33

Note 19 Cash and cash equivalents

Group	31 Dec 2021	31 Dec 2020
Bank balances	331	42
Carrying amount	331	42

The above amounts do not include any blocked bank balances.

Parent Company	31 Dec 2021	31 Dec 2020
Bank balances	232	–
Carrying amount	232	–

Note 20 Group companies

The holdings of the Parent Company, Viva Wine Group AB, in direct and indirect subsidiaries included in the consolidated accounts are presented in the table below:

Group	Principle activities	Corporate Registration Number	Registered office	Share of equity/share of voting rights	
				31 Dec 2021	31 Dec 2020
Viva Wine Group AB	Holding company	559178-4953	Stockholm	Parent company	Parent company
Giertz Vinimport AB	Wine importer	556552-2066	Stockholm	97.5/97.5	95/95
The Wine Team Global AB	Wine importer	556782-5293	Stockholm	90.5/90.5	70/70
Winemarket Nordic AB	Wine importer	556884-7650	Stockholm	90/90	75/75
Iconic Wines AB	Wine importer	559013-0471	Stockholm	85/85	49/49
C-Wine Holding AB	Holding company	556898-1483	Stockholm	85/85	68/68
Chris-Wine Sweden AB	Wine importer	556500-2457	Stockholm	85/85	68/68
Viva Wine & Spirits AB	Wine importer	556898-1574	Stockholm	100/100	100/100
Bottle Shock AB	Holding company	559214-5105	Stockholm	80/80	75/75
Tryffelsvinet AB	Wine importer	556635-6860	Stockholm	80/80	64/64
Viva Global AB	Holding company	556977-8722	Stockholm	100/100	100/100
Vinimundi AB	Wine importer	556823-8181	Stockholm	90.5/90.5	70/70
Wine a Porter AB	Dormant	559089-3946	Stockholm	97.5/97.5	95/95
Viva E-com Holding AB	Holding company	559230-3068	Stockholm	86.5/86.5	-
Viva E-Commerce AB	Holding company	559146-8102	Stockholm	86.5/86.5	100/100
House of Big Wines AB	Brand company	559169-4616	Stockholm	90.5/90.5	70/70
Casa Marrone AB	Brand company	559178-4912	Stockholm	90.5/90.5	70/70
Icon Wines AB	Brand company	559188-6576	Stockholm	90.5/90.5	70/70
Casa Vinironia AB	Brand company	559178-4920	Stockholm	97.5/97.5	95/95
Omni Wines AB	Brand company	559178-4946	Stockholm	97.5/97.5	95/95
Pietro di Campo AB	Brand company	559325-7743	Stockholm	100/100	-
Cisa Oy	Wine importer	1526323-3	Espoo, Finland	85/85	70/70
Cisa Drinks Oy	Wine importer	1825485-0	Espoo, Finland	85/85	70/70
Cisa Finland Oy	Dormant	1942989-4	Espoo, Finland	85/85	70/70
Realfi Oy	Dormant	1789116-1	Espoo, Finland	85/85	70/70
Norwegian Beverage Group AS	Wine importer	997862856	Lysaker, Norway	89/89	-
Momentum Wines AS	Wine importer	971587601	Lysaker, Norway	89/89	-
Exciting Wines AS	Wine importer	997532694	Lysaker, Norway	89/89	-
Hand Picked Wines AS	Wine importer	999121292	Lysaker, Norway	89/89	-
Silenus AS	Wine importer	914527279	Lysaker, Norway	89/89	-
United Brands AS	Wine importer	998854946	Lysaker, Norway	89/89	-
Viva eCom Group GmbH	Holding company	HRB 218519 B	Berlin, Germany	86.5/86.5	100/100
Wine in Black GmbH	E-commerce	HRB 142086 B	Berlin, Germany	86.5/86.5	100/100
Wine in Black France Holding UG	Holding company	HRB 144668 B	Berlin, Germany	86.5/86.5	100/100
Vinexus Deutschland GmbH	E-commerce	HRB 8515	Butzbach, Germany	86.5/86.5	100/100
Wine Logistix GmbH	Logistics	HRB 8513	Butzbach, Germany	86.5/86.5	100/100
Wein für Profis GmbH	E-commerce	HRB 8509	Butzbach, Germany	86.5/86.5	100/100
mydailywine GmbH	E-commerce	HRB 8570	Butzbach, Germany	86.5/86.5	100/100
VIVA eCOM Butzbach Real Estate GmbH	Property company	HRB 222260 B	Butzbach, Germany	86.5/86.5	100/100
Viva eCommerce GmbH	Holding company	HRB 231676 B	Mainz, Germany	86.5/86.5	-
Vicampo GmbH	E-commerce	HRB 44108	Mainz, Germany	86.5/86.5	-
Shang Hai Wan Jie Supply Chain Co., Ltd	Wine importer	91310115MA1H8HRN4P	Shanghai, China	90/90	77/77
Jiang Yin Lang Zun International Trade Co., Ltd	Wine importer	91320281MA1X57Q197	Jiang Yin City, China	90/90	77/77
Hangzhou Weiwen Education Technology Co.,Ltd	Wine importer	91330103MA2HX6MJ8E	Hang Zhou City, China	58.5/58.5	59/59
ViniMundi Wines Inc	Wine importer	7758996	Lewes, Delaware	76.9/76.9	85/85
GWB Holding Ltd.	Holding company	C73375	Valetta, Malta	100/100	-
Global Wine Brands Ltd	Brand company	C73457	Valetta, Malta	100/100	-

Note 20 Group companies (cont.)

Parent Company		1 Jan 2021	1 Jan 2020
Profit from participations in Group companies		-31 Dec 2021	-31 Dec 2020
Dividend from subsidiaries		–	171
Total profit from participations in Group companies		–	171
Reconciliation of carrying amount		31 Dec 2021	31 Dec 2020
Opening cost		67	26
Acquisitions		836	–
Capital contribution		3	41
Disposals		-39	–
Closing carrying amount		866	67

Company	Corporate Registration Number	Registered office	Equity 31 Dec 2021	Net profit 2021	Share of equity/ share of voting rights	Number of shares	Carrying amount 31 Dec 2021	Carrying amount 31 Dec 2020
Giertz Vinimport AB	556552-2066	Stockholm	58	18	97.5/97.5	10,217	29	6
The Wine Team Global AB	556782-5293	Stockholm	110	76	90.5/90.5	905	256	3
Winemarket Nordic AB	556884-7650	Stockholm	11	6	90/90	450	17	–
Iconic Wines AB	559013-0471	Stockholm	23	18	85/85	850	69	–
C-Wine Holding AB	556898-1483	Stockholm	76	26	85/85	42,500	47	1
Viva Wine & Spirits AB	556898-1574	Stockholm	0	0	100/100	50,000	0	0
Bottle Shock AB	559214-5105	Stockholm	17	9	80/80	800	8	–
Viva Global AB	556977-8722	Stockholm	2	-2	100/100	-1,000	3	3
Viva E-commerce AB	559146-8102	Stockholm	–	–	0/0	–	–	39
Viva E-com Holding AB	559230-3068	Stockholm	42	0	86.5/86.5	865	42	–
Pietro di Campo AB	559325-7743	Stockholm	0	0	100/100	-1,000	104	–
Cisa Oy	1526323-3	Espoo, Finland	34	33	85/85	2,550	83	15
Norwegian Beverage Group AS	997862856	Lysaker, Norway	34	34	89/89	890	207	–
GWB Holding Ltd.	C73375	Valetta, Malta	6	6	100/100	10,000	0	–
Closing carrying amount							866	67

Note 21 Share capital and other contributed capital

Share capital

The registered share capital of SEK 740 thousand (SEK 50 thousand) comprises 88,831,884 shares (5,000,000). Viva Wine Group AB has only one class of shares, with all shares carrying equal voting rights. The quota value of the shares is SEK 0.0083 (0.01). Holders of ordinary shares are entitled to receive dividends that are determined at a later date and

the shareholding carries entitlement to vote at the Company's general meetings with one vote per share. All shares have the same rights to Viva Wine's remaining net assets. All shares are fully paid up and no shares are reserved for transfer. No shares are held by the Company itself or its subsidiaries.

Event	Number of shares		Share capital (SEK)		Other contributed capital (SEK)	
	Change	Total	Change	Total	Change	Total
1 January 2021		5,000,000		50,000		–
Bonus issue	–	–	450,000	500,000	–	–
Split (1:12)	55,000,000	60,000,000	–	–	–	–
New share issue	4,342,089	64,342,089	36,184	536,184	212,726,159	212,726,159
Warrants	–	–	–	–	2,134,846	214,861,005
New share issue	24,489,795	88,831,884	204,082	740,266	1,161,349,657	1,376,210,662
31 December 2021		88,831,884		740,266		1,376,210,662

Dividend

The Board of Directors has proposed an ordinary dividend of SEK 1.50 per share (total SEK 133 million).

Issues

On 21 November 2021, an offsetting issue of 4,342,089 shares with a quota value of SEK 0.0083 was carried out to settle minority acquisitions made during the year by issuing capital instruments. The fair value of the shares issued amounted to SEK 213 million. On 14 December, Viva Wine Group's share was listed on Nasdaq First North Premier Growth Market; in connection with the listing a new issue of 24,489,795 shares with a quota value of SEK 0.0083 raised SEK 1,200 million before issue costs of SEK -48 million, with a tax effect on the issue costs of SEK 10 million through the issuance of capital instruments.

Incentive programmes

At an extraordinary general meeting held on 5 December 2021, a resolution was passed to issue warrants as part of the introduction of a series 2021:3 incentive programme for current senior executives and other key employees in the Group and 2021:4 for members of the Board of Directors. Assuming that all the warrants, 469,692 in the series 2021:3 and

232,560 in the series 2021:4 incentive programmes, will be utilised for the subscription of new shares, the Company's share capital will increase by approximately SEK 5,852.10, corresponding to approximately 0.78% of the Company's share capital.

