

Q2

INTERIM REPORT APRIL-JUNE 2022

Strong acquisition-driven growth and stable Nordic markets

APRIL - JUNE 2022

- Net sales increased by 27.8% to SEK 999 (782) million.
- Operating profit fell by 6.0% to SEK 68 (72) million. The operating margin was 6.8% (9.2).
- EBITA, adjusted, increased to SEK 96 (79) million. EBITA margin, adjusted, was 9.6% (10.1).
- Market share increased in Sweden to 25.2% (25.0), in Finland to 15.7% (14.9) and in Norway to 5.2% (3.8).

SIGNIFICANT EVENTS DURING THE QUARTER

- The acquisition of MyTaste & Food AB (Vinklubben) was completed according to plan with a transaction date of 1 April.
- The Board's proposals for an ordinary dividend of SEK 1.50 per share and the election of Lars Ljungälv as a full Member of the Board were adopted by the Annual General Meeting on 20 May.
- 81 percent of the shares in Viva Global AB (Viva China) was divested to Vin och Vind AB, a company that is closely related to Viva Wine Group, on 1 June.

JANUARY - JUNE 2022

- Net sales rose by 27.3% to SEK 1870 (1469) million.
- Operating profit fell by 8.1% to SEK 133 (145) million. Operating margin was 7.1% (9.9).
- EBITA, adjusted, increased to SEK 191 (157) million. EBITA margin, adjusted, was 10.2% (10.7).
- Market share increased in Sweden to 25.4% (25.2), in Finland to 16.2% (15.6) and in Norway to 5.3% (3.6).

SIGNIFICANT EVENTS DURING THE PERIOD

- A contract was signed with Speqta AB for acquisition of all the shares in MyTaste & Food AB (Vinklubben), Sweden's largest online community for wine. The purchase price was SEK 120 million on a cash and debt-free basis. The transaction was completed on 1 April.

CONSOLIDATED FINANCIAL STATEMENTS

SEK million	Quarter			Period			Full year	
	2022	2021	Change	2022	2021	Change	RTM	2021
Net sales	999	782	27.8	1,870	1,469	27.3	3,733	3,331
Gross margin (%) ¹⁾	23.4	20.9		24.2	21.2		24.9	23.7
EBITA ¹⁾	94	76	24.2	184	152	21.1	596	564
EBITA margin (%) ¹⁾	9.4	9.7		9.8	10.3		16.0	16.9
EBITA, adjusted ¹⁾	96	79	21.7	191	157	21.7	433	399
EBITA margin, adjusted (%) ¹⁾	9.6	10.1		10.2	10.7		11.6	12.0
Operating profit (EBIT) ¹⁾	68	72	-6.4	133	145	-8.1	509	521
Operating margin (%) ¹⁾	6.8	9.2		7.1	9.9		13.6	15.6
Net debt ¹⁾	696	320						545
Equity ratio (%) ¹⁾	45.8	28.5						45.5
Earnings per share	0.82	0.69		1.38	1.55		5.80	6.63
Average number of employees	340	172						240

¹⁾ APM, Alternative Performance Measure, see Key performance indicator definitions on page 23.



Strong acquisition-driven growth and stable Nordic markets

The Nordic monopoly markets continued to show stable performance in the second quarter, while the eCom segment continues to have high comparatives driven by the pandemic. Cost increases put temporary pressure on profitability.

ACQUISITION-DRIVEN GROWTH

We can look back on an active year, with several acquisitions contributing to our growth. The rate of growth in the quarter was 28%, largely attributable to the acquisitions of Vicampo, Norwegian Beverage Group, Pietro di Campo and Vinklubben.

We continue to outperform the market in Sweden, Finland and Norway, and we are also starting to see more normal comparative periods as the effects of the pandemic wear off. We gained market share in all monopoly markets compared to the previous year, and Norway once again performed very strongly in the quarter. In the eCom segment, we continue to have high comparatives but we continue to see strong interest in online wine shopping. With our differentiated e-commerce concepts targeting different price categories, we are well equipped to respond to changes in e-commerce consumer buying patterns.

TEMPORARY PRESSURE ON MARGINS

The war in Ukraine has created a global shortage of glass and certain other key input materials, leading to increased costs and, in some cases, longer lead times. The war, combined with rapidly rising inflation and increased transport costs, has temporarily impacted our margins. The weakness of the Swedish krona has also negatively impacted our margins due to our heavy cost exposure to the Euro. We are hedging our foreign exchange exposure and see significant positive effects from our hedges in net financial income in the quarter and half year.

The second quarter is typically our most active period, with many product launches and customer activities driving marketing costs. Cost increases will be offset by price increases, but there is a time lag. Unlike the e-commerce market, price adjustments in monopoly markets can only be made two to three times a year at timed pricing windows, and we made a first price adjustment in March. We intend to implement further price increases on future occasions, but this will mean a certain delay before profitability is restored.

OPERATIONAL EXCELLENCE

For us, operational excellence means, among other things, efficient operation with substantial synergies and as few unnecessary costs as possible. In the Nordic monopoly markets, our new COO has targeted increasing synergies and optimising everything from product development to logistics solutions. This will not only improve profitability, it will also make the integration of future acquisitions much smoother and allow us to attain synergistic benefits more quickly.



We have clarified our strategy to focus on our core business, and as part of this we divested our operations in China during the quarter. We see that the Nordic monopoly markets and the e-commerce market in Europe offer enough growth opportunities.

TURMOIL CREATES OPPORTUNITIES

The first half year of 2022 has been turbulent in many ways and we have faced a number of challenges, but overall we are confident about the outlook. We are working hard to streamline our operations while growing both organically and through acquisitions. Our underlying business is stable and we will gradually strengthen profitability through price adjustments and synergies. We also see interesting acquisition opportunities in the long term.

Emil Sallnäs, CEO Viva Wine Group
Stockholm, August 2022

Development of the Group

MARKET

In the second quarter and first half of the year, the Nordic retail monopolies' sales in volume terms declined compared to the previous year as a result of eased pandemic restrictions, which affected consumer spending behaviour with increased travel imports and more restaurant visits. In addition, the outbreak of war in Ukraine and rapidly rising inflation have significantly dampened sentiment among Nordic and German consumers.

Nevertheless, the Swedish and Nordic monopoly markets are showing good underlying strength and stability, and market volumes continue to be somewhat above the levels seen before the pandemic. The Group's Swedish and Nordic subsidiaries are continuing to strengthen their position, gain market share and grow faster than the market as a whole.

The lifting of pandemic restrictions has also slowed the development of European e-commerce significantly, but the underlying trend of a shift from retail to e-commerce remains and is still at a higher level than before the pandemic.

FINANCIAL TARGETS

Viva Wine Group has financial targets for growth, profitability and indebtedness. The targets are set over the medium term.

- **Growth:** For the Swedish and Nordics segments, average annual organic growth is to be at least four percent over the medium term. For the Viva eCom segment, average annual organic growth is to be 10–15 percent over the medium term. In addition, Viva Wine Group intends to grow through acquisitions.
- **Profitability:** The adjusted EBITA margin is to be 10–12 percent over the medium term.
- **Debt/equity ratio:** 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.

NET SALES

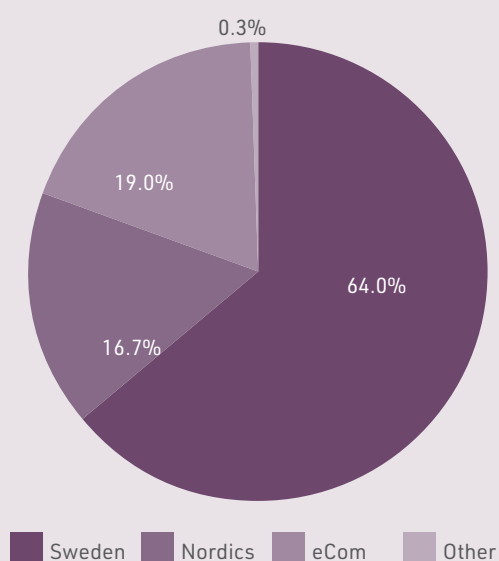
The quarter

In the second quarter, Viva Wine Group's net sales increased by 27.8 percent to SEK 999 (782) million, compared to the same quarter of 2021. A significant part of the increase in net sales can be attributed to the acquisition of the e-commerce business Vicampo, which contributed SEK 155 million, and the acquisition of Norwegian Beverage Group, which contributed SEK 76 million.

