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## **Viva Wine Group intends to list the company's shares on Nasdaq First North Premier Growth Market**

**Viva Wine Group AB ("Viva Wine Group", the "Company" or the "Group"), the leading wine group in the Nordic region, with a strong position in the European e-commerce market for wine, today announces the intention to list the Company's shares on Nasdaq First North Premier Growth Market in Sweden (the "Listing"). The Offering is expected to consist of newly issued shares in the Company (the "Offering").**

Viva Wine Group's Board of Directors together with the Main Shareholders[1], believe that the Offering and Listing is an important step in the Company's development, that is expected to promote the Company's growth and performance. This step will allow the Company to broaden its shareholder base and give access to Swedish and international capital markets. In addition, the Listing is expected to increase awareness of the Company and its operations and strengthen the Company's brand among customers, partners, employees, investors, and other important stakeholders. Furthermore, the Offering and Listing will allow Viva Wine Group to strengthen its capital structure which will support the Company's continued acquisition strategy, mainly on the European e-commerce market for wine.

Bergendahl & Son AB, Funds managed and advised by Capital World Investors, Erik Selin[2] and Svolder AB (publ) (the "**Cornerstone Investors**") have undertaken in advance to acquire shares in the Offering for a total amount of approximately SEK 950 million, at a price per share of SEK 49, corresponding to a market value of the total number of outstanding shares of approximately SEK 4,353 million after the completion of the Offering. The undertaking is for approximately 21.8 percent of the number of shares in the Company after completion of the Offering. Anders Moberg, the Chairman of Viva Wine Group, has informed the Company that he intends to acquire shares in the Offering corresponding to an amount of approximately SEK 10 million.

**Emil Sallnäs, Founder and CEO of Viva Wine Group, comments:**

*"Viva Wine Group has established itself as the leading wine group in the Nordic region with a growing European e-commerce business. We have grown with an entrepreneurial culture where creativity, innovation, and business acumen have been our guiding stars. Our successful business model is simple. We provide our entrepreneurs with the ability and freedom to focus on the products and core business while simultaneously offering a platform for logistics, sustainability, administration, and sales. Originating from our strong position in the Nordic region, we have now established ourselves in Europe following our acquisition of Vicampo.de GmbH, which is one of the leading e-commerce companies within wine in continental Europe, based in Germany. We have grown our business solely through our own funds and reached net sales of SEK 2.8 billion in 2020. With strengthened financing and an expanded e-commerce business, we will continue our journey of growth, both organically and through additional acquisitions."*

**Anders Moberg, Chairman of Viva Wine Group's Board of Directors, comments:**

*"Viva Wine Group has made an impressive journey establishing itself as the market leader within wine in the Nordic region. Emil Sallnäs and his team has truly succeeded with the challenge of building a professional, market leading company while maintaining the strong entrepreneurial culture. Understanding the customer, the market, the producer and trends has been the key to success. The Company's current expansion in the European e-commerce market is very exciting and has great potential. It will become a significant part of the Company's operations going forward. I take great pride in leading the board work in a company that has truly understood what sustainability means for the business and how central it is to the strategy."*

**The Offering in brief**

Should the company proceed with the Listing, the Offering is expected to include the following:

- an offering to the general public in Sweden, Norway and Finland, and
- an offering to institutional investors in Sweden and abroad.

The offering to institutional investors will only be made to certain institutional investors outside the United States, pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**").

The Offering is expected to consist of newly issued shares in the Company and is expected to raise SEK 1,200 million, before deduction of costs related to the Offering. The Company intends to use the net proceeds raised through the Offering to achieve a strengthened capital structure and simplified group structure by (i) repaying bridge financing used in the acquisition of Vicampo.de GmbH, (ii) partly finance the acquisition of Norwegian Beverage Group and (iii) partly finance the consolidation of some minority interest in some of the Group's subsidiaries. The Main Shareholders will remain as significant owners in Company after the Listing and with a long-term commitment and lock-up agreement of 720 days. Prior to the Listing, other shareholders, the Company's management and Board of Directors will undertake a lock-up agreement of 360 days and the Company has undertaken to not issue shares within 180 days.

Nasdaq Stockholm AB has assessed that Viva Wine Group fulfils the applicable listing requirements for Nasdaq First North Premier Growth Market and will approve an application for admission to trading of its shares. Such approval is conditional upon that the Company submits such application and fulfils the distribution requirement no later than on the first day of trading for its shares on Nasdaq First North Premier Growth Market. The Listing and the Offering is expected to be completed before the end of 2021, depending on prevailing market conditions.

Full terms, conditions and instructions for the Listing will be included in the prospectus that will be prepared by Viva Wine Group in connection with the Listing. The prospectus will be published on the Company's website, [www.vivagroup.se](http://www.vivagroup.se).

