

Q1

INTERIM REPORT JANUARY-MARCH 2023

Stable growth and record high market shares

JANUARY - MARCH 2023

- Net sales increased by 1.3 % to SEK 883 (871) million.
- EBITA, adjusted, decreased to SEK 68 (95) million. EBITA margin, adjusted, was 7.7 % (10.9).
- Cash flow from operating activities decreased to SEK 84 (100) million.
- Operating profit decreased to SEK 38 (65) million. Operating margin was 4.3 % (7.5). The change is largely explained by unfavourable exchange rates.
- Market share by volume increased in all our Nordic markets. Share increased to 26.7 % (25.8) in Sweden, 18.8 % (16.9) in Finland and 5.9 % (5.5) in Norway.
- Earnings per share was SEK 0.30 (0.56).

CONSOLIDATED FINANCIAL STATEMENTS

SEK million	Quarter		Change %	Full year	
	Jan-Mar 2023	2022		RTM 2022	2022
Net sales	883	871	1.3	3,836	3,825
Gross margin, ¹⁾	21.4	25.2		22.1	23.0
EBITA ¹⁾	64	89	-28.9	407	433
EBITA margin (%) ¹⁾	7.2	10.3		10.6	11.3
EBITA, adjusted ¹⁾	68	95	-29.1	349	377
EBITA margin, adjusted (%) ¹⁾	7.7	10.9		9.1	9.8
Operating profit (EBIT) ¹⁾	38	65	-42.4	283	310
Operating margin (%) ¹⁾	4.3	7.5		7.4	8.1
Net profit	29	55	-47.6	252	278
Net debt ¹⁾	428	465			491
Equity ratio (%) ¹⁾	47.3	48.5			47.7
Earnings per share before/after dilution, SEK	0.30	0.56		2.60	2.86
Average number of employees	316	345			333

¹⁾ APM, Alternative Performance Measure, see Key Performance Indicator definitions on page 20



Record high market shares in the Nordics and sustained profitability in eCom

Viva Wine Group started 2023 with a stable first quarter – we maintained profitability in our European e-commerce business and grew in all the Nordic markets reaching record high market shares.

STABLE GROWTH IN DIFFICULT TIMES

Given the tough market environment, we delivered a stable first quarter with growth of 1.3 percent. The Nordics segment developed strongly, with organic growth of 8.1 percent. Sweden also had a good quarter with organic growth of 5.0 percent. Viva eCom is still feeling the effects of fluctuations in the e-commerce market but is starting to see signs of stabilisation and a change for the better.

Adjusted EBITA margin for the quarter came out at 7.7 percent, a level I am pleased with given cost increases and a challenging exchange rate.

STRONG START IN THE NORDIC MONOPOLY MARKETS

In the first quarter, we continued to gain market share in all the Nordic monopoly markets. Indeed, we reached record levels in all three monopoly markets. Market volume in the total alcohol market decreased by 2.2 percent, while we increased our total market volume by 2.7 percent.

Norway once again had a strong quarter and is the market where our sales have increased the most, as much as 7.0 percent in a market that was down -1.6 percent in terms of volume. Finland is the country where the economic slowdown is most noticeable and, combined with active cross-border trade, monopoly sales have fallen more than in Norway and Sweden. Despite this, we have increased sales in Finland and consequently also our market share, which was close to 19 percent. In Sweden, we reached our highest market share ever with 26.7 percent in the quarter.

PRESSURE ON MARGINS FROM CURRENCY EFFECTS

In addition to cost increases in inputs, logistics and freight, primarily driven by inflation, we face a major challenge with the unfavourable EUR exchange rate.

We have used the price adjustment windows to offset the cost increases. But in a competitive market it is, of course, a balancing act. Volumes and market shares are important factors to consider, and we also hope that the Riksbank's efforts will eventually master the weakness of the Swedish and Norwegian currencies. We therefore see our EBITA margin remaining under pressure for some time to come.

STABILISATION OF THE E-COMMERCE MARKET

Net sales in Viva eCom decreased by 11.2 percent in the quarter, but we are beginning to see some positive signs in the European e-commerce market. In the most recent quarter, average order value for wines sold in the different segments has increased, partly due to inflation, but also due



to our strategic efforts to increase the number of bottles sold per order, as well as an increased share of repeat customers. Our wide range of products in all price categories and rapid market adaptation have been a major advantage.

The restructuring of Viva eCom is proceeding according to plan. Despite lower sales, we have kept adjusted EBITA at the same level as the first quarter of last year and have also increased the adjusted EBITA margin.

OUR SUSTAINABILITY EFFORTS ARE PAYING OFF

Our efforts to reduce the climate impact of transport and packaging are continuing to be regarded, demonstrating the significance of our conviction and the strength of our approach. We have now met, or are on track to meet, all our 2023 sustainability targets. Now we are setting our sights on 2030: To achieve a 50% reduction in climate impact per litre of wine sold.

GOOD PROSPECTS FOR THE NEXT QUARTERS

Growing the Nordic business in the prevailing market conditions is a sign of strength. We have again demonstrated that our business model makes us agile and relevant in all market environments. Our efforts to streamline Viva eCom will deliver visible results in the second half of the year. At the same time, we are making active efforts to find the next acquisition to add to our already profitable e-commerce business. Here we see that price expectations have come down, which makes me optimistic about finding the next piece of the puzzle for Viva eCom.

The market may be facing some headwinds at present, but I see that Viva Wine Group stands strong despite unfavourable macro conditions.

**Emil Sallnäs, CEO of Viva Wine Group
Stockholm, May 2023**

Group performance

MARKET

The first quarter of 2023 was notable for continued high inflation, cost increases and lower consumer sentiment in both the Nordic and European markets. In the quarter, all the Nordic retail monopolies showed lower sales than in the same period of 2022. The combined downturn in the Nordic monopoly markets was -2.2 percent. The Finnish market showed the largest decline.

At the same time, a general decline is evident in the e-commerce sector in Europe. High inflation continues to contribute to generally lower consumer sentiment. The underlying trend of a shift from retail to e-commerce is persisting, however, and remains at a higher level than before the pandemic. We saw an increase in the average value of wines sold in the quarter, partly due to the price increases implemented as a result of rising costs.