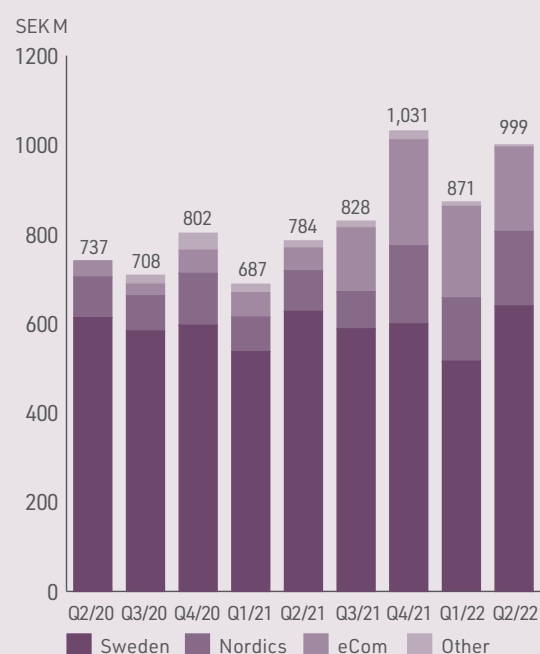
The period

For the first half of 2022, net sales increased by 27.3 percent to SEK 1,870 (1,469) million. Organic sales growth was slightly negative, mainly due to lower net sales in e-commerce and business outside Europe (the Other segment).

SHARE OF NET SALES %, MOST RECENT QUARTER



NET SALES PER SEGMENT



NET SALES (SEK MILLION)	Quarter			Period			Full year	
	Apr-Jun		Change	Jan-Jun		Change	RTM	2021
	2022	2021	%	2022	2021	%		
Sweden	639	626	2.0	1,153	1,163	-0.8	2,340	2,350
Nordics	167	91	83.9	310	168	84.5	568	426
eCom	189	51	271.1	394	106	271.6	774	486
Other	5	14	-65.6	16	34	-54.3	54	73
Eliminations	-1	0	-2,031.8	-3	-2	33.1	-5	-4
Total	999	782	27.7	1,870	1,469	27.3	3,732	3,331

ORGANIC SALES GROWTH (SEK MILLION)	Apr-Jun		Jan-Jun		Full year	
	2022	2021	2022	2021	RTM	2021
	Net sales	999	782	1,870	1,469	3,732
Acquired/divested net sales	-230	-21	-464	-46	-849	-431
Currency effects	-4	8	-9	16	-8	17
Organic net sales	764	769	1,397	1,440	2,875	2,918
Sales for the comparison period	782	737	1,469	1,335	2,975	2,845
Organic sales growth (%)	-2.3	4.4	-4.9	7.8	-3.4	2.6

OPERATING PROFIT

The quarter

The Group's operating profit for the second quarter was SEK 68 (72) million. Amortisation of surplus values is related to acquisitions after Q2 2021 and amounts to SEK 21 million. Items affecting comparability for the period totalled SEK -2 million and consisted of bonuses to the founders of acquired e-commerce business.

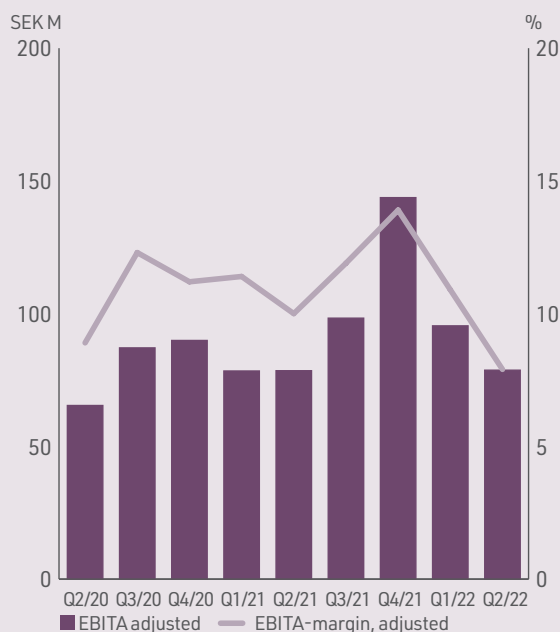
Adjusted EBITA amounted to SEK 96 (79) million, the increase coming mainly from the acquired businesses, Vicampo and Norwegian Beverage Group.

The period

Operating profit for the first half of 2022 decreased to SEK 133 (145) million, mainly due to amortisation of surplus value related to acquisitions after Q2 2021.

Adjusted EBITA totalled SEK 191 (157) million. The increase comes mainly from the acquired businesses, Vicampo and Norwegian Beverage Group.

EBITA ADJUSTED FOR THE PERIOD (SEK MILLION)



OPERATING PROFIT (EBIT)	Quarter			Period			Full year	
	Apr-Jun		Change	Jan-Jun		Change	RTM	2021
SEK million	2022	2021	%	2022	2021	%		
Sweden	49	64	-23.3	108	129	-16.6	270	291
Nordics	21	9	139.0	35	17	105.3	67	49
eCom	-2	-4	-54.2	-5	-7	-35.0	-11	-13
Other	-1	3	-126.3	-5	6	-184.8	183	193
Eliminations	0	0	-	0	0	-	0	0
Total	68	72	-6.4	133	145	-8.1	509	521

EBITA, ADJUSTED	Quarter			Period			Full year	
	Apr-Jun		Change	Jan-Jun		Change	RTM	2021
SEK million	2022	2021	%	2022	2021	%		
Sweden	52	65	-20.2	110	129	-15.0	273	292
Nordics	26	9	197.8	45	17	166.7	81	53
eCom	17	-2	1,106.4	37	-3	1,226.2	74	33
Other	1	7	-86.2	-2	14	-110.8	6	21
Eliminations	0	0	-	0	0	-	0	0
Total	96	79	21.7	191	157	21.7	433	399

NET PROFIT

The quarter

The Group's net profit for the second quarter of 2022 was SEK 79 (51) million and was positively impacted by the acquired businesses Vicampo and Norwegian Beverage Group. Net financial income for the quarter was SEK 32 (-6) million, mainly due to positive currency effects.

The period

The Group's net profit for the first half of 2022 was SEK 133 (122) million and was positively impacted by the acquired businesses Vicampo and Norwegian Beverage Group.

FINANCIAL POSITION AND LIQUIDITY

Group equity at 30 June 2022 was SEK 1,704 (442) million, and the equity ratio was 46 (29) percent.

On 1 April 2022, Viva Wine Group AB acquired 100% of the shares and voting power in Vinklubben i Norden AB (formerly Mytaste Food & Beverage AB). With this acquisition, Viva Wine Group is further reinforcing its relationship with Swedish consumers and continuing its strategy of strengthening the Company's growth with strategically important acquisitions. Vinklubben i Norden AB has total assets of SEK 16 million. The purchase price was SEK 121 million and was paid in cash.

Cash and cash equivalents at 30 June 2022 totalled SEK 169 (11) million. In addition, at the end of the year there were unused credit lines of SEK 155 million. Group net debt, including lease liabilities under IFRS 16, increased during the year by SEK 150 million to SEK 696 million at 30 June 2022. Net debt/EBITDA, for the last 12-month period, was 1.1.

CASH FLOW

Cash flow from operating activities after changes in working capital increased to SEK 53 million (25) in the second quarter. The year-on-year improvement is mainly due to a higher profit after financial items.

Cash flow from investing activities totalled SEK -111 (7) million for the quarter, the business combination with Vinklubben i Norden AB having a cash flow impact of SEK -119 million.