## **About Viva Wine Group**

Viva Wine Group is the leading wine group in the Nordic region, with a strong position in the European e-commerce market for wine. The Company develops, markets, and sells both wholly owned and partner brands in several growing markets. The Group consists of a collection of entrepreneurial companies that share a platform for economies of scale and value creation. The Company sells affordable quality wines from all over the world to consumers in locations such as the Nordic countries, Germany, Switzerland, Austria, France, and the Netherlands. The Company's operations are conducted by ten entrepreneurial led companies based in six countries.

The operations are distinguished through the Company's decentralized organization that is characterized by creativity and entrepreneurship. Sustainability is one of the Company's foremost driving forces and success factors. Viva Wine Group strives for close partnerships with its suppliers and logistics partners based on the entire product cycle and the integration of sustainability aspects in every stage of value creation, which has enabled the Company to maintain a position as market leader in organic and certified ethical wine as well as achieving industry leading climate performance.

## **Strengths and competitive advantage**

### *Position as market leader in the stable Nordic monopoly markets*

The retail market for wine in the Nordic monopoly markets showed a net sales growth corresponding to a CAGR of roughly 3 percent from 2015 to 2019[3]. The Company is a market leading supplier of wine in the Nordic retail monopoly market and generates growth above the market average in these markets, which are characterized by stability, transparent pricing, and clear distribution channels. At the end of the first half of 2021, the Company was the largest actor in the Swedish market, with a market share in litres of approximately 25 percent, and in Finland the Company was the third largest actor with a market share of approximately 16 percent. In the Norwegian market, the Company was the seventh largest actor in 2020 with a market share of approximately 4 percent[4].

### *Strong and profitable position in the large and attractive European e-commerce market*

The Company expanded into the European e-commerce market for wine in 2019, and is, as of today, one of the largest actors in the market, with sales in Germany, Switzerland, France, Austria, and the Netherlands. In the nine-month period that ended on 30 September 2021, the Company's net sales in e-commerce totalled SEK 249 million (SEK 704 million pro forma, corresponding to 24.1 percent of Group net sales). During the same period, the Company's adjusted EBITA margin in e-commerce amounted to 1.3 percent (14.4 percent pro forma). The Company's e-commerce platform is scalable, rapidly growing, and profitable and is thus well suited to continue driving the Company's growth in the European wine market. The Company considers it to be well positioned to continue its expansion into European e-commerce with high and profitable growth potential.

### *Industry pioneer in sustainability*

The Company's strong local roots, holistic approach to its value chain and global reach provides it with a unique position in the market. Viva Wine Group is a leader in sustainability and taking the environment and people into account is an integral part of the Company's business. The Company is under the impression that the Group's initiatives in sustainability are a major competitive advantage and that this will continue to play a central role in the Company's future value creation. The Company is a market leader in certified ethical and organic wines in Sweden and increased the share of certifies organic sales from 36.6 percent to 39.2 percent between 2018 and 2020. Over 70 percent of the Company's sales in Sweden include climate smart packaging, and the remaining emissions from transportation and heavy packaging is climate compensated through investments in Solvatten.

### *History of combining growth and profitability*

The Company has a history of profitable double-digit net sales growth. From 2009 to 2017, the Company demonstrated net sales growth corresponding to a CAGR of 27.9 percent. From 2018 to September 2021 (rolling 12 months), the Company demonstrated net sales growth corresponding to a CAGR of 17.4 percent, from SEK 2.0 billion to SEK 3.1 billion. From 2018 to 2020, the organic net sales CAGR was 15.3 percent. Moreover, the Company has also demonstrated robust margin

growth with an increase of the adjusted EBITA margin from 6.9 percent in 2018 to 11.2 percent in September 2021 (rolling 12 months). This growth was made possible through a dynamic platform for entrepreneurship, sustainability, and innovation with a focus on business development, with rapid steps from idea to action.

#### *Proven strategy for driving growth and consolidation through acquisitions*

Viva Wine Group's growth is derived from both organic and acquisition driven growth, and the Company has a structured offering procedure for identifying, evaluating, and integrating acquisitions. Since 2009, the Company has successfully completed eleven acquisitions, the latest of which was Vicampo, acquired in 2021. Organic growth is achieved by supporting the Company's operating companies with Group-wide systems and efficiency enhancements in logistics and product supply. At the same time, the Company's operating companies are given the freedom to continually develop their consumer offering under conditions of healthy competition.

#### **Financial information**

The following table presents selected key figures for Viva Wine Group, including preliminary pro forma for the period 1 January to 30 September 2021 and for the fiscal year 2020.