FINANCIAL TARGETS

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

- **Growth:** For the Swedish and Nordics segments, average annual organic growth is to be at least 4 percent over the medium term. For the Viva eCom segment, average organic growth is to be 10-15 percent over the medium term. In addition, Viva Wine Group intends to grow through acquisitions.
- **Profitability:** Adjusted EBITA margin is to be 10-12 percent in the medium term.
- **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.
- **Dividend policy:** Taking into account the company's long-term financial stability, opportunities for growth and strategic initiatives, the intention is to distribute 50-70 percent of annual net profit to the Parent Company shareholders.

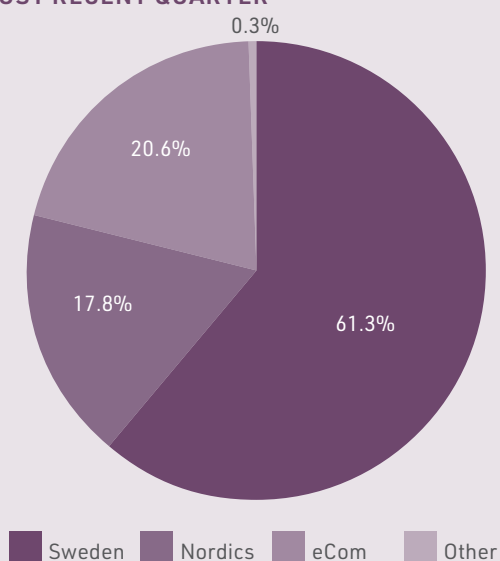
NET SALES

The quarter

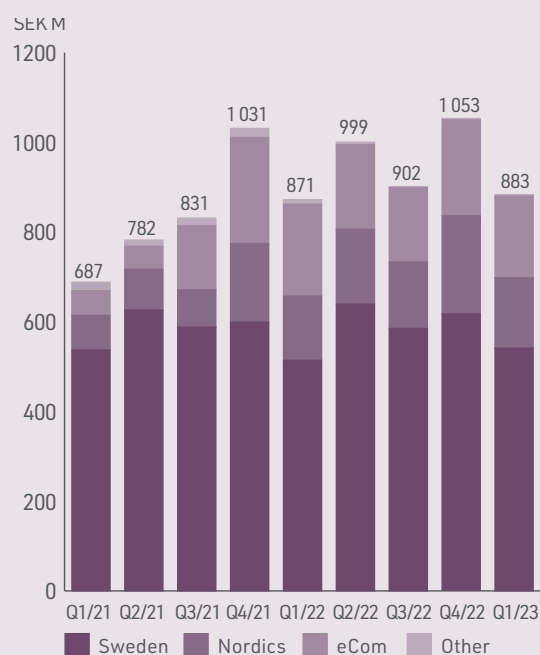
In the first quarter, Viva Wine Group net sales increased by SEK 12 million to SEK 883 (871) million, compared to the corresponding quarter of 2022, with the monopoly markets in Sweden and the Nordics accounting for most of the increase. The increase is explained by price increases, successful product launches and a certain proportion of sales in the run-up to the Easter holidays taking place in the first quarter, unlike in the previous year, when they took place in the second quarter. Sales in the eCom segment decreased by 11 percent to SEK 182 million.

Organic sales growth was 1.0 percent in the quarter compared to -8.0 percent in 2022. The Sweden and Nordics segments are both increasing their organic growth and gaining market share.

SHARE OF NET SALES %, MOST RECENT QUARTER



NET SALES PER SEGMENT



NET SALES (SEK MILLION)

	Quarter			Full year	
	Jan-Mar	2022	Change %	RTM	2022
Sweden	541	514	5.3	2,377	2,350
Nordics	157	143	10.1	440	426
eCom	182	205	-11.2	463	486
Other	4	11	-61.9	66	73
Eliminations	-1	-1	-5.3	-4	-4
Total	883	871	1.3	3,343	3,331

ORGANIC SALES GROWTH (SEK MILLION)

	Jan-Mar		Full year	
	2023	2022	RTM	2022
Net sales	883	871	3,836	3,825
Acquired/divested net sales	11	-235	-329	-575
Currency effect from translation at the exchange rate of the comparison period	-14	-5	-51	-41
Organic net sales	880	632	3,457	3,208
Sales for the comparison period	871	687	3,516	3,331
Organic sales growth (%)	1.0	-8.0	-1.7	-3.7

OPERATING PROFIT

The quarter

The Group's operating profit for the second quarter was SEK 38 (65) million. Adjusted EBITA totalled SEK 68 (95) million. The decrease from the previous year is mainly due to an unfavourable EUR exchange rate in the Swedish and Norwegian operations. The eCom segment had higher adjusted EBITA margin but lower adjusted EBITA than in the previous year, reflecting the change in net sales.

NET PROFIT

The quarter

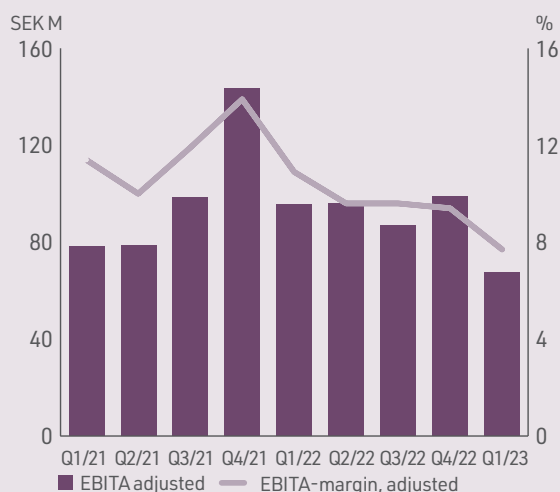
Net profit for the first quarter of 2023 was SEK 29 (55) million. Net financial items totalled SEK -3 million, compared to SEK 4 million in 2022.

Exchange rate effects had a highly positive impact in the previous year. With effect from 1 October 2022, the Group applies hedge accounting, cash flow hedging, of foreign currency purchases. Changes in the value of the effective portion of forward exchange contracts are recognised in other comprehensive income and accumulated in the hedging reserve in equity. Amounts in the hedging reserve are subsequently included in the cost of inventories and thus affect the profit and loss item Goods for resale. In 2023, interest of SEK 8 (5) million has been charged to the quarter.