For each warrant, SEK 3.04 was paid; the basis for the subscription price is the market value of the warrant. A total of SEK 9 million was received for the subscribed warrants. The warrants can be exercised immediately after publication of the quarterly report for the fourth quarter of 2024 until 15 March 2025 at the latest. The exercise price for the warrants will correspond to SEK 63.70.

Reserves

The Group's reserve in its entirety refers to a translation reserve, which encompasses all exchange rate difference that arise when translating the financial statements of foreign operations that have prepared their financial statements in a different functional currency to the currency in which the consolidated financial statements are presented. The Group presents its financial statements in SEK. Accumulated translation differences are recognised in profit or loss on divestment of the foreign operation.

Note 22 Financial risks

The Group's earnings, financial position and cash flow are impacted by both changes in the business environment and the Group's own actions. The objective of risk-management activities is to define and analyse the risks faced by the Company and, to the greatest extent possible, to prevent and limit any negative effects.

Through its operations, the Group is exposed to different types of financial risks: credit risk, market risk (interest-rate risk, currency risk and other price risk) as well as liquidity risk and refinancing risk. The Board of Directors is ultimately responsible for the Group's risk activities, including financial risks. Risk activities include identifying, assessing and valuing the risks faced by the Group. Priority is assigned to the risks that are estimated to have the greatest negative impact on the Group, based on an overall assessment of potential effect, probability and consequences.

Credit risk

Credit risk is the risk that the Group's counterparty in a financial instrument is unable to fulfil its obligations and thus causes a financial loss for the Group. The Group's credit risk primarily arises through receivables from customers and investing cash and cash equivalents. On each six-month reporting date, the Group evaluates the credit risk of existing exposures, taking into account forward-looking factors.

The financial assets for which the Group has made provisions for expected credit losses ("loss allowance") are presented below. In addition to the assets below, the Group also monitors its provisions requirements for other financial instruments. For cases in which the amounts are not deemed to be insignificant, loss allowances are also made for these financial instruments.

Credit risk in trade receivables (simplified approach for credit risk provision)

Credit risk for the Group is primarily found in trade receivables and Viva

Wine Group's aim is to continuously monitor this credit risk. The Group's customers comprise both businesses and consumers. The Group has established guidelines to ensure that products are sold to customers with a suitable credit background. Payment terms are normally between 30 and 60 days depending on the counterparty. Past credit losses amount to insignificant amounts in relation to the Group's net sales.

For trade receivables, the Group has used the simplified approach under IFRS 9 to measure expected credit losses for the remaining tenor. The Group measures the loss allowance at an amount corresponding to the expected credit losses for the remaining tenor. Expected credit losses for trade receivables are calculated using a loss allowance matrix based on past experience and an analysis of customers' financial positions, adjusted for customer-specific factors, the general economic conditions in the industry in which the customers operate and an assessment of both current circumstances and forecasts for the reporting date. The Group's customers are divided into two segments: business customers and consumers. For individual major receivables that are more than 120 days past due for payment or where the credit risk is deemed material, the loss allowance for these receivables is assessed for each counterparty. These approaches are applied in combination with other known information and forward-looking factors, including information about individual customers and management's assessment of the impact of the economic conditions in the industry.

The Group has defined default as when payment of a receivable is 120 or more past due, or if other factors indicate default. In such cases, an individual assessment is performed to estimate the expected credit loss in addition to the expected loss. The Group writes off a receivable when there is no longer any expectation that payment will be received and when active measures to obtain payment have been discontinued.

Group

Age analysis of trade receivables	31 Dec 2021			31 Dec 2020		
	Gross	Impairment	Expected loss, %	Gross	Impairment	Expected loss, %
Trade receivables not yet due	704	0	0.01	611	0	0.01
<i>Past due trade receivables:</i>						
0–30 days	22	0	0.01	2	0	0.01
31–60 days	2	0	1.00	0	0	1.00
61–90 days	0	0	5.00	2	0	5.00
91–120 days	0	0	5.00	1	0	5.00
>120 days	5	-3	50.00	1	-1	50.00
Total	733	-3		616	-1	

The credit quality of receivables that are not more than 90 days past due is deemed favourable, based on historically low customer losses and considering forward-looking factors.

Expected credit losses for trade receivables (simplified approach)	1 Jan 2021	1 Jan 2020
	- 31 Dec 2021	- 31 Dec 2020
Opening carrying amount	-1	0
Reversed reserves	1	-
Identified losses	0	-
Additional reserves	-3	0
Closing carrying amount	-3	-1

Cash and cash equivalents

The Group's credit risk also arises when depositing cash and cash equivalents and surplus liquidity. Viva Wine Group's aim is to continuously monitor credit risk attributable to deposits. For deposits in bank accounts, the aim is for the counterparty to have a minimum credit rating of A- (S&P). One way of counteracting credit risk is for the Group to have bank accounts with more than one bank. For cash and cash equivalents, a general approach is applied based on the banks' probability of default and forward-looking factors. Due to short maturities and high credit ratings, the loss allowances amount to insignificant amounts.

Credit risk exposure and credit risk concentration

The Group's credit risk exposure comprises trade receivables and cash and cash equivalents. Cash and cash equivalents of SEK 331 million are deposited with financial institutions with high credit ratings in various countries. The majority of cash and cash equivalents is deposited with banks with ratings of AAA and AA.

The Group's trade receivables are distributed among a number of customers with a credit-risk concentration with primarily two large corporate customers. Systembolaget AB accounts for the largest share of

the customer base (69% of sales) and its Finnish counterpart, Alko, for a further 13% of sales.

Market risk

Market risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in market prices. IFRS divides market risks into three types: currency risk, interest rate risk and other price risks. The market risks that primarily impact the Group are interest-rate risks and currency risks.

Interest-rate risk

Interest-rate risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in market interest rates. The aim is to not be exposed to future fluctuations in interest-rate changes that impact the Group's cash flow and results to a greater extent than Viva Wine Group can manage. A significant factor affecting interest-rate risk is fixed-rate terms. The Group is primarily exposed to interest-rate risk attributable to the Group's loans to credit institutions. The Group normally borrows at variable interest rates. Interest-rate risk is low since the Group's interest expense is low relative to its total earnings.

Note 22 Financial risks (cont.)

The table below specifies the terms and repayment dates of each interest-bearing debt:

	Currency	Date due	Interest	Carrying amount	
				31 Dec 2021	31 Dec 2020
Overdraft facility	SEK	< 365 days	Variable	–	61
Loan	SEK	25 Nov 2022	Variable	–	55
Loan	EUR	4 Aug 2024	Variable	793	–
Loan	EUR	31 Aug 2032	Variable	8	8
Loan	EUR	31 Aug 2032	Variable	8	8
Loan	EUR	31 Aug 2032	Fixed	5	6
Loan	EUR	< 365 days	Fixed	4	–
Total				818	137

Currency risk

Currency risks the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in foreign exchange rates. Currency risks mainly arise on the translation of foreign operations' assets and liabilities into the functional currency of the Parent Company, known as translation exposure. The Group's sales and purchases in foreign currencies, known as transaction exposure, comprise a currency risk. In summary, the Group conducts operations worldwide with a cost base in the local currency and is thus exposed to currency risk.

The Group regularly hedges purchases in foreign currency, primarily EUR. The Group operates internationally and is exposed to currency risks

that arises from various currency exposures, mainly with regard to EUR. Currency risk arises through future business transactions and when recognised assets and liabilities are expressed in a currency that is not the entity's functional currency. The risks are measured through a forecast of highly probably future payments in EUR. The goal is to minimise the volatility in expenses for highly probably purchases of goods. The Group's risk management policy is to hedge 75–100% of expected cash flows in EUR for purchases of goods in those countries subject to foreign exchange exposure, provided that the hedging cost for each hedge is acceptable. Approximately 75% of purchases of goods were hedged against currency risk in the 2021 financial year.

Currency exposure, %	1 Jan 2021 - 31 Dec 2021		1 Jan 2020 - 31 Dec 2020	
	Operating revenue	Operating expenses	Operating revenue	Operating expenses
EUR	29	86	20	95
CNY	2	2	1	2
NOK	2	1	–	–

Sensitivity analysis – Exchange-rate fluctuations against SEK	1 Jan 2021 - 31 Dec 2021		1 Jan 2020 - 31 Dec 2020	
	Effect on profit before tax	Effect on equity	Effect on profit before tax	Effect on equity
EUR				
1%	-14	2	-15	1
-1%	14	-2	15	-1

Liquidity risk and refinancing risk

Liquidity risk is the risk that a company will have difficulties fulfilling its obligations associated with financial liabilities settled in cash or using another financial asset. The Company manages liquidity risk by continuously monitoring the operations and establishing a Group account structure that meets the companies' credit requirements. The Company regularly forecasts future cash flows based on different scenarios to ensure that financing takes place in time.

Risk is mitigated by the Group's healthy liquidity reserves, which are readily available. The Group's operations are partially financed through an overdraft facility and loans from credit institutions. The Group's covenants to the lender are net debt in relation to adjusted EBITDA. The credit amount granted to the Group for its overdraft facility is SEK 155 million (150). The total liquidity reserve comprises cash and cash equivalents and unutilised overdraft facilities. As of the balance-sheet date, the utilised portion of the overdraft facility amounted to SEK 0 million (67.2) and the unutilised portion to SEK 155 million (82.8).