Cash flow from financing activities is related to the dividend of SEK -148 (-70) million and repayments of loans from credit institutions of SEK -21 (-7) million. Other cash flows from financing activities totalled to SEK 2 million.

EQUITY

Viva Wine Group's equity decreased during the quarter by SEK 32 million to SEK 1,736 million. Accumulated profit for the year amounts to SEK 133 million. During the period, a total of SEK 155 million was distributed, of which SEK 133 million to the parent company's shareholders.

SEGMENT

Sweden

We strengthened our position in the Swedish market with increased market shares during the second quarter. The retail monopoly's total sales decreased and were negatively impacted by an increased number of restaurant visits, increased foreign travel and travel imports, and generally subdued consumer demand due to increasing worries about inflation and higher interest rates.

Our Swedish business outperformed the market with a change in sales volume of -0.3 percent in the quarter compared to the market's -1.2 percent and -3.6 percent for the half year compared to the market's -4.6 percent. Our market share in volume terms was stable and rose slightly to 25.2 (25.0) percent for the quarter and 25.4 (25.2) percent for the half year. We are consequently consolidating our position as the largest supplier in the Swedish market.

SALES

Net sales increased in the first quarter to SEK 639 (626) million, and organic growth was +1.5 percent. The increase is mainly explained by the late Easter in 2022, which meant that a large proportion of Easter sales took place in April instead of March. Net sales decreased in the first half of the year to SEK 1,153 (1,163) million, and organic growth was -1.1 percent.

PROFIT

Operating profit was SEK 49 (64) million in the second quarter. During the quarter, the Swedish business was negatively affected in particular by an unfavourable exchange rate against the EUR, as well as increased transport and material costs. Adjusted EBITA margin was 8.1 (10.3) percent in the quarter.

Operating profit was SEK 108 (129) million in the first half of the year. Unfavourable exchange rates against the EUR and increased transport and material costs also had a negative impact in the first half of the year. Adjusted EBITA margin was 9.5 (11.1) percent in the half year.

The unfavourable exchange rate has a direct impact on operating profit and EBITA margin. The outcome of currency hedging is recognised in net financial income. The Swedish business shows financial income of SEK +18 (-6) million in the second quarter and net financial income of SEK +25 (+11) million in the first half of the year.

SEK million	Apr-Jun			Jan-Jun			Full year	
	2022	2021	Change %	2022	2021	Change %	RTM	2021
Net sales	639	626	2.0	1 153	1 163	-0.8	2,340	2,350
EBITA	52	65	-20.2	110	129	-15.0	273	292
EBITA, adjusted	52	65	-20.2	110	129	-15.0	273	293
EBITA margin, adjusted (%)	8.1	10.3		9.5	11.1		11.7	12.4
Operating profit (EBIT)	49	64	-23.3	108	129	-16.6	270	291
Operating margin (%)	7.7	10.3		9.3	11.1		11.5	12.4

Organic sales growth (SEK million)	Apr-Jun		Jan-Jun		Full year	
	2022	2021	2022	2021	RTM	2021
Net sales	639	626	1,153	1,163	2,340	2,350
Acquired net sales	-3	-	-3	-5	-3	-5
Currency effects	-	-	-	-	-	-
Organic net sales	636	626	1,150	1,157	2,337	2,345
Sales for the comparison period	626	618	1,163	1,113	2,369	2,268
Organic sales growth (%)	1.5	1.3	-1.1	4.0	-1.3	3.4

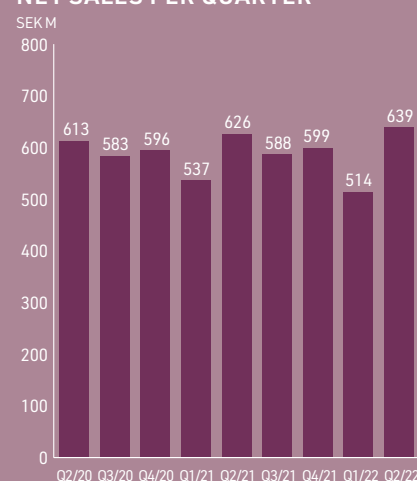
SWEDEN SEGMENT SHARE OF NET SALES IN THE QUARTER

64.0%

VIVA WINE GROUP SWEDEN MARKET SHARE (BY VOLUME)

25.2%

NET SALES PER QUARTER



ADJUSTED EBITA AND ADJUSTED EBITA MARGIN



SEGMENT

Nordics

Our Nordic operations significantly outperformed the market as a whole, and we increased market share in both Finland and Norway. Both the Norwegian and Finnish retail monopolies experienced significant sales declines in volume terms due to eased pandemic restrictions and reopened borders, combined with increasing inflation worries.

Our sales - in volume terms - decreased, but only by 1.6 percent. This is largely attributable to our strong sales trend in Norway, with an increase of 14.1 percent in the quarter, compared to the overall decrease of 15.8 percent in the Norwegian market. The Finnish business also outperformed the market, but reports an 8.1 per cent decline in sales in terms of volume sold, compared to the Finnish market's overall decline of 12.7 per cent.

Market share in volume terms in our Norwegian business was 5.2 (3.8) percent in the quarter and 5.3 (3.6) percent in the first half of the year. Market share in volume terms in our Finnish business was 15.7 (14.9) percent in the quarter and 16.2 (15.6) percent in the first half of the year.

SALES

Net sales increased in the quarter to SEK 167 (91) million and in the first half of the year to SEK 310 (168) million, an increase mainly related to the acquisition of Norwegian Beverage Group, which took place in the fourth quarter of 2021.

Organic growth in the Finnish business was -3.1 percent in the quarter and -4.0 in the first half of the year, which is less than the volume decline and better than the market trend as a whole. Organic sales were negatively impacted by currency effects of SEK 3.0 million in the quarter and SEK 5.6 million in the first half of the year.

PROFIT

Operating profit increased to SEK 21 (9) million in the quarter and to SEK 35 (17) million for the half year, with the acquired business in Norway contributing SEK 12 million in the quarter and SEK 20 million in the half year. Operating profit in the Finnish operations improved by SEK 0.4 million in the quarter but deteriorated by SEK 1.7 million in the half year compared to the previous year, mainly due to increased purchase prices and transport costs. Gross margin improved during the quarter after adjustments made for sale prices. The Nordics segment's adjusted EBITA margin was 15.5 percent in the quarter and 14.7 percent in the first half of the year.

SEK million	Apr-Jun			Jan-Jun			Full year	
	2022	2021	Change %	2022	2021	Change %	RTM	2021
Net sales	167	91	83.9	310	168	84.5	568	426
EBITA	26	9	197.8	45	17	166.7	81	53
EBITA, adjusted	26	9	197.8	45	17	166.7	81	53
EBITA margin, adjusted (%)	15.5	9.6		14.7	10.2		14.3	12.4
Operating profit (EBIT)	21	9	139.0	35	17	104.5	67	49
Operating margin (%)	12.4	9.5		11.3	10.1		11.8	11.6

Organic sales growth (SEK million)	Apr-Jun		Jan-Jun		Full year	
	2022	2021	2022	2021	RTM	2021
Net sales	167	91	310	168	568	426
Acquired net sales	-76	-	-143	-	-208	-65
Currency effects	-3	5	-6	9	-2	12
Organic net sales	88	96	161	177	357	373
Sales for the comparison period	91	91	168	157	363	353
Organic sales growth (%)	-3.1	4.5	-4.0	12.2	-1.7	5.6

NORDICS SEGMENT SHARE OF NET SALES IN THE QUARTER.