FINANCIAL POSITION AND LIQUIDITY

Group equity at 31 March 2023 was SEK 1,800 (1,810) million. The equity ratio was 47.3 (48.5) percent. Cash and cash equivalents at 31 March 2023 totalled SEK 390 (398) million. In addition, at the end of the quarter there were unused credit lines of SEK 155 million. Group net debt, including lease liabilities under IFRS 16, decreased in comparison with the first quarter of the previous year by SEK 36 million to SEK 428

ADJUSTED EBITA FOR THE PERIOD (SEK MILLION)



million. Net debt/EBITDA, for the last 12-month period, was 1.0 (0.8).

CASH FLOW

Cash flow for the period totalled SEK 52 (63) million. Cash flow from operating activities before changes in working capital in the first quarter was SEK 35 (67) million. Cash flow from change in working capital was SEK 50 (33) million. In the quarter, debt repayments of SEK -22 million and dividend payment to minority interests were made, impacting cash flow from financing activities, which totalled SEK -31 million.

EQUITY

Viva Wine Group's equity decreased in the quarter by SEK 65 million to SEK 1,800 million. In addition to profit for the period and negative currency effects, the change consisted mainly of put options attributable to non-controlling interests.

OPERATING PROFIT (EBIT)

SEK million	Quarter			Full year	
	Jan-Mar	2022	Change %	RTM	2022
Sweden	33	58	-43.9	179	204
Nordics	8	14	-40.2	66	71
eCom	-2	-3	39.4	48	47
Other	-2	-4	58.8	-10	-12
Eliminations	-	-	-	-	-
Total	38	65	-42.4	283	310

EBITA, ADJUSTED

SEK million	Quarter			Full year	
	Jan-Mar	2022	Change %	RTM	2022
Sweden	35	58	-40.8	268	292
Nordics	14	19	-30.4	47	53
eCom	20	20	-2.2	33	33
Other	-0	-2	98.5	23	21
Eliminations	-	-	-	-	-
Total	68	95	-29.1	371	399

SEGMENTS

Sweden

We are continuing to strengthen our position in the Swedish market and further increased our market share in the first quarter. The market was also notable for generally weaker consumer sentiment, mainly driven by increased concerns about the rising cost of living. The retail monopoly's total sales in volume decreased by -1.6 percent against Q1 2022.

Our Swedish business outperformed the market in the quarter with an increase in sales volume of 2.1 percent. This helped increase market share by 0.9 percentage points to a record high of 26.7 (25.8) percent. We are consequently consolidating our position as the largest wine supplier in the Swedish monopoly market.

SALES

Net sales increased in the first quarter by 5.3 percent to SEK 541 (514) million, and organic growth was 5.0 (-4.2) percent. The increase is explained by price increases, successful product launches and, to some extent, the fact that sales in the run-up to the Easter holidays took place in the first quarter, unlike 2022, when they took place in the second quarter.

PROFIT

Operating profit was SEK 33 (58) million in the first quarter, and adjusted EBITA margin decreased to 6.4 (11.4) percent. The Swedish business was negatively impacted by increased freight and distribution costs, higher purchase prices and an unfavourable EUR exchange rate.

SEK million	Jan-Mar		Change %	Full year	
	2023	2022		RTM	2022
Net sales	541	514	5.3	2,381	2,354
EBITA	35	58	-40.8	187	211
EBITA adjusted	35	58	-40.8	187	211
EBITA margin, adjusted (%)	6.4	11.4		7.9	9.0
Operating profit (EBIT)	33	58	-43.9	179	204
Operating margin (%)	6.0	11.3		7.5	8.7

Organic sales growth (SEK million)	Jan-Mar		Full year	
	2023	2022	RTM	2022
Net sales	541	514	2,381	2,354
Acquired/divested net sales	-2	-	-7	-5
Currency effect from translation at the exchange rate of the comparison period	-	-	-	-
Organic net sales	540	514	2,374	2,348
Sales for the comparison period	514	537	2,328	2,350
Organic sales growth (%)	5.0	-4.2	2.0	-0.1

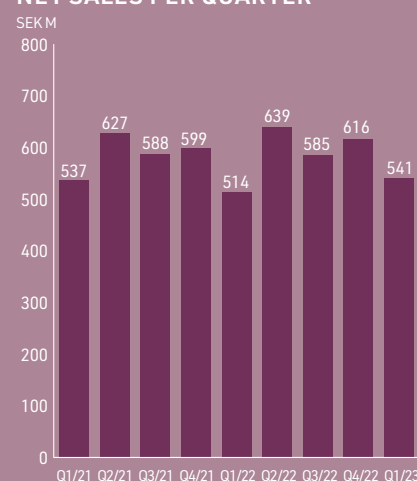
SWEDEN SEGMENT SHARE OF NET SALES IN THE QUARTER

61.3%

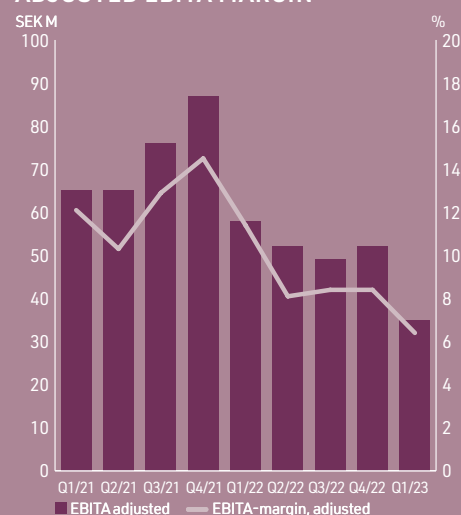
VIVA WINE GROUP MARKET SHARE IN SWEDEN IN THE QUARTER

26.7%

NET SALES PER QUARTER



ADJUSTED EBITA AND ADJUSTED EBITA MARGIN



SEGMENTS

Nordics

Our Nordics business significantly outperformed the market in the quarter. In the first quarter, sales volumes in Viva Wine Group's Nordics business increased by 5.4 percent, while sales volumes in the monopoly markets in Norway and Finland as a whole decreased by -3.2 percent.

Viva Wine Group's sales in Norway, measured in terms of volume, increased by 7.0 percent, while the Norwegian market decreased by -1.6 percent. This helped strengthen our market share to 5.9 (5.5) percent, a historically high market share for a single quarter.