Refinancing risk refers to the risk that financing of acquisitions or development cannot be retained, extended, expanded, refinanced or that such financing can only take place on terms and conditions that are unfavourable for the Company. Refinancing requirements are regularly reviewed by the Company and the Board of Directors to ensure financing for the Company's expansion and investments. The aim is to ensure that the Group has continuous access to external borrowing without borrowing costs increasing significantly. Refinancing risk is reduced by commencing the refinancing process in good time and working in a structure manner. The Company is also in regular contact with several creditors.

The Group's contractual and undiscounted interest payments and repayments of financial liabilities are presented in the table below. Financial instruments carrying variable interest are calculated using the interest rate on the balance-sheet date. Liabilities are included in the earliest period that repayment can possibly be demanded.

Note 22 Financial risks (cont.)

Group	31 Dec 2021					Total
	<1 month	1-3 months	3-12 months	1-5 years	>5 years	
Maturity analysis						
Overdraft facility	–	–	–	–	–	–
Other liabilities to credit institutions	4	20	61	721	10	818
Other liabilities	–	–	–	0	–	0
Lease liabilities	2	3	13	40	1	58
Trade payables	349	92	5	2	–	448
Liabilities to associated companies	23	0	0	–	–	23
Derivative instruments	–	1	–	–	–	1
Total	378	117	79	764	11	1,350

Group	31 Dec 2020					Total
	<1 month	1-3 months	3-12 months	1-5 years	>5 years	
Maturity analysis						
Overdraft facility	61	–	–	–	–	61
Other liabilities to credit institutions	0	7	23	38	12	81
Other liabilities	–	–	–	2	–	2
Lease liabilities	0	2	8	30	0	40
Trade payables	324	22	53	–	–	398
Liabilities to associated companies	2	–	–	–	–	2
Derivative instruments	4	9	13	–	–	27
Total	392	40	99	68	13	611

Parent Company	31 Dec 2021					Total
	<1 month	1-3 months	3-12 months	1-5 years	>5 years	
Maturity analysis						
Overdraft facility	–	–	–	–	–	–
Other liabilities to credit institutions	–	20	60	713	–	793
Liabilities to Group companies	69	–	–	–	–	69
Total	69	20	60	713	–	862

Parent Company	31 Dec 2020					Total
	<1 month	1-3 months	3-12 months	1-5 years	>5 years	
Maturity analysis						
Overdraft facility	61	–	–	–	–	61
Liabilities to Group companies	–	–	129	–	–	129
Total	61	–	129	–	–	611

The credit agreements/frameworks that Viva Wine Group has entered into are presented below:

Group	Amount	Utilised	Amount	Utilised
	31 Dec 2021	31 Dec 2021	31 Dec 2020	31 Dec 2020
Overdraft facility	155	–	150	67
Total	155	–	150	67

Note 23 Provisions

Group	Restructuring measures	Other provisions	Total
	Reported 1 January 2021	–	–
Provisions made during the year	5	10	15
Reported 31 December 2021	5	10	15
Of which current portion	5	–	5
Of which non-current portion	–	10	150

Restructuring measures

A provision for restructuring is recognised when the Group has established a detailed and formal restructuring plan and restructuring has either commenced or has been publicly announced. This has been done as of the balance-sheet date and it is expected that this provision will be settled in the first half of 2022.

Other provisions

The amount under this heading relates to the bonus commitment related to the acquisition of Vicampo. This provision is expected to result in an outflow of resources in financial year 2023.

Note 24 Other current liabilities

Group	31 Dec 2021	31 Dec 2020
Alcohol tax	154	172
VAT	156	146
Personnel-related tax	8	4
Liability, purchase consideration for property	–	18
Other	15	6
Carrying amount	333	346

Note 25 Accrued expenses and prepaid income

Group	31 Dec 2021	31 Dec 2020
Holiday pay liability	6	5
Accrued payroll costs	3	–
Social security contributions	8	4
Accrued climate compensation	2	3
Accrued inventory items	4	3
Prepaid income	0	–
Other accrued expenses	17	16
Carrying amount	41	29

Note 26 Statement of cash flows

Group	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
Adjustments for non-cash items		
Depreciation/amortisation	59	22
Share of profit in associated companies	-233	-4
Exchange-rate effects	4	11
Expected loss on trade receivables	3	0
Provisions	15	–
Change in market value of derivatives	-28	–
Other	1	1
Total	-180	30

Parent Company	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
Adjustments for non-cash items		
Impairment of participations in associated company	–	0
Total	–	0

Change in liabilities attributable to financing activities

Group	1 Jan 2021	Cash flow from financing activities	Non-cash changes				31 Dec 2021
			Business combinations	Exchange rate effects	Change in fair value	Asset acquisition	
Overdraft facility	61	-61	–	–	–	–	0
Other liabilities to credit institutions	76	742	–	–	–	–	818
Other liabilities	2	-2	–	–	–	–	0
Lease liabilities	38	-11	30	1	–	–	58
Total liabilities attributable to financing activities	178	668	30	1	–	–	877

Group	1 Jan 2020	Cash flow from financing activities	Non-cash changes				31 Dec 2020
			Business combinations	Exchange rate effects	Change in fair value	Changed Group structure	
Overdraft facility	150	-89	–	–	–	0	61
Other liabilities to credit institutions	82	-27	–	–	–	22	76
Other liabilities	36	-30	–	-4	–	–	2
Lease liabilities	41	-8	–	–	6	–	38
Total liabilities attributable to financing activities	308	-154	–	-4	6	22	178

Parent Company	1 Jan 2021	Changes affecting cash flow	Non-cash changes	31 Dec 2021
Overdraft facility	61	-61	–	–
Total liabilities attributable to financing activities	61	-61	–	–

Parent Company	1 Jan 2020	Changes affecting cash flow	Non-cash changes	31 Dec 2020
Overdraft facility	150	-89	–	61
Total liabilities attributable to financing activities	150	-89	–	61

Note 27 Pledged assets and contingent liabilities

Group

Pledged assets for own liabilities to credit institutions	31 Dec 2021	31 Dec 2020
Floating charges	1	188
Property mortgages	20	29
Guarantees	23	–
Total	45	217

Guarantees include collateral provided in Viva Wine & Spirits AB related to an office building and a guarantee provided in Viva Wine Group AB on behalf of the associated company Larex AB.

Parent Company

Pledged assets for own liabilities to credit institutions	31 Dec 2021	31 Dec 2020
Guarantees	20	–
Total	20	–

Guarantees include collateral provided in the Parent Company on behalf of the associated company Larex AB.

Group

Contingent liabilities	31 Dec 2021	31 Dec 2020
Personal guarantees	–	–
Total	–	–

Parent Company

Contingent liabilities	31 Dec 2021	31 Dec 2020
Personal guarantees	–	–
Total	–	–

Note 28 Related-party transactions

A list of the Group's subsidiaries, which are also the companies that are related parties to the Parent Company, is presented in Note 20 Group companies. All transactions between Viva Wine Group AB and its subsidiaries have been eliminated in the consolidated accounts.

Viva Wine Group's others related-party transactions comprise purchases from and sales to associated companies and joint venture.

Group	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
Associated companies and joint venture		
Sale of goods/services	5	2
Purchase of goods/services	259	243
Receivables on balance-sheet date	12	15
Liabilities on balance-sheet date	23	2

Parent company	1 Jan 2021 - 31 Dec 2021	1 Jan 2020 - 31 Dec 2020
Group company		
Sale of goods/services	5	–
Purchase of goods/services	-5	–
Group contributions received	81	–
Group contributions paid	-2	–
Dividends from Group companies	–	172
Receivables on balance-sheet date	1491	410
Liabilities on balance-sheet date	69	129

Associated companies and joint venture

Dividends from associated companies	7	7
Receivables on balance-sheet date	–	7

Board of Directors and senior executives

During the year, the Group acquired shares in a subsidiary from a member of the Board of Directors of the Company and a family member of the CEO who is an executive of the Company's Group company Tryffelsvinet AB. These transactions have taken place on the same market-based terms and price as to the other minority shareholders.

For information about remuneration to senior executives, refer to Note 7 Employees and personnel costs.

Warrants

At an extraordinary general meeting held on 5 December 2021, a resolution was passed to issue warrants as part of the introduction of a series 2021:3 incentive programme for current senior executives and other key employees in the Group and 2021:4 for members of the Board of Directors. Assuming that all the warrants, 469,692 in the series 2021:3 and 232,560 in the series 2021:4 incentive programmes, will be utilised for the subscription of new shares, the Company's share capital will increase by approximately SEK 5,852.10, corresponding to approximately 0.78% of the Company's share capital. The warrants can be exercised immediately after publication of the quarterly report for the fourth quarter of 2024 until 15 March 2025 at the latest. The exercise price for the warrants will correspond to SEK 63.70. Of the warrants issued, 302,208 were subscribed for by senior executives and the Board of Directors. They paid market consideration for the warrants.

Note 29 Business combinations

Acquisitions in 2021

On 3 August 2021, Viva Wine Group AB acquired 100% of the shares and votes in the German company Vicampo.de GmbH. The company is an e-commerce actor and operates two e-commerce platforms – Vicampo and Weinfürst – with sales in countries such as Germany, Switzerland, Austria, the Netherlands and France. Both of these platforms target the lower price segment and thus complement Viva Wine Group's existing business, which is targeted at a higher price segment. This acquisition also provides Viva Wine Group with a leading market position in Germany. The company expects positive synergistic effects by coordinating the operation

of these companies and the platforms. Vicampo.de GmbH has total assets of SEK 199 million. The purchase price was SEK 1,315 million and was paid in cash.

On 1 November 2021, Viva Wine Group AB acquired an additional 40% of the shares in the associated company Norwegian Beverage Group AS. The Group operates in Norway and consists of five operating companies in addition to the Parent Company. The acquisition strengthens Viva Wine Group's position in the Nordic market. Norwegian Beverage Group AS has total assets of SEK 124 million. The purchase price was SEK 193 million and was paid partly in cash and partly through shares in Viva Wine Group.