16.7%

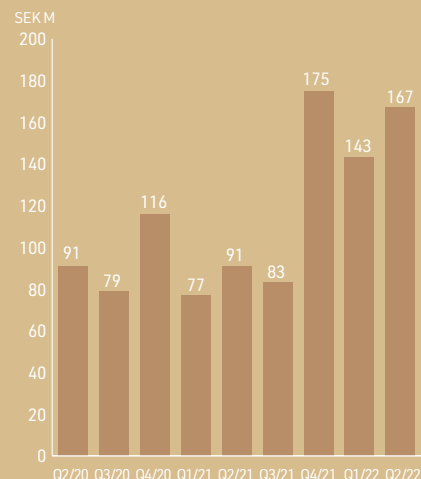
VIVA WINE GROUP FINLAND MARKET SHARE (BY VOLUME)

15.7%

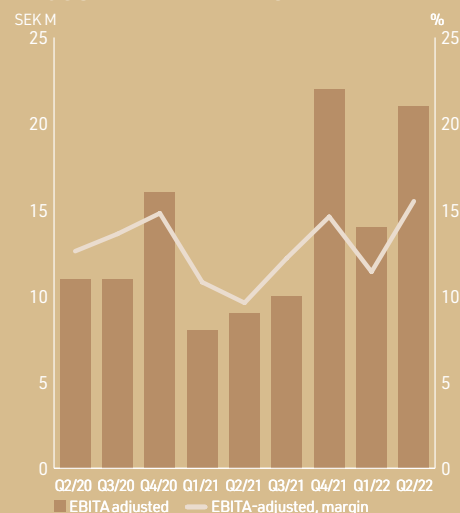
VIVA WINE GROUP NORWAY MARKET SHARE (BY VOLUME)

5.2%

NET SALES PER QUARTER



ADJUSTED EBITA AND ADJUSTED EBITA MARGIN



SEGMENT

Viva eCom

The slowdown in the European e-commerce market continued during the quarter, also affecting the wine market. As expected, the removal of pandemic restrictions and the reopening of restaurants has led to some channel shifting and an upturn for traditional shopping patterns, while worries over war and inflation have had a negative impact on customer demand. However, the underlying trend of a shift from retail to e-commerce persists, and sales remain at a higher level than before the pandemic.

Viva eCom developed in line with the overall e-commerce market in the quarter and half year, but continues to show stable gross margins. With the previous year's acquisition of Vicampo and its Vicampo and Weinfürst platforms, the segment's net sales increased significantly, and the profitable Vicampo business also had a positive impact on operating profit and operating margin.

SALES

Net sales increased significantly in the quarter as a result of the acquisition of Vicampo in August 2021. Net sales reached SEK 189 (51) million in the quarter and SEK 394 (106) million in the half year, of which SEK 155 million in the quarter and SEK 322 million in the half year are attributable to Vicampo. Organic growth in original Viva eCom was -34.6 percent in the quarter and -33.4 percent in the half year, a result of high comparatives and restructuring for future synergies. Organic growth is calculated solely on the original eCom business, which totals only SEK 33 million, equivalent to 3 percent of Group total sales. Intensive work is underway to integrate the original e-commerce business with Vicampo, thereby achieving synergies and efficiencies.

PROFIT

Operating profit for the quarter was SEK -1.6 (-3.6) million, with the acquired Vicampo business contributing SEK 20 million before amortisation of surplus values of SEK -15 million. The segment reports EBITA adjusted for items affecting comparability of SEK 17 million, an improvement of SEK 19 million on the same period of the previous year. Adjusted EBITA margin improved from -3.4 percent to +9.1 percent due to the acquisition of Vicampo.

Operating profit for the first half was SEK -4.5 (-7.0) million, with the acquired Vicampo business contributing SEK 37 million before amortisation of surplus values of SEK -30 million. The segment reports EBITA adjusted for items affecting comparability of SEK 37 million, an improvement of SEK 41 million on the previous year. Adjusted EBITA margin improved from -3.1 percent to +9.4 percent due to the acquisition of Vicampo.

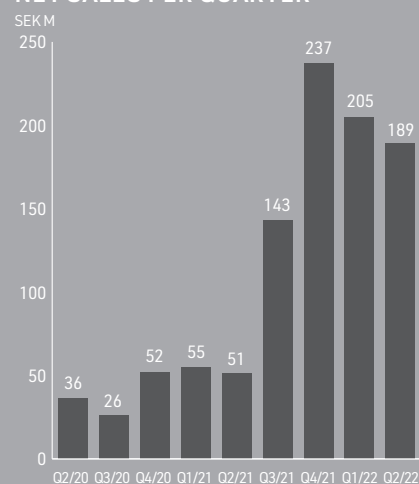
SEK million	Apr-Jun			Jan-Jun			Full year	
	2022	2021	Change %	2022	2021	Change %	RTM	2021
Net sales	189	51	271.1	394	106	271.6	774	486
EBITA	16	-2	-1,006.6	30	-3	-997.3	52	19
EBITA, adjusted	17	-2	-1,106.4	37	-3	-1,226.2	74	33
EBITA margin, adjusted (%)	9.1	-3.4		9.4	-3.1		9.5	6.8
Operating profit (EBIT)	-2	-4	-54.2	-5	-7	-35.0	-11	-13
Operating margin (%)	-0.9	-6.9		-1.1	-6.6		-1.4	-2.7

Organic sales growth (SEK million)	Apr-Jun		Jan-Jun		Full year	
	2022	2021	2022	2021	RTM	2021
Net sales	189	51	394	106	774	486
Acquired net sales	-155	-19	-321	-38	-636	-353
Currency effects	-1	3	-2	6	-4	4
Organic net sales	33	34	71	74	135	138
Sales for the comparison period	51	36	106	59	185	137
Organic sales growth (%)	-34.6	-3.6	-33.4	25.4	-27.1	0.3

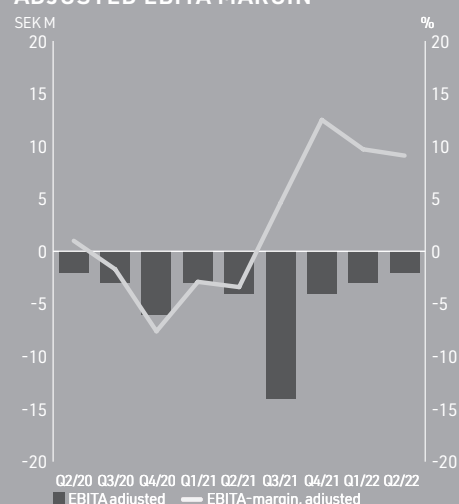
SEGMENT E-COMMERCE SHARE OF NET SALES IN THE QUARTER

19.0%

NET SALES PER QUARTER



ADJUSTED EBITA AND ADJUSTED EBITA MARGIN

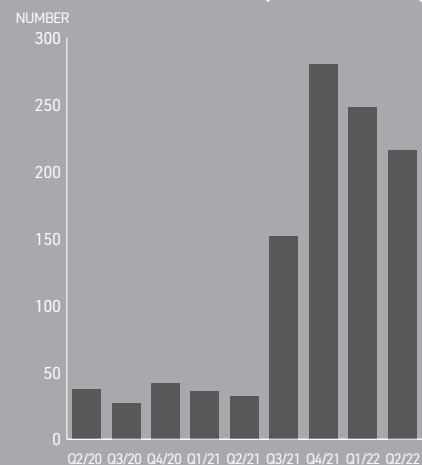


SEGMENT

Viva eCom (cont.)

The number of orders, the number of first-time orders (i.e. the number of new customers) and the number of active customers increased during the quarter and the year. The share of sales from repeat customers also increased, but the number of orders per active customer decreased during the quarter, which had a negative impact on organic growth. Average order value also decreased, which is an effect of our broadening of customer segments through the acquisition of Vicampo.de GmbH. As a result of the acquisition of Vicampo.de GmbH and its Vicampo and Weinfürst platforms, we are reaching a larger customer base and offering wines in more price segments, complementing Wine in Black's focus on the more expensive price segments. Through focused efforts, the average order value has increased in all customer segments during the quarter and half year.