Our Finnish business managed to increase sales volumes by 4.6 percent, while the Finnish market decreased by -5.8 percent, raising our market share to 18.8 (16.9) percent.

SALES

Net sales for the entire segment increased in the quarter to SEK 157 (143) million. Organic growth for the quarter is 8.1 (-5.1) percent, which was significantly better than market performance. Most of the increase is explained by price increases and the fact that most of the Easter sales took place in the first quarter this year as opposed to the second quarter last year.

PROFIT

Operating profit declined to SEK 8 (14) million in the quarter. Operating profit in the Finnish business was SEK -1 million down year on year, mainly due to higher purchase prices and transport costs. The Norwegian business was impacted primarily by negative currency effects, and operating profit was down SEK -5 million. In the first quarter of 2022, no marketing activities could be implemented due to the pandemic, resulting in low comparative figures for operating expenses.

The adjusted EBITA margin for the Nordics segment decreased to 8.6 (13.7) percent in the quarter.

SEK million	Jan-Mar		Change %	Full year	
	2023	2022		RTM	2022
Net sales	157	143	10.1	693	679
EBITA	14	19	-30.4	87	93
EBITA adjusted	14	19	-30.4	87	93
EBITA margin, adjusted (%)	8.6	13.7		12.5	13.7
Operating profit (EBIT)	8	14	-40.2	66	71
Operating margin (%)	5.4	9.9		9.5	10.5

Organic sales growth (SEK million)	Jan-Mar		Full year	
	2023	2022	RTM	2022
Net sales	157	143	693	679
Acquired/divested net sales	-	-67	-165	-232
Currency effect from translation at the exchange rate of the comparison period	-3	-3	-21	-21
Organic net sales	154	73	507	426
Sales for the comparison period	143	77	491	426
Organic sales growth (%)	8.1	-5.1	3.1	0.0

NORDICS SEGMENT SHARE OF NET SALES IN THE QUARTER

17.8%

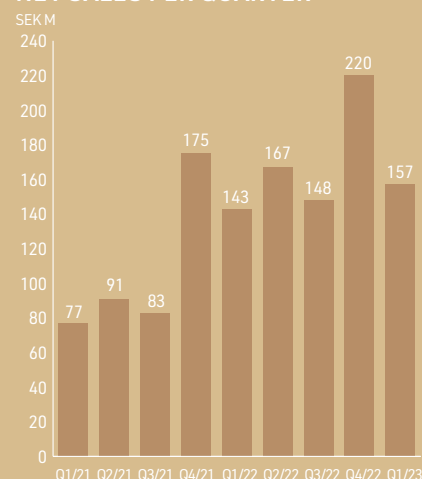
VIVA WINE GROUP MARKET SHARE IN FINLAND IN THE QUARTER

18.8%

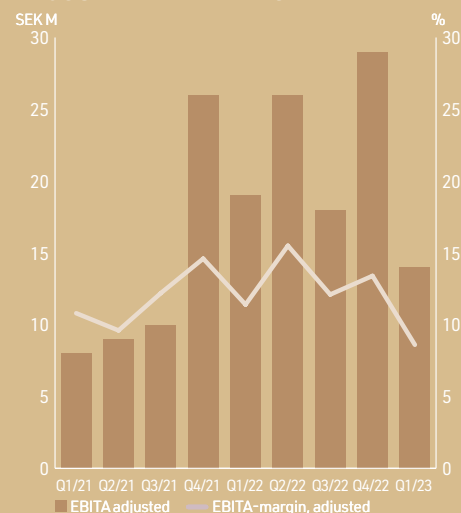
VIVA WINE GROUP MARKET SHARE IN NORWAY IN THE QUARTER

5.9%

NET SALES PER QUARTER



ADJUSTED EBITA AND ADJUSTED EBITA MARGIN



SEGMENTS

Viva eCom

The European e-commerce market remains weak compared to the pandemic years, while runaway inflation has had an adverse impact on both consumer sentiment and purchasing power. On the other hand, the slowdown moderated during the quarter and some positive signs can be discerned.

Viva eCom is continuing to follow its strategy of balancing growth and profitability. Sales decreased during the quarter, mainly due to a strong comparison quarter, but thanks to active efforts to address the product mix the segment's gross margins were stronger than in the previous year. Efficiency improvements and good cost control also contributed to maintained adjusted EBITA.

SALES

Net sales decreased during the quarter by -11.2 percent to SEK 182 (205) million. The lower sales can be partly attributed to high comparison figures due to last year's pandemic-affected quarter, and partly to low consumer sentiment and lower consumer purchasing power in Europe due to raised interest rates, higher energy prices and high inflationary pressures. Restructuring implemented in Viva eCom to achieve future synergies also had some negative impact on sales. Organic growth for the quarter was -13.7 (-32.5) percent.

PROFIT

Operating profit for the quarter was SEK -2 (-3) million. Profit was negatively affected by lower net sales, but stable gross margins, efficiency improvements in stock management and good cost control meant that operating profit increased compared with the previous year. Adjusted EBITA was SEK 20 (20) million and the adjusted EBITA margin increased to 10.7 (9.7) percent in the quarter.

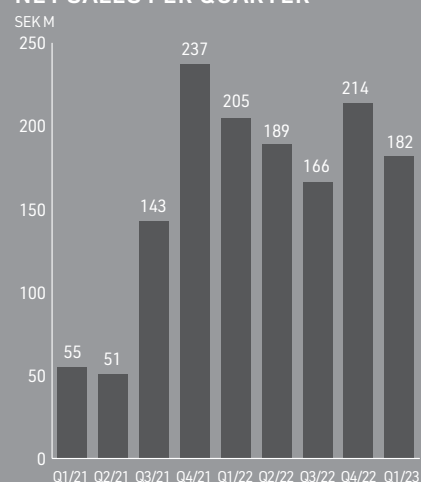
SEK million	Jan-Mar		Change %	Full year	
	2023	2022		RTM	2022
Net sales	182	205	-11.2	752	775
EBITA	16	14	10.0	136	134
EBITA adjusted	20	20	-2.2	78	78
EBITA margin, adjusted (%)	10.7	9.7		10.4	10.1
Operating profit (EBIT)	-2	-3	39.4	48	47
Operating margin (%)	-1.0	-1.4		6.4	6.0