	Norwegian Beverage Group AS Fair value	Vicampo GmbH Fair value
Acquired net assets on the acquisition date (preliminary)		
Intangible assets	296	756
Tangible assets	0	4
Right-of-use assets	3	27
Financial assets	0	–
Deferred tax assets	–	22
Inventories	29	42
Trade receivables and other receivables	20	30
Other receivables	3	–
Cash and cash equivalents	13	272
Deferred tax liabilities	-64	-262
Trade payables and other operating liabilities	-46	-148
Identified net assets	255	743
Non-controlling interests	-53	–
Goodwill	226	572
Total purchase consideration	428	1,315
Purchase consideration		
Cash	187	1,315
Issue of equity instruments	5	–
Fair value of shareholdings before business combination	236	–
Total purchase price	428	1,315

The PPA has not yet been completed, and the above acquisition adjustments are therefore preliminary.

The acquisition of Vicampo.de GmbH gave rise to goodwill of SEK 572 million in the form of a difference between the consideration transferred and the fair value of the acquired net assets. Goodwill primarily pertains to anticipated synergies from the merger of the operations of the acquired company with the operations of the acquirer. Goodwill is not expected to be tax deductible.

Transaction costs related to the acquisition of Vicampo.de GmbH totalled SEK 11 million. The transaction costs were recognised as an expense in profit or loss under Other external expenses.

The acquisition of Norwegian Beverage Group AS gave rise to goodwill of SEK 226 million in the form of a difference between the consideration transferred and the fair value of the acquired net assets. Goodwill primarily pertains to anticipated synergies from the merger of the operations of the acquired company with the operations of the acquirer. Goodwill is not expected to be tax deductible.

	Norwegian Beverage Group AS	Vicampo.de GmbH
Impact of the acquisition on the Group's cash flow		
Cash portion of purchase consideration	187	1,315
Less:		
Cash (acquired)	13	272
Net cash outflow	174	1,043

During the five months up until 31 December 2021, Vicampo.de GmbH contributed SEK 287 million to the Group's revenue and SEK 9 million to the Group's profit after tax. If the acquisition had taken place at the beginning of the financial year, Viva Wine Group estimates that Vicampo.de GmbH would have contributed SEK 743 million to the Group's revenue and SEK 42 million to the Group's profit after tax.

During the two months up until 31 December 2021, Norwegian Beverage Group contributed SEK 65 million to the Group's net sales and SEK 6 million to the Group's profit after tax. If the acquisition had taken place at the beginning of the financial year, Viva Wine Group estimates that Norwegian Beverage Group would have contributed SEK 261 million to the Group's revenue and SEK 6 million to the Group's profit after tax.

Note 29 Business combinations (cont.)

Acquisitions in 2020

On 30 November 2020, Viva Wine Group AB acquired 100% of the shares and votes in Vinexus GmbH. The group in Germany, which comprises Vinexus GmbH, Wine Logistix GmbH and Shiraz & Co GmbH, is active in wine E-commerce and third-party logistics related to wine E-commerce. The companies were acquired to strengthen the Group's position in E-commerce. Vinexus GmbH has total assets of SEK 19 million and full-year net sales of SEK 40 million. The purchase consideration amounted to EUR 4 million and was paid in cash.

On 31 January 2020, Viva Wine Group AB acquired 100% of the shares and votes in Tryffelsvinet AB. The company is active in the import of premium wine and was acquired to strengthen the Group's position in this segment. Tryffelsvinet AB has total assets of SEK 34 million and full-year net sales of SEK 97 million. The purchase price was SEK 17 million and was paid in cash.

Acquired net assets on the acquisition date	Vinexus GmbH	Tryffelsvinet AB
	Fair value	Fair value
Intangible assets	17	13
Tangible assets	5	–
Right-of-use assets	0	–
Financial assets	–	0
Deferred tax assets	4	–
Inventories	5	5
Trade receivables and other receivables	9	3
Cash and cash equivalents	1	6
Lease liabilities	-0	–
Deferred tax liabilities	-4	-3
Trade payables and other operating liabilities	-40	-9
Identified net assets	-4	16
Goodwill	4	1
Total purchase consideration	0	17
<i>Purchase consideration comprises:</i>		
Cash	0	17
Total purchase consideration	0	17

The acquisitions of Vinexus GmbH and Tryffelsvinet AB gave rise to goodwill of SEK 4 million and SEK 1 million, respectively, in the form of a difference between the consideration transferred and the fair value of the acquired net assets. Goodwill primarily pertains to anticipated synergies from the merger of the operations of the acquired company with the operations of the acquirer. Goodwill is not expected to be tax deductible.

Transaction costs related to the acquisition of Vinexus GmbH amounted to SEK 2 million. No external transaction costs arose in connection with the acquisition of Tryffelsvinet AB. The transaction costs were recognised as an expense in profit or loss under Other external expenses.

Impact of the acquisition on the Group's cash flow	Vinexus GmbH	Tryffelsvinet AB
Cash consideration	–	17
<i>Less:</i>		
Cash (acquired)	1	6
Net cash outflow	-1	11

During a period of one month up until 31 December 2020, Vinexus GmbH contributed SEK 11 million to the Group's revenue and SEK -4 million to the Group's profit after tax. If the acquisition had taken place at the beginning of the financial year, Viva Wine Group estimates that Vinexus GmbH would have contributed SEK 80 million to the Group's revenue and SEK -6 million to the Group's profit after tax.

During a period of 11 months up until 31 December 2020, Tryffelsvinet contributed SEK 89 million to the Group's revenue and SEK 7 million to the Group's profit after tax. If the acquisition had taken place at the beginning of the financial year, Viva Wine Group estimates that Vinexus GmbH would have contributed SEK 97 million to the Group's revenue and SEK 8 million to the Group's profit after tax.

Note 30 Events after the balance sheet date

Anna Möller was appointed Chief Operating Officer at Viva Wine Group. The role of Chief Operating Officer Nordics is a new central function in the Viva Wine Group with responsibility for realising synergies between the Swedish and Nordic business segments and catalysing further operationalisation of the Group's Areas of Excellence. Anna worked most recently at the Anora Group and has extensive experience in senior management positions in the wine and spirits industry, including ten years at Altia, the predecessor of Anora, where she held positions as product manager, category manager and most recently as commercial director.

Viva Wine Group is continuously monitoring events related to the ongoing war in Ukraine. Several companies within the Group have sent monetary

donations to support organisations. The war is not considered to have a material impact on the Group's operations and the Group is not considered to have an increased risk in its operations related to the war.

Viva Wine Group has entered into an agreement to acquire all shares in Mytaste Food & Beverage AB, one of Sweden's largest wine clubs, from Speqta AB (publ.) for a total purchase consideration of SEK 120 million on a cash and debt free basis. The company will be included in the Group as of 1 April 2022. The PPA was not completed at the time of this annual report.

Note 31 Proposal for appropriation of profit

Parent Company

The following profits are at the disposal of the Annual General Meeting:		31 Dec 2021
Profit brought forward, SEK		296,253,673
Share premium reserve, SEK		1,375,760,662
Net profit for the year, SEK		45,079,577
Total		1,717,093,913

The Board of Directors proposes that profits be appropriated as follows:

To be paid to shareholders (SEK 1.50 per share)	133,247,826
To be carried forward	1,583,846,087

Note 32 Correction of errors

The company has noted discrepancies between the established figures in the submitted Annual report 2020 and this report. The discrepancy relates to the allocation of equity between the minority and the Group and a provision for deferred tax liability in respect of an interest that was incorrectly recognised.

The following summary shows the impact of the correction of errors, for the Group. The correction of errors has had no impact on the Group's cash flow.

Consolidated income statement 31 Dec 2020	According to previously adopted Annual Report	Correction of errors	After correction of errors
Tax	-59	2	-57
Net profit for the year	217	2	219
Parent Company shareholders	166	2	168
Non-controlling interests	51	0	51
Earnings per share			
Basic earnings per common share (SEK)	2.76	0.04	2.80
Earnings per common share, diluted (SEK)	2.76	0.04	2.80
Consolidated balance sheet 31 Dec 2020	According to previously adopted Annual Report	Correction of errors	After correction of errors
Total assets	1,426	-	1,426
Equity			
Share capital	0	-	0
Reserves	-3	-	-3
Retained earnings including net profit for the year	340	1	341
Total equity attributable to the shareholders of the Parent Company	338	1	338
Non-controlling interests	60	6	66
Total equity	398	6	404
Non-current liabilities			
Overdraft facility	61	-	61
Other liabilities to credit institutions	47	-	47
Other non-current liabilities	2	-	2
Lease liabilities	29	-	29
Deferred tax liabilities	19	-6	12
Non-current provisions	-	-	-
Total non-current liabilities	159	-6	152
Total current liabilities	869	-	869
Total equity and liabilities	1,426	-	1,426

To the General Meeting of Shareholders of Viva Wine Group AB, corporate registration number 559178-4953

Signatures of the Board of Directors

The Board of Directors and Chief Executive Officer certify that these consolidated financial statements and Annual Report have been prepared in accordance with the International Financial Reporting Standards IFRS as adopted by the EU and generally accepted accounting principles, and gives a fair view of the Group's and Parent Company's financial position and earnings. The Administration Report gives a fair overview of the development of the Group's and Parent Company's operations, financial position and earnings, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group. The Board and the CEO assure that a statutory Sustainability Report has been prepared. The Sustainability Report follows the GRI standards, level Core. The Company's Annual Report and consolidated accounts are included on pages 46-86 in this document. The statutory Sustainability Report can be found on pages 4-14 and 26-43.