NUMBER OF ORDERS (THOUSANDS)



Order summary eCom	Apr-Jun		Change	Jan-Jun		Change	Full year	
	2022	2021	%	2022	2021	%	RTM	2021
Number of orders (thousands)	216	32	570.5	464	68	582.4	896	500
Number of first-time orders (thousands)	54	8	572.2	118	18	570.9	240	140
Number of active customers (thousands)	479	53	804.3	479	53	804.3	479	537
Number of orders per active customer*	2.0	2.1	-4.1	2.0	2.1	-4.1	2.0	2.1
Share of sales from repeat customers (%)	81.0	77.9		80.3	75.7		79.4	78.2
Average order value	847	1,295	-34.6	832	1,284	-35.2	834	897

* For fair comparability of the key performance indicator, Vicampo is included in the comparison period in the same way as other entities.

SEASONAL VARIATIONS

There are significant seasonal variations in the consumption of alcoholic beverages that affect the net sales and cash flow of Viva Wine Group. Typically, the highest revenue is generated in the second and fourth quarters, while revenue in the first and third quarters of the year is usually lower. The first two quarters in particular may be affected by the date of Easter. Sales in the summer months are also partly dependent on weather, with fine and sunny summer weather driving sales, particularly for the rosé product segment.

RISKS AND UNCERTAINTIES

The business is also affected during the year by currency risks, related to exchange rates, and commodity risks, related to harvesting. There are also political and fiscal risks, with occasional rises in excise duties over the years. The effects of rises in excise duties are often temporary, with sales recovering within a few quarters and continuing to grow thereafter. For a full description of risks, see the Viva Wine Group Annual Report and Sustainability Report.

RELATED-PARTY TRANSACTIONS

Related-party transactions included transactions with associated companies and joint ventures and remuneration of senior executives and partners in the form of salary and pension. See more in Note 7.

CHANGES IN GROUP MANAGEMENT

Anna Möller joined Viva Wine Group as Chief Operating Officer Nordics on 7 March 2022. The role of Chief Operating Officer Nordics is a new key position in the Viva Wine Group with responsibility for realising synergies between the Swedish and Nordic business segments, and forms part of the management team. Viva Wine Group added Christian Fricke, CEO Viva eCom Group, to the Group management with effect from 1 April 2022.

SIGNIFICANT EVENTS DURING THE SECOND QUARTER

On 1 April 2022, Viva Wine Group acquired all the shares in Vinklubben i Norden AB (formerly Mytaste Food & Beverage AB). By acquiring Vinklubben, Viva Wine Group is further reinforcing its relationship with Swedish consumers and continuing its strategy of strengthening the Company's growth with strategically important acquisitions. Viva Wine Group already operates two of the Swedish market's most successful wine clubs, Viva Vin & Mat and Tryffelsvinets Vinklubb. Vinklubben.se and the business of Vinklubben i Norden AB will continue to be run as an independent company. The purchase price was around SEK 120 million on a debt-free basis, and was paid in cash.

On June 1, 2022, 81 percent of the shares in Viva Global AB (Viva China) were sold to Vin och Vind AB, one to Viva Wine Group closely related company.

SUSTAINABILITY

Sustainability is one of Viva Wine Group's main drivers and success factors. The Group is the Swedish and Nordic market leader in organically and ethically certified wine and develops carbon-efficient transport and packaging together with its partners. During the quarter, the Group's annual Sustainability Report was published, outlining the climate and sustainability performance of the business for 2021.

The sustainability performance of the Swedish business further improved in 2021, with the share of organically certified volume increasing to 39 (38) percent and the share of organically and/or ethically certified volume increasing to 49 (48) percent. The climate impact of the business from transport, packaging and business travel decreased by -4.5 percent to 0.32 kgCO₂/litre of beverages, compared to the previous year's 0.34 kgCO₂/litre of beverages. The main reductions in our climate impact have been achieved on the packaging side, where our ambitious efforts to invest in increasingly carbon-efficient packaging are bearing fruit.

Viva Wine Group's Swedish subsidiaries are proud partners in the beverage industry's climate initiative. The initiative's annual industry report was released during the quarter. The report summarises the Swedish beverage industry's goals, activities and results in the area of climate change. The report showed that Viva Wine Group continues to be an ambitious pioneer, with industry-leading carbon efficiency. In 2021, our Swedish business generated 32% less climate impact than the reported wine and spirits industry average, with an impact of 0.32kgCO₂/litre beverage sold, compared to the industry average of 0.47kgCO₂/litre beverage sold. Unlike the industry, we also continued to reduce our emissions per litre sold, while the industry's emissions instead increased.

EMPLOYEES

At 30 June, the average number of employees was 340, up from 172 in the second quarter of the previous year. The increase is partly due to organic growth but is mainly attributable to acquired companies, in particular Vicampo in Germany. Vicampo manages its own logistics and therefore has its own warehouse staff.

PARENT COMPANY

The Parent Company's balance sheet decreased slightly during the second quarter, with equity decreasing by SEK 24 million to SEK 1,737 million as a result of dividends paid. Debts to credit institutions totalling SEK 20 million were repaid during the quarter, with total assets at the end of the quarter amounting to SEK 2,568 (536) million.

DISCLOSURE AND PRESENTATION

Viva Wine Group's interim report for the second quarter of 2022 will be published at 8.00 am on 25 August 2022. At 11.00 am on the same day, a video conference will be held with CEO Emil Sallnäs and CFO Linn Gäfvert. The videoconference can be accessed at the following link:

<https://financialhearings.com/event/44427>. The presentation will also be made available at <https://investors.vivagroup.se/>.

FINANCIAL CALENDAR 2022

Year-end report 2021, published 24 February 2022

Annual Report Report 2021, published 27 April 2022

Interim report Q1 2022, published 12 May 2022

Interim Interim report Q2, published 25 august 2022

Interim report Q3 2022, to be published 16 november 2022

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This information is information that Viva Wine Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons listed above, on 25 August 2022 at 8:00 am CET.

DECLARATION OF THE BOARD OF DIRECTORS

The Board of Directors and the Chief Executive Officer declare that this interim report gives a true and fair view of the Parent Company's and the Group's operations, financial position and results, and describes the principal risks and uncertainties that the Parent Company and the Group face.

Stockholm, 25 August 2022

Anders Moberg
Chairman of the Board

Anne Thorstvedt Sjöberg
Member of the Board

Helen Fasth Gillstedt
Member of the Board

John Wistedt
Member of the Board

Lars Ljungälv
Member of the Board

Mikael Aru
Member of the Board

Emil Sallnäs
CEO

The interim report has not been reviewed by the company's auditors.

Condensed consolidated income statement

AMOUNTS IN SEK MILLION	NOTE	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	Full year RTM	Full year 2021
Operating income							
Net sales	3.4	999	782	1,870	1,469	3,733	3,331
Other operating income		2	5	5	5	7	8
Total income		1,001	787	1,875	1,474	3,740	3,339
Operating expenses							
Goods for resale		-765	-618	-1,417	-1,158	-2,802	-2,543
Other external expenses		-81	-63	-142	-102	-301	-261
Personnel expenses		-62	-35	-128	-69	-244	-185
Depreciation, amortisation and impairment		-32	-7	-61	-13	-107	-59
Profit from participations in associated companies and joint ventures		6	9	6	13	225	233
Other operating expenses		0	0	0	0	-3	-3
Operating profit	4	68	72	133	145	509	521
Financial income		46	-5	73	15	98	40
Financial expenses		-14	-1	-37	-4	-55	-22
Profit after financial items		100	65	169	156	552	539
Tax		-21	-15	-36	-34	-76	-74
Net profit for the period		79	51	133	122	476	465
Profit for the period attributable to							
Parent Company shareholders		73	41	123	93	445	414
Non-controlling interests		6	10	11	29	48	51
Earnings per share							
Basic earnings per share (SEK)	5	0.82	0.69	1.38	1.55	5.80	6.63
Diluted earnings per share (SEK)	5	0.82	0.69	1.38	1.55	5.80	6.63

