



# **Interim Report**

## **January–September 2021**

**“Continuing high growth rate with a focus  
on long-term value creation”**

**Andreas Stenbäck, President and CEO**

This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish original and the translation, the Swedish shall have precedence.

# Interim Report January–September 2021

Income statements for the third quarter and the period January–September are comparable for 2021 and 2020 and include continuing operations. For financial information about the discontinued operation, see note 5.

## Quarter July–September 2021

- Net sales increased by 35 percent to SEK 1,693 (1,253) million
- EBITA increased by 68 percent to SEK 211 (126) million
- Profit after tax increased by 83 percent to SEK 142 (78) million
- Earnings per ordinary share increased by 48 percent to SEK 1.48 (1.00<sup>2)</sup>)
- The acquisitions of StrongPoint's labels business and Byggsystem Direkt were completed on 1 July
- The Spanish company Apisa S.L. was acquired for the Tornum business unit on 6 July
- Martin Hansson took over as CEO of Salix Group AB on 1 September
- The credit agreement with Nordea was extended by SEK 1,000 million on 7 September

## Period January–September 2021

- Net sales increased by 26 percent to SEK 4,587 (3,646) million
- EBITA increased by 53 percent to SEK 505 (329) million
- Profit after tax increased by 72 percent to SEK 338 (196) million
- Earnings per ordinary share increased by 101 percent to SEK 4.37 (2.17<sup>2)</sup>)

## Events after the reporting period

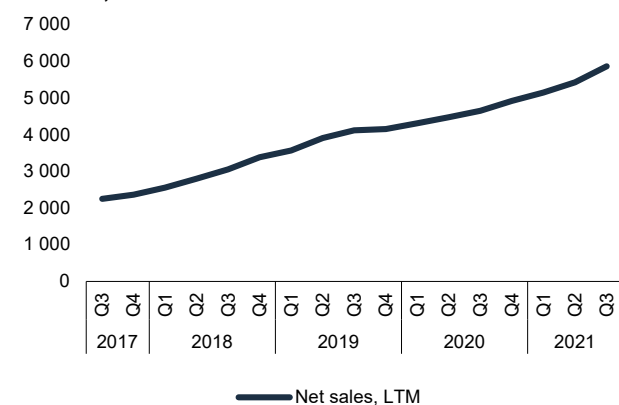
- Volati conducted related-party transactions in connection with Martin Hansson's appointment as new CEO of Salix Group AB
- Martin Aronsson took over as Volati CFO on 1 October
- The infrastructure company Meag Va-system was acquired on 21 October

## Summary of results and key figures

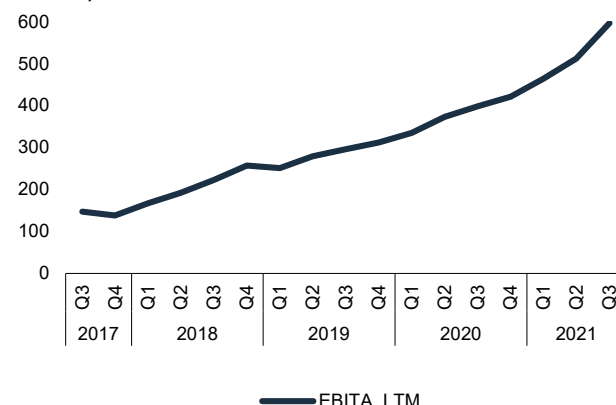
Income statements have been restated to describe continuing operations. For financial information about the discontinued operation, see note 5.

SEK million	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM	Full year 2020
Net sales	1,693	1,253	4,587	3,646	5,861	4,921
EBITA <sup>1)</sup>	211	126	505	329	597	421
EBIT	199	119	476	311	560	394
Profit after tax	142	78	338	196	388	246
Operating cash flow, SEK million <sup>1)</sup>	142	117	197	296	450	550
Net debt/adjusted EBITDA, x <sup>2)</sup>	1.4	1.4	1.4	1.4	1.4	-0.8
Basic and diluted earnings per ordinary share, SEK <sup>2)</sup>	1.48	1.00	4.37	2.17	13.57	11.37
Return on adjusted equity, % <sup>2)</sup>	74	20	74	20	74	51

Net sales, SEK million



EBITA<sup>1)</sup>, SEK million



1) See note 7 for definitions of alternative performance measures. 2) Key figure includes discontinued operations.