Stockholm on the date stated in the electronic signature

Anders Moberg
Chairman of the board

Mikael Aru
Member of the board

Helen Fasth Gillstedt
Member of the board

Emil Sallnäs
Chief Executive Officer

Anne Thorstvedt Sjöberg
Member of the board

John Wistedt
Member of the board

Our audit report was submitted on the day stated in our electronic signature

Ernst & Young AB

Andreas Nyberg
Authorized Public Accountant

To the General Meeting of Shareholders of Viva Wine Group AB, corporate registration number 559178-4953

Auditor's report

Report on the annual report and consolidated accounts

OPINIONS

We have audited the annual accounts and consolidated accounts of Viva Wine Group AB for the financial year 2021-01-01 – 2021-12-31. The annual accounts and consolidated accounts of the company are included on pages 46-86 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 4-45. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the

information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors [and the Managing Director].
- Conclude on the appropriateness of the Board of Directors' [and the Managing Director's] use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our

audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Viva Wine Group AB for the financial year 2021-01-01 – 2021-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Stockholm on the date stated in the electronic signature

Ernst & Young AB

Andreas Nyberg
Authorized Public Accountant

Board of Directors

The Board of Directors is responsible for the governance and performance of the Group and ensures the appropriate management of its activities. The Board approves the Group's strategy, financial targets, budget, major investments and risk management principles. The Board of Directors appoints and dismisses the Company's CEO. The composition of the Board reflects the objective of a skilled, competent, experienced and efficient Board.

The Board consists of five members, two women and three men.

The Board has determined that four directors are independent of the Company. These four are also independent of the Company's major shareholders.



ANDERS MOBERG

Chairman of the board

Elected: 2021

Born: 1950

Education: Commercial Upper Secondary School (sw: Handelshögskolan)

Other assignments: Chairman of the Board of Byggmax Group AB and ITAB AB. Board member Bergendahl Food AB, Bergendahl & Son AB, Zetadisplay AB Boconcept A/S, INGKA Foundation, IMAS Foundation, IKEA Foundation.

Previous assignments: Former CEO of IKEA Group, CEO of Homedepot, CEO of Ahold and then CEO of Majid AL Futtaim Group in Dubai.

Independent: Yes, in relation to the shareholders, the company and the management.

Holdings in the Company (including related parties): Owns 205,000 shares and 58,140 warrants.



HELEN FASTH GILLSTEDT

Board member, Chairman of the Audit Committee

Elected: 2021

Born: 1962

Education: Master of Science in Business and Economics, Stockholm School of Economics and studies at Stockholm University/Stockholm Resilience Center

Other assignments: Board member Storytel AB, Munters Group AB, PowerCell AB, Sortera AB, Handelsbanken Fonder AB and their representative on the Nomination Committee.

Previous assignments: Styrelseledamot Samhall AB, Humana AB, AcadeMedia AB, Lindorff A/S, Intrum AB

Independent: Yes, in relation to the shareholders, the company and the management.

Holdings in the Company (including related parties): Owns 5,000 shares and 58,140 warrants.



MIKAEL ARU

Board member, member of the Audit Committee

Elected: 2021

Born: 1953

Education: Master of Science in Business and Economics, Linköping University

Other assignments: Chairman of the board of AB Axel Granlund. Board member of Cloetta AB, AB Stenströms Skjortfabrik, Bröderna Börjesson Bil AB, Dr Per Håkansson's Stiftelse and Gorthon Stiftelsen.

Previous assignments: CEO of Procordia Food in Sweden, and senior positions at Kraft Foods and Nestlé.

Independent: Yes, in relation to the shareholders, the company and the management.

Holdings in the Company (including related parties): Owns 10,200 shares and 58,140 warrants.



ANNE THORSTVEDT SJÖBERG

Board member, member of the Remuneration Committee

Elected: 2021

Born: 1965

Education: Master of Science in Business and Economics, Gothenburg School of Economics, University of Gothenburg

Other assignments: Global Vice President Marketing, Insights & Analytics, Electrolux. Board member Clas Ohlson AB.

Previous assignments: International executive positions in Marketing, Consumer & Analytics, Strategy, Organisational Development at Mondelez International, Kraft Foods, Procter & Gamble.

Independent: Yes, in relation to the shareholders, the company and the management.

Holdings in the Company (including related parties): Owns 15,000 shares and 58,140 warrants.



JOHN WISTEDT

Board member

Elected: 2018

Born: 1980

Education: Master of Science in Business and Economics, Uppsala University; Master International Wine & Spirits Burgundy Business School. Executive Education, Harvard Business School

Other assignments: CEO The Wine Team Global AB. Deputy board member of Sprit & Vinleverantörsföreningen.

Independent: No, represents majority shareholder, the company and management.

Holdings in the Company (including related parties): Indirectly, through Legendum Capital AB, holds 9,380,889 shares and no warrants in the Company.

CEO and Management Team

The CEO and President are responsible for the day-to-day management of the Group in line with the instructions and objectives set by the Board. The CEO also ensures compliance with applicable laws and regulations. In addition to the CEO, the Management Team comprises other senior executives who assist the CEO in the implementation of the Group strategy. The Management Team is also responsible for the Group's business and operational management.



EMIL SALLNÄS

CEO Viva Wine Group

Born: 1971

Education: Master of Science in Business and Economics, Uppsala University

Prior experience: CEO and Partner Giertz Wine Import, Managerial positions at Dagab.

Holdings in the Company (including related parties): Indirectly, through Late Harvest Wine Holding 1971 AB, holds 23,273,482 shares and no warrants in the Company.



LINN GÄFVERT

CFO Viva Wine Group

Born: 1981

Education: Master of Science in Business and Business Law, School of Economics and Business Management, Lund University

Prior experience: Head of Business Control Viva Wine Group, Business Control Altia Group, auditor PWC.

Holdings in the Company (including related parties): Owns 4,075 shares and 69,768 warrants.



ANNA MÖLLER

COO Nordics Viva Wine Group

Born: 1977

Education: Bachelor of Political Science, Linköping University

Prior experience: Commercial Director Spirits Scandinavia, Director Marketing Scandinavia Altia/Anora Group

Holdings in the Company (including related parties): Owns 20 shares and no warrants.



MIKAEL SUNDSTRÖM

Director Sustainability, Communications and Investor Relations Viva Wine Group

Born: 1978

Education: Master of Science in Business and Economics from Stockholm School of Economics. International Business EM Lyon.

Prior experience: Senior Manager CSR, Sustainability and Public Affairs Pernod Ricard Nordic, Senior Consultant Enact Sustainable Strategies.

Holdings in the Company (including related parties): Owns 3,500 shares and no warrants.



JOHN WISTEDT

CEO The Wine Team Global

Born: 1980

Education: Master of Science in Business and Economics, Uppsala University; Master International Wine & Spirits Burgundy Business School. Executive Education, Harvard Business School

Prior experience: Buyer Systembolaget.

Holdings in the Company (including related parties): Indirectly, through Legendum Capital AB, holds 9,380,889 shares and no warrants in the Company.



BJÖRN WITTMARK

Director Business Development Giertz Vinimport

Born: 1953

Education: Bachelor of Applied Science, Canberra University, Australia

Prior experience: Director Business Development and Partner Giertz Vinimport.

Holdings in the Company (including related parties): Together with his wife Pamela Wilson and indirectly through Vin & Vind AB, holds 23,273,482 shares. Neither Björn Wittmark nor Pamela Wilson have any warrants.

Corporate Governance Report

Viva Wine Group AB (publ) is a Swedish public limited company whose shares are listed on Nasdaq First North Premier Growth Market. According to the Company's Articles of Association, the object of its activities is to engage, directly or indirectly, in the business of developing and trading in wine and other alcoholic products, and to conduct other activities compatible therewith.

Good corporate governance entails ensuring that Viva Wine Group is managed sustainably, responsibly and as efficiently as possible for all shareholders. The overall objective is to increase shareholder value and thus meet the demands shareholders have for their invested capital.

CORPORATE GOVERNANCE AT VIVA WINE GROUP

Viva Wine Group bases its corporate governance on applicable legislation, resolutions of the General Meeting, the listing agreement and the work of the Board and management. Viva Wine Group has also chosen to comply with the Swedish Code of Corporate Governance (the "Code"). The main internal governance instruments are the Articles of Association, the Rules of Procedure of the Board of Directors, the instructions for the Board Committees, the Instructions for the CEO including instructions for financial reporting and policies set by the Board of Directors.

The Board of Directors of Viva Wine Group is responsible for the organisation of the Company and the management of the company's affairs. The CEO is responsible for the day-to-day management of the Company in accordance with the guidelines and instructions of the Board of Directors. In dialogue with the Chairman of the Board, the CEO also prepares an agenda for Board meetings and is otherwise responsible for providing the meetings with information and materials for use as a basis for decisions.



GROUP STRUCTURE

The name of the Group is Viva Wine Group, with the parent company Viva Wine Group AB. In Sweden, business is conducted through Giertz Vinimport AB, The Wine Team Global AB, Chris-Wine AB, Iconic Wines AB, Winemarket Nordic AB and Tryffelsvinet AB. In Finland, business is conducted through Cisa Group and in Norway through Norwegian Beverage Group AS. Outside the Nordic region, e-commerce is conducted through Viva eCOM, which owns Wine in Black GmbH and Vicampo.de GmbH with the e-commerce platforms Vicampo and Weinfürst.

SHAREHOLDERS

Viva Wine Group has been listed on Nasdaq First North Premier Growth Market since 14 December 2021. The ten largest shareholders at 31 December 2021 were Late Harvest 1971 Holding AB, Vin & Vind AB, Legendum Capital AB, Bergendahl & Son AB, Capital Group, Svolder, Erik Selin, Arinto AB, Danica Pension, Varma Mutual Pension with a combined shareholding of 89.9%. The remaining 10.1% is owned by other institutional owners and private individuals in Sweden and abroad. The company has one class of shares that entitle holders to equal voting rights and dividends. When voting at a general meeting, each share entitles the holder to one vote and each person entitled to vote may vote for the full number of shares represented. More information on the Viva Wine Group share and shareholder structure can be found in the section "Share and shareholders" on pages 44-45 of the Annual Report and on the Company's website, www.vivagroup.se.