Condensed consolidated statement of comprehensive income

AMOUNTS IN SEK MILLION	NOTE	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	Full year RTM	Full year 2021
Net profit for the period		79	51	133	122	476	465
<i>Items that will be reclassified to profit or loss</i>							
Translation difference		-18	-1	8	-1	16	7
Other comprehensive income for the period		-18	-1	8	-1	16	7
Comprehensive income for the period		61	49	141	121	492	472
Comprehensive income for the period attributable to							
Parent Company shareholders		50	40	121	91	450	420
Non-controlling interests		10	10	19	30	42	52

Condensed consolidated statement of financial position

AMOUNTS IN SEK MILLION	NOTE	30 Jun 2022	30 Jun 2021	31 Dec 2021
ASSETS				
Non-current assets				
Goodwill		924	19	821
Intangible assets		1,216	144	1,170
Tangible assets		50	45	50
Right-of-use assets		54	35	57
Participations in associated companies and joint ventures		60	79	54
Deferred tax assets		11	2	11
Other securities held as non-current assets		3	0	0
Other non-current receivables		19	16	19
Total non-current assets		2,336	341	2,183
Current assets				
Inventories		492	459	477
Trade receivables		617	656	730
Receivables from associated companies	4	13	13	12
Current tax assets		12	-	2
Other receivables		14	0	20
Derivative instruments		26	21	10
Prepaid expenses and accrued income		43	27	46
Cash and cash equivalents		169	11	331
Total current assets		1,385	1,187	1,630
TOTAL ASSETS		3,722	1,528	3,813
EQUITY AND LIABILITIES				
Equity				
	4			
Share capital		1	0	1
Other contributed capital		1,376	-	1,376
Reserves		2	-4	4
Retained earnings including net profit for the year		251	402	281
Total equity attributable to Parent Company shareholders		1,631	398	1,662
Non-controlling interests		73	37	75
Total equity		1,704	435	1,736
Non-current liabilities				
Overdraft facility		0	125	-
Other liabilities to credit institutions		722	34	732
Lease liabilities		39	25	41
Deferred tax liabilities		320	10	309
Other provisions		18	-	10
Other non-current liabilities		1	-	0
Total non-current liabilities		1,099	195	1,092
Current liabilities				
Liabilities to credit institutions		89	135	86
Trade payables		466	380	443
Advances from customers		0	6	6
Liabilities to associated companies		12	46	23
Current tax liabilities		12	7	29
Lease liabilities		15	11	17
Current provisions		0	5	1
Derivative instruments		4	-	5
Other current liabilities		283	275	333
Accrued expenses and prepaid income		36	33	41
Total current liabilities		918	898	985
TOTAL EQUITY AND LIABILITIES		3,722	1,528	3,813

Condensed consolidated cash flow statement

AMOUNTS IN SEK MILLION	NOTE	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	Full year RTM	Full year 2021
Operating activities							
Profit after financial items		100	65	169	156	552	539
Adjustment for non-cash items		3	10	51	-13	-115	-180
Dividends from associated companies		0	-	0	-	10	10
Tax paid		-24	-14	-74	-34	-112	-73
Cash flow from operating activities before changes in working capital		80	61	146	108	335	297
Cash flow from change in working capital							
Change in inventories		-19	-25	-42	-33	14	23
Changes in operating receivables		-154	-59	53	-19	18	-55
Changes in operating liabilities		147	48	-5	-55	-56	-106
Net cash from operating activities		53	25	153	1	310	158
Investing activities							
Business combinations	9	-119	-	-119	-	-1,336	-1,217
Divestment of subsidiaries	9	9	-	9	-	9	0
Acquisition of intangible assets		0	0	-1	-102	-3	-105
Acquisition of tangible assets		0	2	0	-2	-2	-4
Redemption of shares, purchase of minority interests		-	-	-	-	-265	-265
Change in other financial assets		0	6	0	6	-5	1
Cash flow from investing activities		-111	7	-112	-99	-1,602	-1,589
Financing activities							
New share issue*		-	-	-	-	1,152	1,152
Paid-up warrants		-	-	-	-	2	2
Dividend paid to Parent Company shareholders		-133	-31	-133	-31	-133	-31
Dividend paid to non-controlling interests		-15	-39	-21	-52	-21	-52
Change in overdraft facility		2	42	1	66	-125	-60
Borrowings		-	-3	-	102	1,468	1,570
Repayment of debt		-21	-7	-43	-14	-883	-854
Repayment of lease liability		-4	-3	-10	-5	-17	-13
Cash flow from financing activities		-171	-40	-207	65	1,442	1,714
Cash flow for the period		-229	-8	-166	-32	150	283
Cash and cash equivalents at the beginning of the period		398	19	331	42	11	42
Cash flow for the period		-229	-8	-166	-32	150	283
Exchange rate differences in cash and cash equivalents		1	0	4	0	9	6
Cash and cash equivalents at the end of the year		169	11	169	11	169	331
Interest received		0	1	0	1	2	2
Interest paid		-4	-1	-9	-2	-21	-14
Non-cash items							
Depreciation/amortisation		32	7	61	13	106	59
Change in market value of derivatives		-21	-15	-17	-15	-31	-28
Change in provisions		1	-	7	-	21	15
Share of profit in associated companies		-6	-12	-6	-13	-225	-233
Other		-3	10	6	1	13	8
Total		3	-10	51	-13	-115	-180

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

Condensed consolidated statement of changes in equity

AMOUNTS IN SEK MILLION	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. net profit for the year	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
OPENING EQUITY, 1 JAN 2021	0	-	-3	341	338	66	404
Net profit for the period	-	-	-	92	92	29	122
Other comprehensive income for the period	-	-	-1	-	-1	0	-1
Comprehensive income for the period	-	-	-1	92	91	30	121
Transactions with the Group's owners							
Dividend	-	-	-	-31	-	-52	-52
Total	-	-	-	-31	-	-52	-52
CLOSING EQUITY, 31 JAN 2021	0	-	-4	402	398	43	442
OPENING EQUITY, 1 JAN 2022	1	1,376	4	281	1,662	75	1,736
Net profit for the period	-	-	-	123	123	11	133
Other comprehensive income for the period	-	-	-1	-	-1	9	8
Comprehensive income for the period	0	0	-1	123	121	19	141
Transactions with the Group's owners							
Dividend	-	-	-	-133	-133	-21	-155
Transactions with non-controlling interests	-	0	-	-19	-19	1	-18
Total	0	0	0	-152	-152	-21	-173
CLOSING EQUITY, 30 JUN 2022	1	1,376	2	252	1,631	73	1,704

Condensed Parent Company income statement

AMOUNTS IN SEK MILLION	NOTE	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	Full year RTM	Full year 2021
OPERATING INCOME							
Net sales		-	-	-	-	0	0
Other operating income		1	1	3	2	5	5
TOTAL INCOME		1	1	3	2	6	5
Other external expenses		-4	-5	-9	-8	-40	-39
Personnel expenses		-2	-1	-4	-1	-6	-4
Operating profit		-5	-5	-10	-7	-40	-38
Financial income and expenses		116	2	165	3	176	14
Profit before tax		111	-3	155	-5	136	-24
Appropriations		-	-	-	-	79	79
Tax		-2	-	-2	-	-10	-10
Net profit for the period		109	-3	153	-5	203	45

Condensed balance sheet of the Parent Company

AMOUNTS IN SEK MILLION	NOTE	30 Jun 2022	30 Jun 2021	31 Dec 2021
ASSETS				
Non-current assets		988	186	866
Current assets		1,483	350	1,494
Cash and cash equivalents		98	-	232
TOTAL ASSETS		2,568	536	2,592
EQUITY AND LIABILITIES				
Equity and liabilities				
Equity		1,737	292	1,718
Non-current liabilities		703	125	713
Current liabilities		128	119	161
TOTAL EQUITY AND LIABILITIES		2,568	536	2,592

Notes

Note 1 Significant accounting policies

This interim report relates to the Swedish parent company Viva Wine Group AB, 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 more than ten growing markets worldwide. The parent company is a limited liability company registered in and with its registered office in Stockholm, Sweden. The address of the head office is Blasieholmsgatan 4A, SE-111 48 Stockholm, Sweden.