Organic sales growth (SEK million)	Jan-Mar		Full year	
	2023	2022	RTM	2022
Net sales	182	205	752	775
Acquired/divested net sales	6	-166	-198	-371
Currency effect from translation at the exchange rate of the comparison period	-11	-1	-28	-18
Organic net sales	177	37	525	385
Sales for the comparison period	205	55	636	486
Organic sales growth (%)	-13.7	-32.5	-17.4	-20.7

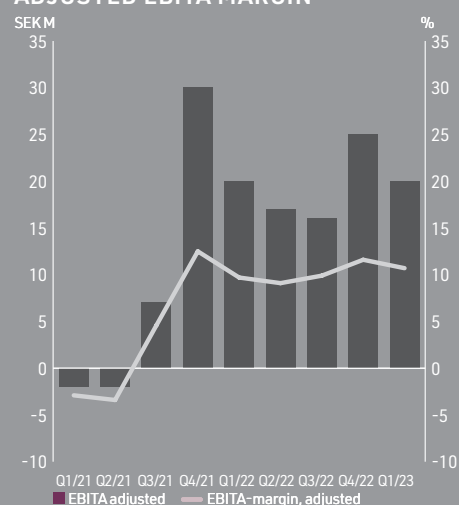
SEGMENT E-COMMERCE SHARE OF NET SALES IN THE QUARTER

20.6%

NET SALES PER QUARTER



ADJUSTED EBITA AND ADJUSTED EBITA MARGIN



SEGMENTS

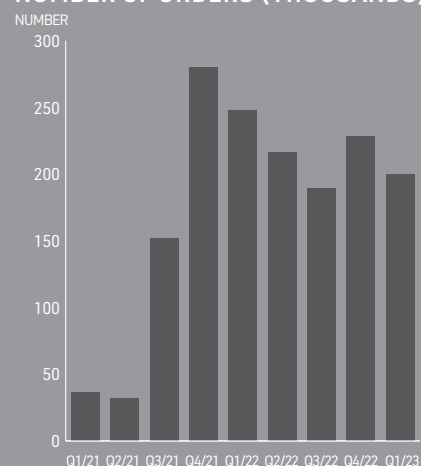
Viva eCom (cont.)

The number of orders and number of first-time orders (i.e. the number of new customers) decreased in comparison with the same quarter of 2022. This was partly due to continued low consumer sentiment in the first quarter of 2023 and partly to the fact that e-commerce was positively impacted by restrictions due to the pandemic for most of the corresponding period in 2022. The share of sales from repeat customers increased. The number of active customers decreased compared to the previous year, while the number of orders per active customer remained stable. Average order value increased by 9.6 percent, as a result of successful strategic work on all platforms.

	Jan-Mar		Change	Full year	
	2023	2022	%	RTM	2022
Order summary eCom					
Number of orders (thousands)	200	248	-19.5	833	882
Number of first-time orders (thousands)	37	64	-41.4	191	217
Number of active customers* (thousands)	423	507	-16.6	423	451
Number of orders per active customer	2.0	2.0	-3.9	2.0	2.0
Share of sales from repeat customers (%)	85.3	79.6		82.3	80.9
Average order value, SEK	900	821	9.6	905	853

*Number of customers who have placed at least one order in the last 12 months

NUMBER OF ORDERS (THOUSANDS)



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. Sales in the summer months are also partly dependent on weather, with fine sunny summer weather driving sales in the Nordic monopoly markets, especially for the rosé product segment. In contrast, European e-commerce is negatively impacted by particularly good summer weather, as consumers turn to outdoor cafés and restaurants.

RISKS AND UNCERTAINTIES

The business is also affected during the year by currency risks, related to exchange rates, and commodity risks, related to harvesting. The Group is also exposed to various types of financial risks through its operations: credit risk, interest-rate risk, liquidity risk and refinancing risk. 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 2022.

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.

SIGNIFICANT EVENTS DURING THE FIRST QUARTER AND AFTER THE END OF THE QUARTER

No significant events occurred during or after the quarter.

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.

The roll-out of our Group-wide sustainability platform continued throughout our Nordics business segment in the quarter. As part of this roll-out and preparations for the forthcoming Corporate Sustainability Reporting Directive (CSRD), an upgraded software solution for efficient CO₂ and sustainability data collection is being implemented.

EMPLOYEES

At 31 March, the average number of employees was 316, down from 345 in the first quarter of the previous year. The decrease is mainly due to the divestment of the business in China and the restructuring in the eCom segment.

PARENT COMPANY

The Parent Company balance sheet increased slightly in the first quarter, with equity rising by SEK 50 million to SEK 1,795 million, which is attributable to net profit for the period. 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 2,669 (2,599) million.

PUBLICATION AND PRESENTATION

Viva Wine Group's interim report for the first quarter of 2023 will be published on 17 May 2023 at 8:00 am. At 11:00 a.m. on the same day, a videoconference will be held with CEO Emil Sallnäs and CFO Linn Gäfvert. The videoconference can be accessed at the following link:

<https://financialhearings.com/event/45871>. The presentation will also be made available at <https://investors.vivagroup.se/>.

2023 FINANCIAL CALENDAR

Interim report Q2 2023, to be published 29 August 2023

Interim report Q3 2023, to be published 22 November 2023

CONTACT

Emil Sallnäs, CEO, emil.sallnas@vivagroup.se,
+46 (0)70-956 58 72

Linn Gäfvert, CFO, linn.gafvert@vivagroup.se,
+46 (0)73-086 89 90

Mikael Sundström, Director Sustainability,
Corporate Communications & Investor Relations,
mikael.sundstrom@vivagroup.se,
+46 (0)70-943 22 26

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 set out above, on 17 May 2023 at 8:00 a.m.. 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, 17 May 2023