ANNUAL GENERAL MEETING

The General Meeting is the highest decision-making body in a limited liability Company and is the forum in which shareholders exercise their right to decide on the Company's affairs. The Company's shareholders are informed of their legal rights to have issues addressed at General Meetings through the Company's website www.vivagroup.se. Resolutions adopted by General Meetings are generally resolved by a simple majority, though according to the Swedish Companies Act, certain matters are to be resolved by a qualified majority.

The Annual General Meeting must be held each year within six months of the end of the financial year. The Annual General Meeting adopts resolutions concerning such matters as dividend, approval of the annual report, discharge of the Board of Directors and the President from personal liability, election and compensation of the Chairman and members of the Board of Directors and, auditors, guidelines for determination of compensation payable to senior executives, and other matters of importance to the Company. Viva Wine Group Annual General Meeting is held in Stockholm.

Notices convening general meetings shall be given in the form of an announcement in Post- och Inrikes Tidningar and through publication of the notice on the

Company's website, www.vivagroup.se. Shareholders who have registered their intention to attend according to the instructions in the notice of the meeting are entitled to participate in the general meeting, in person or by proxy, to vote at the meeting for or against the proposals presented and to pose questions to the Board of Directors and the CEO.

NOMINATION COMMITTEE

The Nomination Committee is appointed based on principles decided by the Annual General Meeting. The General Meeting also resolves on the instructions that shall apply for the Nomination Committee. The main task of the Nomination Committee is to propose the election of the Chairman at the Annual General Meeting, the election of the Chairman and the other members of the Board, the remuneration of the Board divided among the Chairman, the other Board members and any remuneration for committee work, and the election and remuneration of the auditor. The Nomination Committee's proposals are presented in the official notice of the Annual General Meeting.

The Nomination Committee shall take into account the rules on independence applicable to the Board and its committees. In preparing proposals for members of the Board, the Nomination Committee shall pay particular attention to the issue of diversity and gender balance in the Board and committees.

Shareholders are given the opportunity to submit proposals to the Nomination Committee. The Nomination Committee annually assesses the composition of the Board, primarily in terms of skills, experience and future needs. The Nomination Committee shall meet as often as necessary to fulfil its duties, but at least once a year.

BOARD OF DIRECTORS

The Board of Directors is the highest administrative body of the company under the General Meeting. The Board shall manage the affairs of the company in the interests of the company and all its shareholders and shall safeguard and promote a good corporate culture. The Board of Directors is responsible for ensuring that the Group's organisation is appropriate and continuously evaluates the company's financial position, procedures and guidelines for management and investment of the company's funds. The Board also safeguards the Company's financial accounting, internal controls and the quality of its financial reporting through the internal control system described in more detail under the heading Internal control over financial reporting.

The Board of Directors is responsible for the strategic direction of Viva Wine Group and sets the Group's long-term financial plan, monitors ongoing operations, makes decisions on major investments and divestments, and reviews and approves the financial statements.

The Board of Directors appoints the Chief Executive, approves the instructions for the Chief Executive Officer and supervises their work. The Board conducts an annual

evaluation of the work of the CEO, at which time the Board sets the objectives for the CEO for the coming year. No management representative is present during this evaluation.

The rules of procedure of the Board are adopted annually at the statutory Board meeting. The rules of procedure include provisions on the role of the Chairman of the Board, instructions on the division of work between the Board and the Chief Executive Officer and instructions for financial reporting to the Board of Directors. The Board shall also conduct an annual evaluation of its own work.

The Chairman of the Board is responsible for organising and directing the work of the Board and for ensuring that the Board fulfils its obligations. The responsibilities of the Chairman also include conveying the views of the shareholders to the Board.

According to the Articles of Association, the Board of Directors of Viva Wine Group shall consist of at least three and at most ten members elected by the General Meeting. The CEO is the rapporteur at the Board meetings and the company's CFO is the Secretary of the Board. The CEO and the CFO, in the role of Secretary to the Board, are not members of the Board but they attend Board meetings, except for matters where a conflict of interest may arise, or where it is otherwise inappropriate.

Viva Wine Group's Board of Directors has two ordinary committees: the Audit Committee and the Remuneration Committee. The work of the committees is reported to the Board on an ongoing basis. The Committees are to be seen as working committees of the Board and do not assume the responsibilities of the Board as a whole.

AUDIT COMMITTEE

The work of the Audit Committee is mainly of a preparatory and advisory nature, where the Committee, in its work and in dialogue with the auditor and Group management, provides the Board with information about the business. The work of the Audit Committee aims to ensure that the company's executive management establishes and maintains effective procedures for internal governance, risk management and control. These should be designed to provide reasonable assurance in terms of reporting (financial reporting and operational risk) and compliance (laws, regulations and internal rules) and to ensure the effectiveness and efficiency of administrative processes. The Audit Committee also discusses other significant issues related to the company's financial reporting and reports its findings to the Board. The Committee proposes measures to be adopted by the Board of Directors if necessary.

The Audit Committee is appointed annually by the Board. The company's CFO is the rapporteur and the Group Accounting Manager is the secretary.

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for preparing and evaluating matters relating to the remuneration and other terms and conditions of

employment of the Chief Executive Officer and other members of the Executive Committee, including the remuneration structure, pension plans, incentive schemes and other terms and conditions of employment. The Committee shall also monitor and evaluate ongoing and, during the year, completed variable remuneration programmes for senior executives and monitor and evaluate the application of the guidelines for remuneration of senior executives and the remuneration structures and levels in the company. The Remuneration Committee is appointed annually by the Board.

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is appointed by the Board of Directors. The CEO manages the activities within the framework established by the Board. The duties of the Chief Executive Officer include ensuring that the Board of Directors is provided with such factual, comprehensive and relevant information prior to Board meetings as is necessary to enable the Board to take well-informed decisions. The Chief Executive Officer is also the rapporteur of the Board and makes reasoned proposals for decisions. The Chief Executive Officer provides monthly updates to the Board of Directors with the information necessary to monitor the position, liquidity and development of the Company and the Group, and keeps the Chairman of the Board of Directors regularly informed of the Company's and the Group's activities.

GROUP MANAGEMENT

In addition to the CEO, the Company's Executive Management consists of the CFO, the COO of Nordics (appointed 2022) and the Director of Sustainability, Communications and Investor Relations, as well as the CEO of Viva eCOM (appointed 2022), the CEO of Wineteam Global and the Business Development Manager of Giertz Wine Import.

The Group Executive Committee meets regularly and deals with issues such as corporate governance, reporting and strategy. Furthermore, the Executive Committee shall prepare matters requiring a decision by the Board of Directors in accordance with the Board's rules of procedure and assist the CEO in implementing decisions of the Board of Directors. In addition to the collective responsibility for the management of the company, each member of the Executive Committee has an individual responsibility for their respective part of the company. At the beginning of each financial year, the Executive Committee evaluates its work, focusing on the quality of decisions, agenda, meeting structure, execution and overall performance of the Executive Committee.

AUDITORS

The external auditors are appointed by the General Meeting for a term of office of between one and four years. According to the Articles of Association, the Annual General Meeting shall elect an auditor or an audit firm to audit the company annual report and the Board and Company CEO administration.

The external auditors' mandate includes the audit of the management of the Board of Directors and the Chief Executive Officer and the annual report and accounts of the Company. They report regularly to the Audit Committee of the Board and report their findings in connection with the annual accounts.

APPLICATION OF THE CODE AND OTHER REGULATIONS

As a listed company on the Nasdaq First North Premier Growth Market, the Company has chosen to apply the Code on a voluntary basis. The Company has not deviated from the Code or stock exchange rules.

INTERNAL CONTROL

The Board of Directors and the CEO are responsible for organising internal control for the Viva Wine Group. The Management Team monitors the financial performance of the Group and each company ensures effective control of its own operations. The Viva Wine Group CFO manages the financial reporting processes, which are evaluated by the Audit Committee. The Board of Directors monitors the financial situation of the Group.

Viva Wine Group has a set of internal regulations which, together with the external regulations, form the framework for its operations. The key regulations include the Articles of Association, the Rules of Procedure of the Board of Directors and the instructions for the respective committees, as well as the instructions to the CEO, including financial reporting instructions and policies. The Company has the following policies:

Risk policy

The Risk Policy describes Viva Wine Group's approach to identifying and managing risks to and within the business.

Financial policy

The Financial Policy sets Viva Wine Group's financial risk level and defines the objectives and guidelines for the Group's financial management. The policy defines the responsibilities and the reporting and internal control procedures for financial management.

HR policy (Gender Equality and Equal Treatment Policy), only for Sweden

The HR Policy sets out the overall framework with respect to employees in the Group. It states that in order to meet the needs and expectations of its customers, the Group needs employees with diverse backgrounds and with a wide range of skills and experience.

Sustainability Policy

The Sustainability Policy describes Viva Wine Group's overall vision and guidelines for economic, environmental and social sustainability, focusing on sustainable farming, sustainable production, sustainable transport and packaging, sustainable communities and sustainable consumption.

Insider policy

The Insider Trading Policy sets out the principles for trading in Viva Wine Group's shares and how the company will handle inside information.

Communication Policy

The Communication Policy describes the principles of Viva Wine Group's internal and external communication in order to contribute to consistent, clear and long-term effective communication between the Company's management, employees and its external stakeholders.