# Continued high growth rate with a focus on long-term value creation

**Volati continues to grow at a rapid pace. EBITA increased by 68 percent, rising from SEK 126 million to SEK 211 million in the third quarter. This strong performance and our focus on long-term value creation has brought significant value for our shareholders. Earnings per ordinary share for our continuing operations increased by 96 percent from SEK 0.76 to SEK 1.48 during the quarter. The return on adjusted equity was approximately 33 percent and if we include the effect of the previous year's sales and separate listing of Bokusgruppen, the return was a full 74 percent.**

Our two business areas continued to develop positively in the third quarter. The Salix Group business area increased its EBITA by 17 percent, despite tough comparative figures from a very strong Q3 in 2020. The Industry business area increased its EBITA by an impressive 101 percent. The growth is the result of a high acquisition rate and margin improvement work, particularly through the exploitation of synergies from completed acquisitions. Corroventa, a company in the Industry business area, reported strong earnings growth as a result of the extreme weather that hit Europe. The company is very well positioned through its product sales and one of Europe's largest rental machine parks to service its customers in the event of major flooding.

Virtually all companies in the Group faced operational challenges during the quarter as a result of disruptions to their supply chains and increased freight costs. However, our management teams were successful in passing on the price increases to end customers, which meant that the impact on margins was limited.

## Value-creating growth

Volati is growing fast but with a focus on long-term value creation. Since 2017, we have increased EBITA per ordinary share for continuing operations by an average of 48 percent. We have been able to maintain this high rate of growth without diluting existing shareholders or compromising our required rate of return. Our goal is sustained earnings growth per share, which means, for example, that we have never paid for acquisitions with our own shares and over the years we have only made one new issue, in connection with our IPO. We believe that growth is only value-creating if the return on equity is sufficiently high. Our high return on adjusted equity for continuing operations, which is approximately 33 percent, is therefore testament to our success in value-creating acquisitions, while delivering stable growth in the underlying



business. A high return on adjusted equity is a prerequisite for sustainable self-financed growth.

## Platforms for continued growth

In an increasingly competitive acquisition market, effective handling of pure ownership issues, such as securing the right company management, setting a framework for strategic direction and deciding on capital allocation, is not enough. Local entrepreneurship is important, but we also need to add value as owners in order to maintain a good return over time. For a long time, Volati has delivered added value through measures such as strategic leadership supply and development, training initiatives and knowledge sharing between companies. We know how to give our management teams the best conditions to develop their companies.

In recent years, we have concentrated on add-on acquisitions – a way of creating strong units and adding further value through synergies between the companies. This means that we can pay slightly more for acquisitions but still at good returns as we are able to factor in synergies. It also means that we decentralise the acquisition work, which ensures quality of integration and provides scalability for us as a Group.

Our decentralised acquisition model is enabled by the acquisition platforms we have created. Salix Group is the best example of where we have built a business area with a clear industrial logic. In the Industry business area, we have companies with similar development opportunities, such as S:t Eriks and Ettiketto, which through acquisitions have built very interesting platforms for continued acquisition-driven growth.

Part of long-term value creation is the ability to realise that you are not always the best owner of a company. We have demonstrated this ability over the last year and are now investing in the businesses we believe are best placed to generate long-term returns. We have a low net debt/EBITDA ratio of 1.4x and see an acquisition market that suits us well. Overall, this puts us in a good position to maintain our high growth rate with a focus on long-term value creation.