Anders Moberg
Chairman of the Board

Mikael Aru
Member of the Board

Lars Ljungälv
Member of the Board

Emil Sallnäs
CEO

Anne Thorstvedt Sjöberg
Member of the Board

John Wistedt
Member of the Board

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

Condensed consolidated income statement

AMOUNTS IN SEK MILLION	NOTE	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Operating income				
Net sales	3,4	883	871	3,825
Other operating income		2	2	81
Total income		885	874	3,905
Operating expenses				
Goods for resale		-694	-652	-2,945
Other external expenses		-58	-61	-271
Personnel expenses		-67	-66	-243
Depreciation, amortisation and impairment		-31	-29	-143
Profit from participations in associated companies and joint ventures		2	0	8
Other operating expenses		-0	-0	-0
Operating profit	4	38	65	310
Financial income		17	28	128
Financial expenses		-19	-24	-79
Profit after financial items	4	35	69	359
Tax		-7	-14	-81
Net profit for the period		29	55	278
Profit for the period attributable to				
Parent Company shareholders		27	50	254
Non-controlling interests		2	5	24
Earnings per share				
Earnings per share before/after dilution (SEK)	5	0.30	0.56	2.86

Condensed consolidated statement of comprehensive income

AMOUNTS IN SEK MILLION	NOTE	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Net profit for the period		29	55	278
<i>Items that will be reclassified to profit or loss</i>				
Translation difference		-30	25	22
Cash flow hedges, net of tax		2	-	6
Other comprehensive income for the period		-28	25	28
Comprehensive income for the period		1	80	305
Comprehensive income for the period attributable to				
Parent Company shareholders		-0	71	264
Non-controlling interests		1	9	41

Condensed consolidated statement of financial position

AMOUNTS IN SEK MILLION	NOTE	31 Mar 2023	31 Mar 2022	31 Dec 2022
ASSETS				
Non-current assets				
Goodwill		946	838	951
Other intangible assets		1,154	1,169	1,186
Tangible assets		10	50	10
Right-of-use assets		54	59	53
Financial assets		84	74	82
Deferred tax assets		8	11	8
Total non-current assets		2,256	2,201	2,290
Current assets				
Inventories		533	503	535
Trade receivables		533	533	670
Current tax assets		6	11	0
Derivative instruments	5	5	14	8
Other current receivables	7	81	73	62
Cash and cash equivalents		390	398	339
Total current assets		1,548	1,532	1,616
TOTAL ASSETS		3,803	3,733	3,905
EQUITY AND LIABILITIES				
Equity				
Equity attributable to Parent Company shareholders	6	1,710	1,733	1,770
Non-controlling interests		90	78	95
Total equity		1,800	1,810	1,865
Non-current liabilities				
Deferred tax liabilities		301	308	310
Other provisions		23	15	19
Non-current non-interest-bearing liabilities		57	0	3
Non-current interest-bearing liabilities	5	676	719	689
Lease liabilities		38	41	37
Total non-current liabilities		1,095	1,084	1,057
Current liabilities				
Current interest-bearing liabilities	5	90	84	89
Trade payables		411	412	427
Current tax liabilities		11	9	33
Lease liabilities		17	17	16
Derivative instruments	5	1	9	1
Other current liabilities and provisions	7	379	306	418
Total current liabilities		909	838	984
TOTAL EQUITY AND LIABILITIES		3,803	3,733	3,905

Condensed consolidated cash flow statement

AMOUNTS IN SEK MILLION	NOTE	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Operating activities				
Profit after financial items		35	69	359
Adjustment for non-cash items		40	48	107
Dividends from associated companies		-	-	2
Tax paid		-41	-50	-106
Cash flow from operating activities before changes in working capital		35	67	362
Cash flow from change in working capital				
Change in inventories		2	-22	-63
Changes in operating receivables		118	207	54
Changes in operating liabilities		-70	-152	-67
Cash flow from operating activities		84	100	286
Investing activities				
Business combinations		-	-	-119
Divestment of subsidiaries		-	-	9
Investments in/divestments of intangible assets		-0	-0	-1
Investments in/divestments of tangible assets		-1	-	107
Change in other financial assets		-	-0	-0
Cash flow from investing activities		-1	-1	-5
Financing activities				
Dividend paid to Parent Company shareholders		-	-	-133
Dividend paid to non-controlling interests		-5	-6	-21
Transactions with non-controlling interests		-	-	-1
Change in overdraft facility		-	-1	-1
Repayment of debt		-22	-23	-105
Repayment of lease liability		-4	-6	-18
Cash flow from financing activities		-31	-36	-281
Cash flow for the period		52	63	1
Cash and cash equivalents at the beginning of the period		339	331	331
Cash flow for the period		52	63	1
Exchange rate differences in cash and cash equivalents		-2	3	7
Cash and cash equivalents at the end of the year		390	398	339
Interest received		2	0	2
Interest paid		-8	-5	-19
Non-cash items				
Depreciation, amortisation and impairment		31	29	143
Gain/loss on sale of non-current assets		-	-	-70
Exchange-rate effects		8	4	63
Change in market value of derivatives		-1	4	1
Change in provisions		4	6	6
Share of profit in associated companies		-2	0	-8
Other		0	4	-29
Total		40	48	107

Condensed consolidated statement of changes in equity

AMOUNTS IN SEK MILLION	Share capital	Other contributed capital	Hedging reserve	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 2022	1	1,376	-	4	281	1,662	75	1,736
Net profit for the period	-	-	-	-	50	50	5	55
Other comprehensive income for the period	-	-	-	21	-	21	4	25
Comprehensive income for the period	-	-	-	21	50	71	9	80
Transactions with the Group's owners								
Dividend	-	-	-	-	-	-	-6	-6
Total	-	-	-	-	-	-	-6	-6
CLOSING EQUITY, 31 MAR 2022	1	1,376	-	25	331	1,733	78	1,810
OPENING EQUITY, 1 JAN 2023	1	1,376	4	8	382	1,770	95	1,865
Net profit for the period	-	-	-	-	27	27	2	29
Other comprehensive income for the period	-	-	2	-29	-	-27	-1	-28
Comprehensive income for the period	-	-	2	-29	27	-0	1	1
Transfer of cash flow hedge reserve to inventories and tax reversed to profit or loss	-	-	-5	-	-	-5	-0	-5
Transactions with the Group's owners								
Dividend	-	-	-	-	-	-	-7	-7
Transactions with non-controlling interests	-	-	-	-	-55	-55	1	-54
Total	-	-	-	-	-55	-55	-5	-60
CLOSING EQUITY, 31 MAR 2023	1	1,376	0	-21	354	1,710	90	1,800