Business Ethics and Anti-Corruption Policy

The Business Ethics Policy states that the Company's culture should be based on responsibility, trust and a high standard of professional conduct.

Internal Audit

According to the Code, the Board of Directors must annually consider whether the Company should have an internal audit function. The Board has considered that an internal audit function is not necessary at present and that the monitoring and evaluation of internal control is carried out by the Board as a whole.

CORPORATE GOVERNANCE AT VIVA WINE GROUP 2021

2021 Annual General Meeting

In 2021, the Annual General Meeting was held on 15 June.

The 2021 Annual General Meeting resolved as follows:

- Dividend of SEK 6.20 per share for the 2020 financial year.
- Election of Anders Moberg (Chairman), Helen Fasth Gillstedt, Mikael Aru, Anne Thorstvedt Sjöberg, Emil Sallnäs, Björn Wittmark and John Wistedt as members of the Board of Directors of Viva Wine Group. At the board meeting on 3 November, the main owners Emil Sallnäs and Björn Wittmark left the board as part of the preparations for the IPO.
- Adoption of the income statement and balance sheet for 2020 and discharge from liability of the members of the Board of Directors and the Chief Executive Officer.

2021 Extraordinary General Meetings

In 2021, a number of Extraordinary General Meetings were held as part of the preparations for listing.

The Extraordinary General Meeting on 15 April changed the composition of the Board,

The Extraordinary General Meeting on 20 September amended the Articles of Association and changed the category of the Company.

The Extraordinary General Meeting on 25 November adopted new Articles of Association and resolved on a share split.

The Extraordinary General Meeting on 30 November resolved to issue shares.

The Extraordinary General Meeting on 5 December resolved to carry out a share split and a further issuance of shares.

Empowerment

The Extraordinary General Meeting 20 September 2021 gave an authorization to the Board of Directors to until the 2022 Annual General Meeting decide on the issue of shares, convertibles and / or warrants with right to convert to or subscribe for shares, with or without deviation from shareholders' preferential rights, within the limits of the Articles of Association, to be paid contact, by in-kind and / or by set-off.

Board of Directors

Composition

According to the Articles of Association, the Company's Board of Directors shall consist of a minimum of three and a maximum of ten members. At the end of 2021, Viva Wine Group's Board of Directors consisted of five members: Anders Moberg (Chair), Helen Fasth Gillstedt, Mikael Aru, Anne Thorstvedt Sjöberg and John Wistedt. Further information on the individual Board members can be found on pages 90-91 of the 2021 Annual Report.

Independence of the Board of Directors

According to the Nomination Committee, four out of five members of the Board of Directors are to be considered independent in relation to the Company's major shareholders, as well as to the Company and its management.

Meetings

The Board convenes for six ordinary meetings a year and one statutory meeting. In addition to the ordinary meetings, the Board of Directors shall be convened for additional meetings at the request of any member of the Board or of the Chief Executive Officer. The auditors attend the Board meeting at which the annual accounts are presented in order to report on the findings of the audit.

Remuneration to the Board of Directors

Remuneration to the Board of Directors for the period from the 2021 Annual General Meeting up to and including the 2022 Annual General Meeting has been paid in accordance with the resolution of the 2021 Annual General Meeting. No Board fees were paid to Board members employed by Viva Wine Group.

For more information on the remuneration of the Board of Directors in 2021, see Note 7 in the Company's 2021 Annual Report.

Work of the Board in 2021

Between 1 January 2021 and 31 December 2021, the Board held eight Board meetings and two statutory Board meetings. At all regular Board meetings, the Board received an overall presentation from the CEO and discussed the performance of the Company and its associated companies, as well as other projects and issues. All meetings during the year followed an approved agenda. Before each meeting, the draft agenda, including any documentation for each item on the agenda, was sent to the Board.

Audit Committee

Members in 2021 were: Helen Fasth Gillstedt (Chair) and Mikael Aru. The Chair of the Committee kept the Board informed of the Committee's work and decisions throughout the year. The number of meetings in 2021 was four. The Company's auditor and CFO attended all meetings of the Audit Committee in 2020.

Remuneration Committee

Members in 2021 were Anders Moberg and Anne Thorstvedt Sjöberg. The Chief Executive Officer of the Company serves as rapporteur on certain issues, but is not a member of the Committee and is not present when the Committee prepares decisions related to remuneration of the Chief Executive Officer.

The Chair of the Committee has kept the Board informed of the Committee's work and decisions throughout the year. The Committee shall meet as often as necessary and at least twice a year.

Group Management

Viva Wine Group's Group Management in 2021 consisted of Emil Sallnäs, President and CEO, Linn Gäfvert, CFO, Mikael Sundström, Director Sustainability, Communications and Investor Relations, John Wistedt, CEO Wineteam Global AB (subsidiary of Viva Wine Group) and Björn Wittmark, Director Business Development Giertz Vinimport (subsidiary of Viva Wine Group).

Further information on the Company's Chief Executive Officer and other members of the Executive Committee's shareholdings in Viva Wine Group can be found on page 90-91 in the 2021 Annual Report. Emil Sallnäs has no significant shareholdings or participations in companies with which Viva Wine Group has significant business relations.

Remuneration of the Board of Directors

For information on the guidelines adopted by the Annual General Meeting, see Note 7 in the 2021 Annual Report. For information on remuneration and other benefits to the Executive Committee, see Note 7 in the 2021 Annual Report.

Audit and auditors

The 2021 General Meeting appointed EY AB as the company's auditor for the period from 2021 until and including the 2022 AGM. In 2021, in addition to auditing, EY AB also provided consulting services to the Group for tax and audit-related services.

Andreas Nyberg is the auditor in charge. For information on the remuneration of Viva Wine Group's auditors in 2021, see Note 6 Fees and reimbursement of expenses to auditors, in the 2021 Annual Report.

Key performance indicators and share data

GROUP	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Return on equity, %	27.0	17.0	50.0	96.0
Gross margin, %	26.8	20.7	23.7	18.8
EBITDA (SEK million)	326	93	580	303
EBITDA margin, %	31.6	11.6	17.4	10.6
EBITA (SEK million)	320	89	564	291
EBITA margin, %	31.1	11.1	16.9	10.2
EBITA, adjusted (SEK million)	144	90	399	292
EBITA margin, adjusted, %	13.9	11.3	12.0	10.3
Operating profit (EBIT) (SEK million)	298	86	521	281
Operating margin (EBIT margin), %	28.9	10.7	15.6	9.9
Equity ratio, %			45.5	28.3
Net debt			545	133
Equity per share (SEK)			18.7	67.7
Quick ratio, %			117.0	86.0
Average number of employees			240	130

Key performance indicators Definitions

In accordance with the ESMA (European Securities and Markets Authority) guidelines regarding the disclosure of alternative performance measures, the definition and reconciliation of alternative performance measures for Viva Wine Group AB are presented here. The guidelines provide enhanced disclosures regarding the financial measures not defined

by IFRS. The key performance indicators shown below are presented in the interim report. They are used for internal control and monitoring. As not all companies calculate financial performance indicators in the same way, they are not always comparable with indicators used by other companies.

KEY PERFORMANCE INDICATORS	DEFINITION	PURPOSE
EBITDA	Operating profit before depreciation and amortisation of tangible and intangible non-current assets.	This measure is used to analyse the profitability of the business, independently of depreciation.
EBITDA margin, %	EBITDA/net sales	The EBITDA margin is used to show the profitability of the operating business.
EBITA	Operating profit before amortisation and impairment of intangible non-current assets.	This measure is used to analyse the profitability of the business, independently of the amortisation of intangible non-current assets, which mainly consists of the surplus value of acquisitions made.
EBITA, adjusted	EBITA adjusted for items affecting comparability.	Adjusted EBITA is a measure used to maintain transparency and comparability of operating results over time.
Adjusted for items affecting comparability	Measure or amount adjusted for costs related to IPO and bonus commitment related to the acquisition of Vicampo and Norwegian Beverage Group.	This measure is used to analyse the profitability of the operating business, excluding items affecting comparability.
EBITA margin, %	EBITA as a percentage of net sales.	EBITA margin is used to show the profitability of operating activities.
EBITA margin, adjusted %	Adjusted EBITA as a percentage of net sales.	Adjusted EBITA margin is used to analyse the profitability of the operating business, excluding items affecting comparability.
Gross margin, %	Net sales less costs of goods for resale, in relation to net sales.	This measure is used to illustrate profitability in terms of margin on goods sold during the period.
Equity per share	Equity attributable to equity holders in the parent company/ number of shares at the end of the period.	Measures net value per share and shows whether the company is increasing shareholder wealth over time.
Quick ratio, %	Cash and cash equivalents in relation to short-term liabilities. Measured as (Current assets - inventories and work in progress) / current liabilities.	This measure shows the company's ability to pay in the short term.
Operating profit (EBIT)	Operating profit before net financial items and tax. Net financial income refers to financial income less financial expenses.	This measure is used to understand the company's profitability potential.
Operating margin, %	EBIT/net sales	Operating margin is used to show the percentage of turnover that remains after operating costs and that can be used for other purposes.
Equity ratio, %	Total equity/total assets	Equity ratio is used to analyse financial risk and shows the proportion of assets financed by equity. A high equity ratio is a measure of financial strength.
Net debt (+)/Net cash (-)	Interest-bearing liabilities minus cash and cash equivalents at the end of the period.	Net debt is a key performance indicator showing the company's total net debt.

GRI Index Viva Wine Group 2021

Viva Wine Group reports in accordance with GRI Standards, level Core. All GRI standards are from 2016.