Viva Wine Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. The Group's interim report was prepared in accordance with IAS 34 Interim Financial Reporting and applicable parts of the Swedish Annual Accounts Act (1995:1554). The Parent Company applies the Swedish Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities. The same accounting policies, basis for calculations and assessments were applied by the Group and the Parent Company as those applied in the most recent annual report. A more detailed description of the Group's accounting policies, as well as new and upcoming standards, can be found in the latest published Annual Report.

Disclosures in accordance with IAS 34.16A are presented in the financial statements and related notes as well as in other parts of the interim report.

All amounts in this report are presented in millions of Swedish kronor (SEK million), unless otherwise stated. Rounding differences may occur.

Note 2 Estimates and judgements

The preparation of financial statements requires that the company management and the Board of Directors make certain judgements and assumptions that impact the carrying amounts of asset and liability items, and income and expense 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 of material adjustments in the carrying amounts of assets and liabilities during subsequent periods. 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. A description of material estimates and judgements is provided in the 2021 Annual Report.

Note 3 Revenue from customers

The Group's net sales are specified according to the following geographic markets, based on where the customer is located:

NET SALES PER GEOGRAPHIC MARKET;	Apr-Jun		Jan-Jun		Full year	
	2022	2021	2022	2021	RTM	2021
Sweden	636	627	1,148	1,157	2,331	2,339
Finland	91	91	167	168	359	361
Germany	150	36	316	74	626	383
Norway	76	0	143	1	209	66
Other	45	27	95	70	208	182
Total	999	782	1,870	1,469	3,733	3,331

All revenue is recognised at a point in time when the goods have been delivered to the customer.

Note 4 Operating segments

For accounting and monitoring, the Group has divided its operations into four operating segments. The segments are 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.

April-June 2022	Sweden	Nordics	E-Commerce	Other	Total segments	Eliminations	Group total
Net sales, external	638	167	189	4	999	-	999
Net sales	1	-	-	1	1	-1	0
Other operating income	2	1	1	15	18	-15	2
Total income	641	168	190	19	1,018	-17	1,001
Goods for resale	-520	-131	-114	-2	-767	2	-765
Other external expenses	-53	-4	-28	-9	-95	15	-80
Personnel expenses	-15	-5	-30	-11	-62	-	-62
Depreciation, amortisation and impairment	-2	-6	-20	-3	-32	-	-32
Profit from participations in associated companies and joint ventures	-	-	-	6	6	-	6
Other operating expenses	-	-	0	0	0	-	0
Operating profit	49	21	-2	-1	68	0	68
EBITDA	52	27	18	3	99	0	99
EBITA	52	26	16	1	94	0	94
Financial income	27	1	1	22	51	-5	46
Financial expenses	-8	-2	-6	-2	-19	5	-14
Profit before tax	68	20	-7	19	100	0	100
Goodwill	76	236	612	0	924	0	924
Total assets	524	491	1,573	2,629	5,217	-1,495	3,722
Total liabilities	731	272	1,647	863	3,513	-1,495	2,018

April-June 2021	Sweden	Nordics	E-Commerce	Other	Total	Eliminations	Group total
Net sales, external	626	91	51	14	782	-	782
Net sales	0	-	-	0	0	0	0
Other operating income	2	1	1	19	22	-17	5
Total income	628	92	52	32	804	-17	787
Goods for resale	-496	-78	-36	-10	-621	2	-618
Other external expenses	-52	-2	-7	-18	-78	15	-63
Personnel expenses	-13	-3	-10	-11	-35	-	-35
Depreciation, amortisation and impairment	-3	-1	-3	-1	-7	-	-7
Profit from participations in associated companies and joint ventures	-	-	-	9	9	-	9
Other operating expenses	-	-	0	-	0	-	0
Operating profit	64	9	-4	3	72	0	72
EBITDA	67	9	-1	3	79	0	79
EBITA	65	9	-2	4	76	0	76
Financial income	-5	0	0	1	-4	-1	-5
Financial expenses	-1	0	-1	0	-3	1	-1
Profit before tax	58	8	-5	4	65	0	66
Goodwill	1	6	12	-	19	-	19
Total assets	946	171	87	593	1,797	-269	1,528
Total liabilities	777	174	128	283	1,362	-269	1,093

Note 4 Operating segments (cont.)

January-June 2022	Sweden	Nordics	E-Commerce	Other	Total	Eliminations	Group total
Net sales, external	1,152	310	394	14	1,870	-	1,870
Net sales	1	-	-	1	3	-3	0
Other operating income	3	1	2	29	34	-29	5
Total income	1,156	311	396	44	1,907	-32	1,875
Goods for resale	-930	-244	-239	-8	-1,421	4	-1,417
Other external expenses	-87	-8	-58	-17	-170	28	-142
Personnel expenses	-29	-12	-65	-23	-128	-	-128
Depreciation, amortisation and impairment	-3	-12	-39	-7	-61	-	-61
Profit from participations in associated companies and joint ventures	-	-	-	6	6	-	6
Other operating expenses	-	-	0	-	0	-	0
Operating profit	108	35	-5	-5	133	0	133
EBITDA	110	47	34	2	194	0	194
EBITA	110	45	30	-2	184	0	184
Financial income	47	2	1	34	84	-11	73
Financial expenses	-22	-3	-11	-12	-48	11	-37
Profit before tax	132	34	-15	17	169	0	169

January-June 2021	Sweden	Nordics	E-Commerce	Other	Total	Eliminations	Group total
Net sales, external	1,162	168	106	33	1,469	0	1,469
Net sales	1	-	-	1	2	-2	0
Other operating income	2	1	1	30	33	-28	5
Total income	1,164	169	107	64	1,504	-30	1,474
Goods for resale	-916	-141	-77	-27	-1,161	3	-1,158
Other external expenses	-90	-4	-12	-23	-130	27	-102
Personnel expenses	-26	-5	-19	-19	-69	-	-69
Depreciation, amortisation and impairment	-4	-1	-5	-3	-13	-	-13
Profit from participations in associated companies and joint ventures	-	-	-	13	13	-	13
Other operating expenses	-	-	0	-	0	-	0
Operating profit	129	17	-7	6	145	0	145
EBITDA	133	18	-2	9	158	0	158
EBITA	129	17	-3	8	152	0	152
Financial income	16	0	-	2	18	-3	15
Financial expenses	-4	0	-1	-1	-7	3	-4
Profit before tax	140	17	-9	8	156	0	156

Note 4 Operating segments (cont.)

January–December 2021	Sweden	Nordics	E-Commerce	Other	Total	Eliminations	Group total
Net sales, external	2,348	426	486	72	3,331	0	3,331
Net sales	2	–	–	1	4	-4	0
Other operating income	4	1	3	56	64	-57	8
Total income	2,354	427	489	129	3,400	-61	3,339
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	0	-185
Depreciation, amortisation and impairment	-2	-6	-38	-13	-59	0	-59
Profit from participations in associated companies and joint ventures	0	0	0	233	233	0	233
Other operating expenses	0	0	-3	0	-3	0	-3
Operating profit	291	49	-13	193	521	0	521
EBITDA	293	55	25	206	580	0	580
EBITA	292	53	19	200	564	0	564
Financial income	40	0	1	15	56	-16	40
Financial expenses	-13	-2	-13	-10	-38	16	-22
Profit before tax	318	48	-26	198	539	0	539
Goodwill	1	234	586	0	821	0	821
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

Note 5 Number of shares and Earnings per share

EARNINGS PER SHARE	Apr-Jun		Jan-Jun		Full year	
	2022	2021	2022	2021	RTM	2021
Parent Company shareholders						
Basic earnings per share (SEK)	0.82	0.69	1.38	1.55	5.80	6.63
Diluted earnings per share (SEK)	0.82	0.69	1.38	1.55	5.80	6.63
Net profit/loss for the period (SEK million)	73	41	123	93	445	414
Average number of shares, before dilution (thousands)	88,832	60,000	88,832	60,000	76,819	62,403
Average number of shares, after dilution (thousands)	88,832	60,000	88,832	60,000	76,819	62,403

Note 6 Financial instruments

The Group's financial assets comprise trade receivables, other receivables, securities held as non-current assets, receivables from associated companies, non-current receivables, cash and cash equivalents and derivative instruments. Financial liabilities comprise trade payables, other liabilities, interest-bearing liabilities, liabilities to associated companies, other non-current liabilities and derivative instruments. Derivative instruments are measured at fair value through profit or loss (Level 2), while the Group's other financial assets and liabilities are measured at amortised cost.