Condensed Parent Company income statement

AMOUNTS IN SEK MILLION	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
OPERATING INCOME			
Net sales	-	-	-
Other operating income	3	1	7
Total income	3	1	7
Other external expenses	-5	-5	-18
Personnel expenses	-2	-2	-7
Operating profit	-4	-5	-19
Financial income and expenses	56	49	188
Profit before tax	52	44	170
Appropriations	-1	-	-6
Tax	-2	-	-4
Net profit for the period	50	44	161

Condensed Parent Company balance sheet

AMOUNTS IN SEK MILLION	31 Mar 2023	31 Mar 2022	31 Dec 2022
ASSETS			
Non-current assets	989	866	989
Current assets	1,374	1,465	1,366
Cash and cash equivalents	306	316	245
TOTAL ASSETS	2,669	2,648	2,599
EQUITY AND LIABILITIES			
Equity	1,795	1,762	1,745
Untaxed reserves	6	-	6
Non-current liabilities	676	700	689
Current liabilities	192	186	160
TOTAL EQUITY AND LIABILITIES	2,669	2,648	2,599

Notes

Note 1 Significant accounting policies

This interim report encompasses 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 Risks and uncertainties

Viva Wine Group is an international Group with wide geographical spread, which involves exposure to political, regulatory and financial risks of various kinds. The alcohol market, especially in Sweden and the Nordics, is regulated and taxed. Predictability, equivalence and consistency in regulation and taxation are crucial to a market that works well. As with all international trade, there is also a significant currency risk, where the volatile SEK in particular can have a significant impact on Group earnings. The Group regularly hedges purchases in foreign currencies, mainly in EUR, with the aim of minimising volatility in the cost of highly likely purchases of goods.

The Group's risk profile has not changed significantly from the Annual and Sustainability Report published on 25 April 2023.

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;	2023	2022	2022
	Jan-Mar	Jan-Mar	Jan-Dec
Sweden	539	512	2,343
Germany	146	167	619
Finland	86	76	374
Norway	71	67	304
Other	41	50	184
Total	883	871	3,825

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 segments. The segments are Sweden, Nordics, eCom 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. The Group has three customers that account for more than 10 percent of sales: Systembolaget in Sweden, its counterpart in Finland, Alko, and Vinmonopolet in Norway.

Jan-Mar 2023	Sweden	Nordics	eCom	Other	Total segments	Eliminations	Group
Net sales, external	541	157	182	4	883	-	883
Net sales, intra-Group	1	-	-	1	1	-1	-
Net sales	541	157	182	4	885	-1	883
<i>Organic growth (%)</i>	<i>5.0</i>	<i>8.1</i>	<i>-14.6</i>				<i>1.0</i>
Gross profit	86	26	73	3	189	1	189
<i>Gross margin (%)</i>	<i>15.9</i>	<i>16.8</i>	<i>40.1</i>	<i>74.5</i>	<i>21.3</i>		<i>21.4</i>
Operating profit (EBIT)	33	8	-2	-2	38	-	38
EBITDA	35	14	17	2	68	-	68
EBITA	35	14	16	-0	64	-	64
Bonus eCom acquisition	-	-	4	-	4	-	4
Adjusted EBITA	35	14	20	-0	68	-	68
<i>Adjusted EBITA margin</i>	<i>6.4</i>	<i>8.6</i>	<i>10.7</i>	<i>-0.9</i>	<i>7.6</i>		<i>7.7</i>
Profit after financial items	31	8	-13	9	35	-	35
Goodwill	76	228	642	-	946	-	946
Total assets	500	502	1,512	2,725	5,238	-1,435	3,803
Total liabilities	606	311	1,568	953	3,438	-1,435	2,003

Jan-Mar 2022	Sweden	Nordics	eCom	Other	Total segments	Eliminations	Group
Net sales, external	514	143	205	10	871	-	871
Net sales, intra-Group	1	-	-	1	1	-1	-
Net sales	514	143	205	11	873	-1	871
<i>Organic growth (%)</i>	<i>-4.2</i>	<i>-5.1</i>	<i>-32.5</i>				<i>-8.0</i>
Gross profit	105	30	80	4	219	1	220
<i>Gross margin (%)</i>	<i>20.3</i>	<i>20.8</i>	<i>39.2</i>	<i>40.6</i>	<i>25.1</i>		<i>25.2</i>
Operating profit (EBIT)	58	14	-3	-4	65	-	65
EBITDA	59	20	16	-1	95	-	95
EBITA	58	19	14	-2	89	-	89
Bonus eCom acquisition	-	-	6	-	6	-	6
Adjusted EBITA	58	19	20	-2	95	-	95
<i>Adjusted EBITA margin</i>	<i>11.4</i>	<i>13.7</i>	<i>9.7</i>	<i>-22.7</i>	<i>10.9</i>		<i>10.9</i>
Profit after financial items	64	14	-8	-2	69	-	69
Goodwill	1	245	592	-	838	-	838
Total assets	468	508	1,539	2,708	5,224	-1,491	3,733
Total liabilities	590	284	1,608	931	3,413	-1,491	1,923

Note 4 Operating segments (cont.)

Jan-Dec 2022	Sweden	Nordics	eCom	Other	Total segments	Eliminations	Group
Net sales, external	2,350	679	775	21	3,825	–	3,825
Net sales, intra-Group	3	0	–	3	6	-6	–
Net sales	2,354	679	775	24	3,831	-6	3,825
Organic growth (%)	-0.1	0.0	-20.7				-3.7
Gross profit	416	138	309	14	877	3	880
Gross margin (%)	17.7	20.3	39.9	58.5	22.9		23.0
Operating profit (EBIT)	204	71	47	-12	310	–	310
EBITDA	212	96	144	2	454	–	454
EBITA	211	93	134	-5	433	–	433
Disposal of warehouse property	–	–	-65	–	-65	–	-65
Bonus eCom acquisition	–	–	9	–	9	–	9
Adjusted EBITA	211	93	78	-5	377	–	377
Adjusted EBITA margin	9.0	13.7	10.1	-22.9	9.8		9.8
Profit after financial items	230	76	25	29	359	–	359
Goodwill	76	242	633	–	951	–	951
Total assets	524	593	1,533	2,660	5,310	-1,404	3,906
Total liabilities	652	327	1,581	885	3,445	-1,404	2,041

Note 5 Fair value of financial instruments

The valuation principles and classification of the Group's financial instruments, as described in the Annual and Sustainability Report 2022 in Note 16, have been applied consistently during the reporting period. Financial instruments measured at fair value through other comprehensive income consist of currency derivatives where hedge accounting is applied in accordance with IFRS 9. If hedge accounting is not applied, changes in the fair value of derivatives are recognised in financial items in the income statement. Derivative contracts with positive fair values totalled SEK 5 (5) million, and derivative contracts with negative fair values totalled SEK 1 (1) million as of 31 March 2023. Derivative transactions entered into are recognised gross. Financial liabilities measured at amortised cost, recognised as non-current and current liabilities to credit institutions, totalled SEK 766 (804) million in carrying amount, which corresponded to fair value.