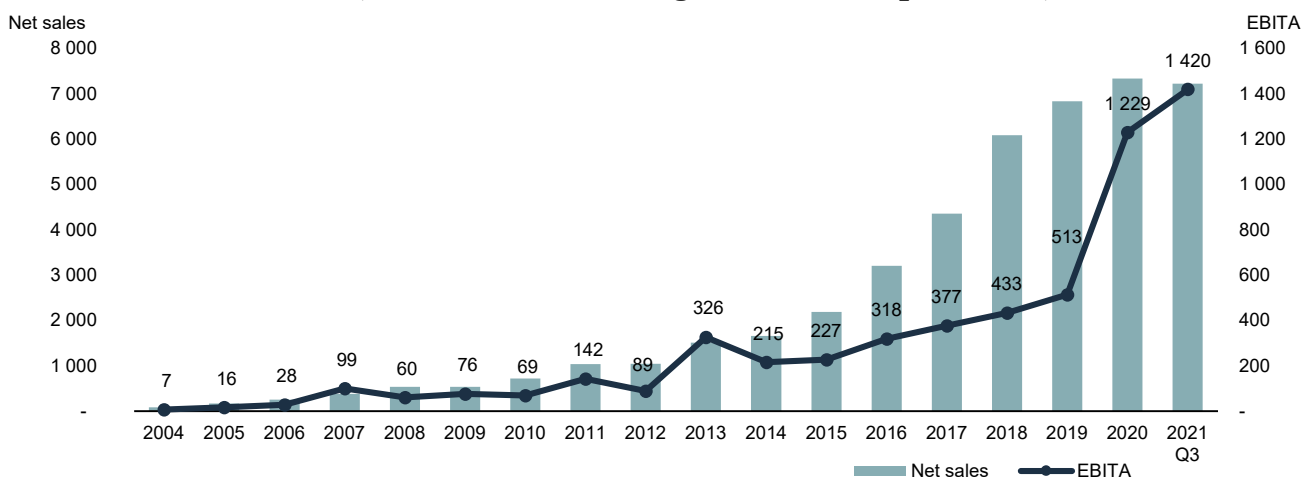
**Andreas Stenbäck, President and CEO**

# This is Volati

Volati acquires well-managed companies with strong cash flows at reasonable valuations, and develops them with a focus on long-term value creation. Acquiring companies that have stable and sustainable cash flows from the outset creates a stable base for operations. These cash flows are then used for further acquisitions. Through active long-term corporate development efforts, Volati creates favourable conditions for organic growth.

## Net sales and EBITA trends

2004 – 2021, SEK million (including discontinued operations), LTM



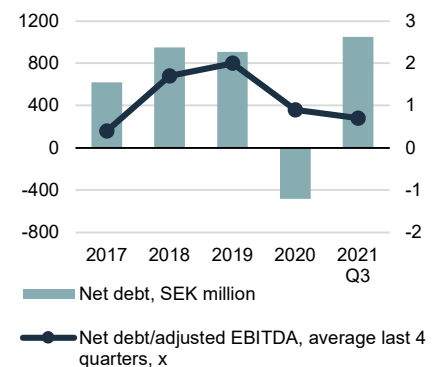
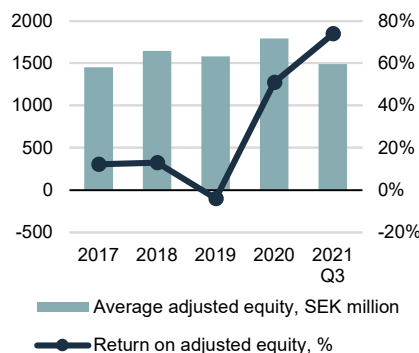
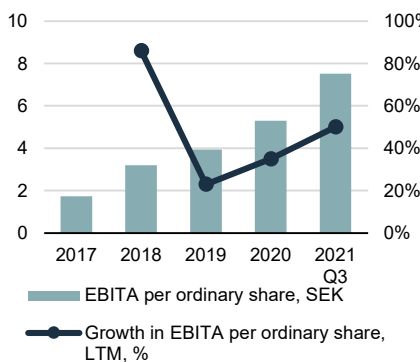
## Financial targets

Volati's overall objective is to generate long-term value growth by building an industrial group of profitable companies with solid cash flows and capacity for continuous development. The Board has established the following long-term financial targets, which should be evaluated as a whole:

**EBITA growth:** The target is average annual growth in EBITA<sup>1)</sup> per ordinary share of at least 15 percent over a business cycle.