GRI 102: General disclosures			
INDICATOR	DESCRIPTION	PAGE	COMMENT/RESERVATION
Organisation profile			
102-1	Name of the organisation	46	
102-2	Important brands, products and services	4-5, 12-13, 16-19	
102-3	Location of headquarters	46	
102-4	Location of operations	5, 20-25, 46	
102-5	Ownership structure and legal form	46	
102-6	Markets served	5, 20-25, 46	
102-7	Scale of the organisation	46	
102-8	Information on employees and other workers	32-33, 64-65	
102-9	Supply chain	30, 34-35	
102-10	Significant changes to the organisation and its supply chain	30, 34-35	
102-11	Precautionary principle or approach	The precautionary principle is applied when assessing and managing the impact of the business on sustainability	
102-12	External initiatives regarding sustainability to which the organisation subscribes or which it endorses	34, 38-41	
102-13	Membership of organisations	34, 38-41	
Strategy and analysis			
102-14	Statement from senior decision-maker	9, 26-27	
Ethics and integrity			
102-16	Values, principles, standards and norms of behaviour	10-13, 30	
Governance			
102-18	Governance structure	42-43, 91-95	
102-23	Composition of the Board and Management	90-91, 95-96	
102-24	Chairman of the board	90, 96	
Stakeholder dialogue			
102-40	List of stakeholder groups	29	
102-41	Share of total employees covered by collective bargaining agreements	32	
102-42	Identifying and selecting stakeholders	29	
102-43	Approach to stakeholder engagement	29	
102-44	Key topics and concerns that have been raised through stakeholder engagement	29	
Reporting practice			
102-45	Entities included in the financial statements	28	
102-46	Defining report content and topic boundaries	28	
102-47	List of material topics	29	
102-48	Restatements of information	28, 46	
102-49	Changes in reporting	28, 46	
102-50	Reporting period	28, 46	
102-51	Date of most recent report	28, 46	
102-52	Reporting cycle	28, 46	
102-53	Contact point for questions regarding the report	46	
102-54	Claims of reporting in accordance with the GRI Standards	28	
102-55	GRI index	100-101	
102-56	External assurance	102-103	

GRI 103: Management approach				
AREA	INDICATOR	103-1: EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY	103-2 THE MANAGEMENT APPROACH AND ITS COMPONENTS, PAGE REFERENCE	103-3 EVALUATION OF THE MANAGEMENT APPROACH
Financial performance				
GRI 201: Financial performance	201-1	28-29	6-7, 49-65	6-7, 49-65
Indirect financial contributions				
GRI 203: Indirect financial contributions	203-2	28-29	35, 66-67	35, 66-67
Emissions				
GRI 305: Emissions	305-1 to 305-3	28-29	7, 14, 31, 38-39	7, 14, 31, 38-39
Diversity and equal opportunity				
GRI 405: Diversity and equal opportunity	405-1	28-29	7, 31-33	7, 31-33
Social responsibility in the supply chain				
GRI 414: Supplier social assessment	414-2	28-29	31, 34-35	31, 34-35
Customer health and safety				
GRI 416: Product safety	416-2	28-29	16-19, 40-41	16-19, 40-41
Responsible marketing				
GRI 417: Marketing and labelling	417-3	28-29	16-19, 31, 40-41	16-19, 31, 40-41
Key sustainability issues				
AREA	INDICATOR	DESCRIPTION	PAGE	COMMENT/RESERVATION
Economic impact				
GRI 201: Economic performance	201-1	Direct economic value generated and distributed	6-7, 49-65	
Indirect economic impact				
GRI 203: Indirect economic impact	203-2	Indirect economic impact of the business	35, 66-67	
Emissions				
GRI 305: Emissions	305-1	Direct CO ₂ emissions (Scope 1)	7, 14, 38-39	Biogenic emissions are not reported separately
GRI 305: Emissions	305-2	Indirect GHG emissions (Scope 2)	7, 14, 38-39	Dual reporting
GRI 305: Emissions	305-3	Other indirect GHG emissions (scope	7, 14, 38-39	
Diversity and equal opportunity				
GRI 405: Diversity and equal opportunity	405-1	Composition of the company	31-33	Deviation regarding information on minority groups in accordance with Swedish legislation. Age distribution of management team is not disclosed
Social responsibility in the supply chain				
GRI 414: Supplier social assessment	414-2	Review of supplier chain	7, 14, 31, 34-35	As a result of the Covid-19 pandemic, several audits could not be carried out as planned
Customer health and safety				
GRI 416: Product safety	416-2	Incidents related to product quality and safety	40-41, 101	Six batch recalls in 2020
Responsible marketing				
GRI 417: Marketing and labelling	417-3	Incidents of non-compliance concerning marketing communications	40-41, 101	No non-compliance in 2020

Auditor's Combined Assurance Report on the sustainability report and statement regarding the statutory sustainability report for Viva Wine Group AB

This is the translation of the auditor's report in Swedish.

To Viva Wine Group AB, org.nr 559178-4953

INTRODUCTION

We have been engaged by the Board of Viva Wine Group AB to undertake a limited assurance engagement of the sustainability report for Viva Wine Group AB for the year 2021. The scope of the sustainability report has been defined on pages 4-14 and 26-43. The statutory sustainability report is defined on page 3.

RESPONSIBILITIES OF THE BOARD AND EXECUTIVE MANAGEMENT

The Board of Directors and Executive Management are responsible for the preparation of the sustainability report including the statutory sustainability report in accordance with applicable criteria and the Swedish Annual Accounts Act respectively. The criteria are defined on page 28 in the sustainability report and are part of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative) that are applicable to the sustainability report, as well as the accounting and calculation principles that the Company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a conclusion on the sustainability report based on our limited assurance procedures and to express an opinion regarding the statutory sustainability report. Our engagement is limited to historical information presented in this document and does therefore not include future oriented information.

We have conducted our engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of historical financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the sustainability report, and applying analytical and

other limited assurance procedures. Our examination regarding the statutory sustainability report has been conducted in accordance with FAR's accounting standard RevR 12 The auditor's opinion regarding the statutory sustainability report. A limited assurance engagement and an examination according to RevR 12 are different from and substantially less in scope than reasonable assurance conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Viva wine Group AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed in a limited review and an examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. The conclusion based on limited assurance procedures and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on reasonable assurance.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

CONCLUSIONS

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the sustainability report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

A statutory sustainability report has been prepared.

Stockholm on the date stated in the electronic signature

Ernst & Young AB

Andreas Nyberg
Authorized Public Accountant

Outi Alestalo
Expert member of FAR

Shareholder information

REPORTING DATES 2022

Annual report 2021	27 April
Interim report January – March	12 May
Annual general meeting	20 May
Interim report January – June	25 August
Interim report January – September	16 November

DISTRIBUTION POLICY

Viva Wine Group's annual report will be sent by post upon request. Interim reports are distributed only in electronic format.

For subscription, investors.vivagroup.se/en/press-releases/

INVESTOR RELATIONS / SHAREHOLDER CONTACT

Mikael Sundström
mikael.sundstrom@vivagroup.se

CONTACT VIVA WINE GROUP

Address: Blasieholmsgatan 4A, SE-111 48 Stockholm, Sweden
 Tel: +46 8 - 21 83 88
 E-mail: info@vivagroup.se
 Homepage: www.vivagroup.se/

ANNUAL GENERAL MEETING OF VIVA WINE GROUP

The Annual General Meeting of Viva Wine Group will be held on Friday 20 May 2022 at 1 pm via Zoom.

The Annual General Meeting will be held online via Zoom and will therefore be held without the physical presence of shareholders, proxies and members of the public. Shareholders may only exercise their right to vote at the Annual General Meeting by participating online or by voting by post prior to the meeting in the order provided below.

Right to attend the meeting

Shareholders who wish to participate in the Annual General Meeting must be registered in the share register maintained by Euroclear Sweden AB on the record date, which is Thursday 12 May 2022. They must notify Baker & McKenzie Advokatbyrå of their intent to participate, along with the names of any participating advisors (no more than two), in writing by post no later than Monday 16 May 2022, Attn: Carl Isaksson, Box 180, 101 23 Stockholm or by e-mail to carl.isaksson@bakermckenzie.com.

Postal voting

The Board of Directors has decided that the shareholders may exercise their voting rights at the meeting by voting in advance, known as postal voting, under Section 4 of the Act (2022:121) on temporary exemptions to facilitate holding general meetings of companies and associations. The postal voting form is available on the company's website, www.vivagroup.se. The completed form must have been received by the company no later than Monday 16 May 2022. It should be sent to the address indicated in the convening notice. The form may also be submitted electronically and should then be sent to carl.isaksson@bakermckenzie.com.

Proxies

Shareholders represented by a proxy must issue a written and dated power of attorney for the proxy. A copy of the power of attorney and any certificate of registration should, in order to facilitate access to the meeting, have been received by the Company at the Company's address, Blasieholmsgatan 4 A, 111 48 Stockholm, no later than 16 May 2022. Proxy forms are available on the company's website, www.vivagroup.se.

Re-registration of nominee-registered shares

Shareholders whose shares are nominee-registered with a bank or other nominee must have their shares temporarily registered in their own name through the nominee in order to be entitled to participate in the meeting. Such registration, which normally takes a few days, must be completed by Thursday 12 May 2022 at the latest and should therefore be requested from the nominee well in advance of that date. Voting registration requested by shareholders in time for registration to be made by the relevant nominee by Monday 16 May 2022 at the latest will be taken into account in the preparation of the share register.



VISION

We will create stable, sustainable growth in the international wine market through a dynamic platform for entrepreneurship, sustainability and innovation.

Emil Sallnäs, CEO

• *Our sales markets*

• *The origin of our beverages*



Viva Wine Group | Blasieholmsgatan 4A, Stockholm, Sweden | +46 8-21 83 88 | info@vivagroup.se

Design: formgarda.se



Tryck: DanagårdLitho, 2022



Klimatkompenserat papper