SEK million, unless otherwise stated	January 1 – September 30			January 1 – December 31			
	2021PF	2021	2020	2020PF	2020	2019	2018
Net sales	2,920.7	2,291.2	2,043.0	3,714.7	2,845.2	2,334.7	1,989.5
Net sales growth, %	-	12.1	-	-	21.9	17.4	15.7
Organic growth, %[5]	-	5.3	-	-	19.0	12.1	14.9
Gross margin, %	25.3	22.0	19.0	22.7	18.8	17.5	17.1
Adjusted EBITA[6]	372.7	255.2	202.5	415.4	292.4	165.0	137.5
Adjusted EBITA margin, %[7]	12.8	11.1	9.9	11.2	10.3	7.1	6.9
Cash conversion, %[8]	-	104.8	40.0	-	78.3	79.7	75.1

#### **Financial targets and dividend policy**

Prior to the Listing, Viva Wine Group's Board of Directors has adopted the financial targets below, which are linked to the Company's growth and profitability strategy:

<b>Growth</b>	For the Sweden and Nordics segments, average annual organic growth is to total at least 4 percent over the medium term. For the E-commerce segment, average annual organic growth is to total at least 10–15 percent over the medium term. In addition, Viva Wine Group intends to grow through acquisitions, mainly within E-commerce.
<b>Profitability</b>	The adjusted EBITA margin shall be 10–12 percent in the medium term.
<b>Indebtedness</b>	Net debt in relation to EBITDA is not to exceed a multiple of 2.5 times. However, net debt in relation to EBITDA may exceed a multiple of 2.5 times temporarily, for example in connection with acquisitions.
<b>Dividend policy</b>	Viva Wine Group intends to distribute excess capital to shareholders, while considering its long-term financial stability, growth opportunities and strategic initiatives into consideration. Subject to these considerations, Viva Wine Group intends to distribute 50–70 percent of its annual net profit attributable to the parent company shareholders.

## Advisors

ABG Sundal Collier AB and Skandinaviska Enskilda Banken AB are acting as Joint Global Coordinators and Joint Bookrunners in relation to the Listing. Baker McKenzie is legal advisor to Viva Wine Group and the Main Shareholders. White & Case Advokataktiebolag is legal advisor to the Joint Global Coordinators and Joint Bookrunners.

## For more information, please contact:

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*Viva Wine Group is the leading wine group in the Nordic region, with a strong position in the European e-commerce market for wine. The Group consists of a collection of entrepreneurial companies with head office in Stockholm, developed through organic growth and strategic acquisitions. Viva Wine Group develops, markets, and sells both wholly owned and partner brands and offers affordable quality wines from all over the world to consumers in locations such as the Nordic countries, Germany, Switzerland, Austria, France, and the Netherlands. Sustainability is one of our foremost driving forces and we are a leader within certified ethical and organic wine.*

[www.vivagroup.se](http://www.vivagroup.se)

## Important information

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This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. A prospectus will be prepared and in connection with the Offering and be scrutinized and approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) which is the national competent authority in Sweden with regard to the Prospectus Regulation.

In the United Kingdom, this press release and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii)

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This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new securities. Any investment decision to acquire or subscribe for securities in connection with the Offering must be made on the basis of all publicly available information relating to the Company and the Company's securities. Such information has not been independently verified by the Joint Global Coordinators. The Joint Global Coordinators are acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

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#### **Forward-looking statements**

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's and the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the Group operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or the Nasdaq First North Growth Market Rulebook (Premier segment).

## Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Company's securities have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the securities in the Company has led to the conclusion that: (i) the target market for such securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such securities to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Company's securities may decline and investors could lose all or part of their investment; the Company's securities offer no guaranteed income and no capital protection; and an investment in the Company's securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Global Coordinators will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Company's securities.

Each distributor is responsible for undertaking its own target market assessment in respect of the Company's securities and determining appropriate distribution channels.

[1] Late Harvest Wine Holding 1971 AB (company directly controlled by Emil Sallnäs, Founder and CEO), Vin & Vind AB (company directly controlled by Pamela Wilson and Björn Wittmark, Founder), Legendum Capital AB (company directly controlled by John Wistedt, Managing Director) and Arinto AB (company directly controlled by Charlotte Söderberg) (jointly referred to as "**Main Shareholders**")

[2] Through Erik Selin Fastigheter AB

[3] Euromonitor International, Alcoholic Drinks 2022ed. Based on the market value of the Nordic monopoly market for wine.

[4] Based on information regarding market volumes in the Nordic monopoly market for wine made available to the Company by Systembolaget, Vinmonopolet and Alko.

[5] Change in net sales, excluding acquisition and divestment effects and currency translation effects, divided by the previous period's net sales.

[6] EBITA adjusted for items affecting comparability.

[7] Adjusted EBITA as a percentage of net sales.

[8] Adjusted EBITDA minus adjusted change in working capital minus capital expenditure excluding acquisitions, divided by adjusted EBITDA.

## Attachments

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Viva Wine Group intends to list the company's shares on Nasdaq First North Premier Growth Market