**Return on adjusted equity:** The long-term target is a return on adjusted equity<sup>1)</sup> of 20 percent.<sup>2)</sup>

**Capital structure:** The target is a net debt/adjusted EBITDA<sup>1)</sup> ratio of 2 to 3 times as an average over the last four quarters, and not exceeding 3.5 times.<sup>2)</sup>



1) See note 7 for definitions of alternative performance measures 2) Including discontinued operations

# Consolidated financial trend

## Net sales

The Group's net sales for Q3 2021 amounted to SEK 1,693 (1,253) million, an increase of 35 percent compared with the same period the previous year.

The increase is mainly attributable to good demand and the effects of acquisitions in both Salix Group and Industry. Volati's two business areas.

	Jul-Sep 2021	Jul-Sep 2020	Δ %	Jan-Sep 2021	Jan-Sep 2020	Δ %
Net sales, SEK million	1,693	1,253	35	4,587	3,646	26
EBITA <sup>1)</sup> , SEK million	211	126	68	505	329	53
EBIT, SEK million	199	119	67	476	311	53
<b>Profit after tax, SEK million</b>	<b>142</b>	<b>78</b>	<b>83</b>	<b>338</b>	<b>196</b>	<b>72</b>

1) See note 7 for definitions of alternative performance measures

## Earnings

EBITA for Q3 increased by 68 percent to SEK 211 (126) million. This was achieved through organic growth, an improved margin and the effects of add-on acquisitions. Volati's two business areas, Salix Group and Industry, contributed positively to the performance and reported significantly higher earnings compared with the same period the previous year.

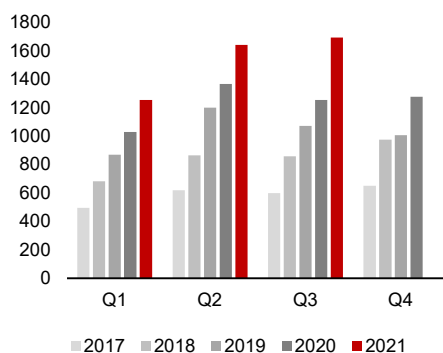
EBITA for the first nine months increased by 53 percent to SEK 505 (329) million. Profit after tax for Q3 increased by 83 percent to 142 (78) million. Profit after tax for the first nine months increased by 72 percent to SEK 338 (196) million.

EBITA for the last twelve months increased by 50 percent to SEK 597 (398) million.

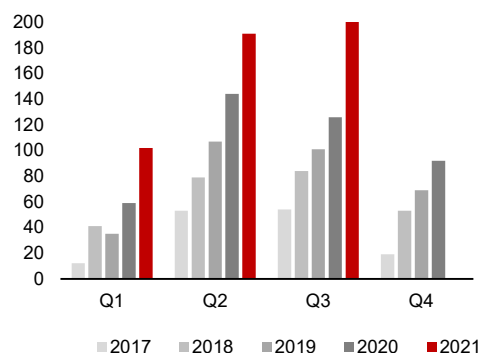
# +68%

EBITA per ordinary  
share  
Q3 2021

Net sales, SEK million



EBITA, SEK million



## Seasonal variations

Volati's sales, earnings and cash flow are affected by seasonal variations. This means that Volati's operations, sales and earnings development should ideally be analysed on a rolling twelve-month basis.

**SEK  
450  
million**

Operating cash flow  
LTM Q3

## Cash flow

Operating cash flow (for definition and calculation, see pages 24-25) amounted to SEK 142 (117) million in Q3 2021. The higher cash flow is due to higher earnings in the quarter. The increase in tied up working capital compared with the same quarter the previous year is mainly due to inventory build-up and increased trade receivables. Operating cash flow for the last 12 months was SEK 450 million compared with SEK 550 million for the full year 2020, as a result of increased tied up working capital. The increase in tied up working capital is mainly due to lower operating liabilities and higher inventory values as a result of external supply chain disruptions during the pandemic and an expectation of higher prices from suppliers.