Note 6 Number of shares and Earnings per share

	Jan-Mar		Jan-Dec
	2023	2022	2022
EARNINGS PER SHARE			
Parent Company shareholders			
Basic earnings per share (SEK)	0.30	0.56	2.86
Diluted earnings per share (SEK)	0.30	0.56	2.86
Profit/loss for the period (SEK million)	27	50	254
Average number of shares, before dilution (thousands)	88,832	88,832	88,832
Average number of shares, after dilution (thousands)	88,832	88,832	88,832

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	Jan-Mar	Jan-Mar	Jan-Dec
	2023	2022	2022
Sale of goods/services	1	1	2
Purchase of goods/services	78	65	283

Associated companies and joint ventures	31 Mar 2023	31 Mar 2022	31 Dec 2022
	Receivables on balance-sheet date	14	15
Liabilities on balance-sheet date	55	11	44

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 performance indicators 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 measures used by other companies.

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.

AMOUNTS IN SEK MILLION	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Net sales	883	871	3,825
Goods for resale	-694	-652	-2,945
Gross profit	189	220	880
Gross margin (%)	21.4	25.2	23.0

EBITDA

Operating profit before depreciation, amortisation and impairment of tangible and intangible assets. This measure is used to analyse the profitability of the business, independently of depreciation and amortisation.

AMOUNTS IN SEK MILLION	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Operating profit (EBIT)	38	65	310
Depreciation, amortisation and impairment	-31	-29	-143
EBITDA	68	95	454

EBITDA MARGIN, %

EBITDA as a percentage of net sales. EBITDA margin is used to show the profitability of the operating business.

AMOUNTS IN SEK MILLION	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
EBITDA	68	95	454
Net sales	883	871	3,825
EBITDA margin (%)	7.8	10.9	11.9

EBITA

Operating profit before amortisation and impairment of intangible assets. This measure is used to analyse the profitability of the business, independently of the amortisation of intangible assets, which mainly consists of the surplus value of acquisitions made.

AMOUNTS IN SEK MILLION	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Operating profit (EBIT)	38	65	310
Amortisation of intangible assets	-26	-24	-122
EBITA	64	89	433

EBITA MARGIN, %

EBITA as a percentage of net sales. EBITA margin is used to show the profitability of the operational business

AMOUNTS IN SEK MILLION	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
EBITA	64	89	433
Net sales	883	871	3,825
EBITA margin (%)	7.2	10.3	11.3

EBITA, ADJUSTED

EBITA adjusted for non-recurring items that are not directly related to planned future operations. Adjusted EBITA is a measure used to maintain transparency and comparability of profit or loss from operating activities excluding items affecting comparability over time.

AMOUNTS IN SEK MILLION	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
EBITA	64	89	433
Extraordinary items	4	6	-56
EBITA, adjusted	68	95	377

EBITA MARGIN, ADJUSTED %

Adjusted EBITA as a percentage of net sales. Adjusted EBITA margin is used to analyse the profitability of the operational business, excluding items affecting comparability.

AMOUNTS IN SEK MILLION	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
EBITA, adjusted	68	95	377
Net sales	883	871	3,825
EBITA margin, adjusted (%)	7.7	10.9	9.8

OPERATING MARGIN (EBIT MARGIN), %

EBIT as a percentage of net sales. Operating margin is used to show the percentage of sales that remains after operating costs and that can be used for other purposes.

AMOUNTS IN SEK MILLION	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Operating profit (EBIT)	38	65	310
Net sales	883	871	3,825
EBITA margin, adjusted (%)	4.3	7.5	8.1

EQUITY RATIO, %

Total equity as a percentage of total assets. Equity ratio is used to analyse financial risk and shows the percentage of assets financed by equity. A high equity ratio is a measure of financial strength.

AMOUNTS IN SEK MILLION	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Equity	1,800	1,810	1,865
Assets	3,803	3,733	3,906
Equity ratio (%)	47.3	48.5	47.7

NET DEBT

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.

AMOUNTS IN SEK MILLION	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Non-current interest-bearing liabilities	714	761	726
Current interest-bearing liabilities	105	101	105
Cash and cash equivalents	390	398	339
Net debt	428	465	492

EQUITY PER SHARE

Equity attributable to Parent Company shareholders as a percentage of the 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.

AMOUNTS IN SEK MILLION	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Total equity attributable to Parent Company shareholders	1,710	1,733	1,770
Average number of shares, before/after dilution	88,832,884	88,832,884	88,832,884
Equity per share	19.2	19.5	19.9

QUICK RATIO, %

Cash and cash equivalents in relation to current liabilities. Measured as (Current assets – inventories and work in progress) as a percentage of current liabilities. This measure shows the Company's ability to pay in the short term.

AMOUNTS IN SEK MILLION	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Current assets	1,548	1,532	1,616
Inventories	533	503	535
Current liabilities	909	838	984
Quick ratio (%)	112	123	110

ORGANIC GROWTH

Changes in net sales excluding currency, acquisition and divestment effects, compared to the same period of the previous year. Acquired companies are included in organic growth when they have been part of the Group throughout the comparison period. Organic growth is used to analyse the underlying net sales growth of the company.



Viva Wine Group in brief

Viva Wine Group is a wine group with a leading position in the Nordics and with 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 Tryffelsvinet.

The Nordics 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 with 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.

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 climate-smart packaging. We carbon-offset emissions from transport and heavy packaging, and all our transport to Sweden is carbon-neutral. We cherish not only our producers but also 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.