For all financial assets and liabilities, the carrying amount corresponds to the fair value.

Note 7 Related-party transactions

The Group's related-party transactions comprise purchases from and sales to associated companies and joint ventures as well as costs of salaries and pensions for senior executives, partners and the Board of Directors.

ASSOCIATED COMPANIES AND JOINT VENTURES	Apr-Jun		Jan-Jun		Full year	
	2022	2021	2022	2021	RTM	2021
Sale of goods/services	0	2	1	3	4	5
Purchase of goods/services	63	74	128	137	250	259

ASSOCIATED COMPANIES AND JOINT VENTURES	30 Jun 2022	30 Jun 2021	31 Dec 2021
Receivables on balance-sheet date	13	13	12
Liabilities on balance-sheet date	12	46	23

REMUNERATION OF SENIOR EXECUTIVES AND BOARD OF DIRECTORS	Apr-Jun		Jan-Jun		Full year	
	2022	2021	2022	2021	RTM	2021
Salaries	3	2	6	3	13	10
Pension benefit	0	0	0	0	0	1

Divestment of subsidiaries

On 1 June, Viva Wine Group AB completed a transaction in which 81 percent of the shares in the subsidiary Viva Global AB were sold to Vin och Vind AB, a company owned by Björn Wittmark, a senior executive. The value of the transaction is less than 1 percent of Viva Wine Group's market capitalisation. The transaction is taking place in cash at a value determined by a third-party valuation.

Note 8 Pledged assets and contingent liabilities

PLEGGED ASSETS FOR OWN LIABILITIES TO CREDIT INSTITUTIONS	30 Jun 2022	30 Jun 2021	31 Dec 2021
Floating charges	2	188	1
Property mortgages	20	29	20
Guarantees	23	23	23
	46	241	45
Contingent liabilities	30 Jun 2022	30 Jun 2021	31 Dec 2021
	None	None	None

Note 9 Business combinations

Acquisitions

On 1 April 2022, Viva Wine Group AB acquired 100% of the shares and voting power in Vinklubben i Norden AB (formerly Mytaste Food & Beverage AB). With this acquisition, Viva Wine Group is further reinforcing its relationship with Swedish consumers and continuing its strategy of strengthening the Company's growth with strategically important acquisitions. Vinklubben i Norden AB has total assets of SEK 16 million. The purchase price was SEK 121 million and was paid in cash.

ACQUIRED NET ASSETS ON THE ACQUISITION DATE (PRELIMINARY)	Vinklubben i Norden AB
Intangible assets	54
Tangible assets	0
Trade receivables and other receivables	4
Cash and cash equivalents	2
Deferred tax liabilities	-11
Trade payables and other operating liabilities	-3
Identified net assets	46
Goodwill	75
Total purchase consideration	121
Purchase consideration	
Cash	121
Total purchase consideration	121

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

The acquisition of Vinklubben i Norden AB gave rise to goodwill of SEK 75 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 Vinklubben i Norden AB totalled SEK 1 million. 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	Vinklubben i Norden AB
Cash portion of purchase consideration	121
Less:	
Cash (acquired)	2
Net cash outflow	119

Divestments

On 1 June, Viva Wine Group AB completed a transaction in which the shares in its subsidiary Viva Global AB were sold. The value of the transaction is less than 1 percent of Viva Wine Group's market capitalisation. The transaction is taking place in cash at a value determined by a third-party valuation. Viva Wine Group retains 19 percent of the shares after the divestment. The transaction was finalised on 1 June 2022. The deal is part of the Group's strategy to focus on its core business with a focus on growth in the Nordic monopoly markets and in the European wine e-commerce market.

Performance indicators and share data

GROUP	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	Full year RTM	Full year 2021
Gross margin (%)	23.4	20.9	24.2	21.2	24.9	23.7
EBITDA (SEK million)	99	79	194	158	600	580
EBITDA margin (%)	9.9	10.1	10.4	10.8	16.1	17.4
EBITA (SEK million)	94	76	184	152	596	564
EBITA margin (%)	9.4	9.7	9.8	10.3	16.0	16.9
EBITA, adjusted (SEK million)	96	79	191	157	433	399
EBITA margin, adjusted (%)	9.6	10.1	10.2	10.7	11.6	12.0
Operating profit (EBIT) (SEK million)	68	72	133	145	509	521
Operating margin (EBIT margin) (%)	6.8	9.2	7.1	9.9	13.6	15.6
Equity ratio (%)	45.8	28.5				45.5
Net debt	696	320				545
Equity per share (SEK)	28.4	77.8				18.7
Quick ratio (%)	97	81				117
Average number of employees	340	172				240

Key performance indicator 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 current 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.



Viva Wine Group in brief

Viva Wine Group is a wine group with a leading position in the Nordic monopoly markets and a strong and growing position in the European e-commerce market for wine. We develop, market and sell both our own and partner brands in more than ten growing markets around the world. The Group consists of several entrepreneurial companies that share a platform for economies of scale and value creation.

OUR BUSINESS

Our brands range from acclaimed consumer favourites to recognised prestige brands, and our producers are among the most prominent in the world, representing everything from large wine groups to member-owned cooperatives and small family producers. We care about how our products are made and are particularly proud of our commitment to sustainability.

OUR MARKETS

We develop, market and sell both our own and partner brands in most growing markets. The company sells affordable quality wines from around the world to consumers in the Nordics, Germany, Switzerland, Austria, France and the Netherlands. The Company's business is conducted by ten entrepreneurial companies based in six countries.

The Swedish market is our largest. The Swedish alcohol market is regulated, and sales to consumers are made through the state retail monopoly Systembolaget. In Sweden, our business is conducted through the subsidiaries Giertz Vinimport, Wineteam Global, Chris Wine & Spirits, Iconic Wines, Winemarket Nordic and Tryffelvinet.

The Nordic market segment, consisting of Finland and Norway, is our third largest market. The Finnish and Norwegian alcoholic beverage markets, like the Swedish market, are regulated by state retail monopolies. Our business in Finland is run by Cisa Group and in Norway by Norwegian Beverage Group.

The Viva eCom market segment is our second largest and fastest growing segment, with consumers mainly in Germany, Switzerland, Austria, France and the Netherlands. The business consists of the Wine in Black, Vicampo and Weinfürst platforms.

FINANCIAL TARGETS

Viva Wine Group has financial targets for growth, profitability and indebtedness.

- **Growth:** For the Swedish and Nordics segments, average annual organic growth is to be at least four percent over the medium term. For the Viva eCom segment, average annual organic growth is to be 10–15 percent over the medium term. In addition, Viva Wine Group intends to grow through acquisitions.
- **Profitability:** The adjusted EBITA margin is to be 10–12 percent over the medium term.
- **Debt/equity ratio:** 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.

The Board of Directors has also adopted a dividend policy where the intention is to distribute surplus capital 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 percent of the annual profit attributable to the parent company's shareholders as dividends.

OUR RESPONSIBILITY

Sustainability is one of our main drivers and success factors. We integrate sustainability throughout the value chain, focusing on sustainable cultivation and production, sustainable packaging and transport, sustainable local communities and responsible consumption.

We are pioneers and market leaders in organic and ethically certified wine. We co-distribute and have switched most of our transport in Europe to rail. A significant proportion of our products are offered in carbon-smart packaging. We carbon-off-set emissions from transport and heavy packaging, and all our transport to Sweden is carbon-neutral. We care not only for our producers but also for our consumers, and therefore promote responsible marketing and consumption of our products. We want our activities to contribute to a sustainable planet and to people's quality of life.