Cash flow from operating activities (see page 15), including discontinued operations in the comparative period, for Q3 amounted to SEK 160 (81) million. The higher cash flow is mainly due to the fact that the comparative period included operating liability repayments of approximately SEK 134 million related to the general payment deferral for certain taxes and social security contributions that was granted during the pandemic.

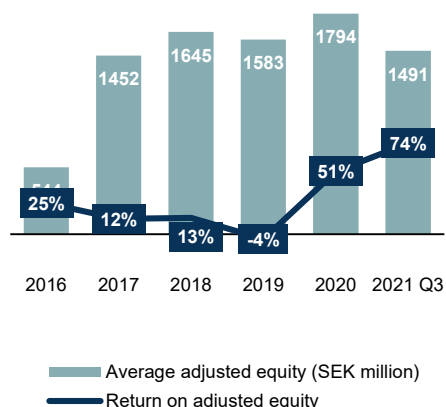
Cash flow from operating activities for the last 12 months was SEK 664 million, compared with SEK 956 million for the full year 2020. The lower cash flow is mainly due to lower operating liabilities and higher inventory values as a result of external supply chain disruptions during the ongoing pandemic and an expectation of higher prices from suppliers.

Investments in non-current assets during Q3 amounted to SEK 20 (14) million and were primarily business investments in the form of IT systems and ongoing investments in machinery and equipment. In addition, cash flow from investments in the form of acquisitions of companies was affected by SEK 248 (108) million. Cash flow for the quarter was affected by dividends of SEK 19 million, including transaction costs of SEK 3 million related to the in-kind distribution of Bokusgruppen.

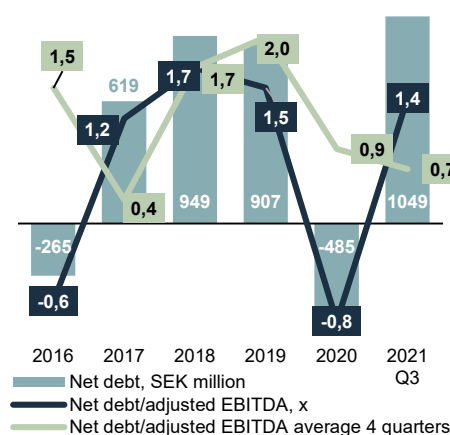
## Equity

The Group's equity at the end of the period amounted to SEK 1,808 (3,235) million. The decline is attributable to the net of profit for the period, adopted ordinary and preference share dividends and the non-cash distribution of Bokusgruppen to shareholders during the period, totalling SEK 1,602 million. The equity ratio was 33 percent on 30 September 2021 compared with 50 percent on 31 December 2020. The lower equity ratio is due to adopted dividends of SEK 1,602 million during the period. The return on adjusted equity was 74 (51) percent.

**Equity and return on adjusted equity**



**Capital structure trend**



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# 0.7x

Net debt/  
adjusted EBITDA  
average 4 quarters

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## Net debt

The Group had net debt of SEK 1,049 million at the end of the period, compared with a net cash position of SEK 485 million on 31 December 2020. The change in net debt is mainly due to cash dividends of SEK 982 million, including transaction costs of SEK 8 million attributable to the in-kind distribution of Bokusgruppen, and payments of SEK 555 million for completed acquisitions. Net debt/adjusted EBITDA was 1.4x at the end of the quarter, compared with 1.3x in the previous quarter. Net debt/adjusted EBITDA as an average over the last four quarters is 0.7x, compared with 0.9x on 31 December 2020. Total liabilities amounted to SEK 3,651 (3,270) million on 30 September 2021, of which interest-bearing liabilities, including pension obligations and lease liabilities, amounted to SEK 1,702 (1,375) million. The bond of SEK 600 million was repaid in June and the existing credit agreement was extended by SEK 1,000 million in September. The credit agreement amounted to SEK 2,200 million on 30 September.

## Business acquisitions and divestments during and after Q3

Acquisitions are a core element of Volati's strategy for creating long-term value growth, and the Company continuously evaluates both complementary add-on acquisitions and acquisitions in new lines of business. It is Volati's assessment that there is a lower risk level for add-on acquisitions than for acquisitions in new lines of business, as in-depth industrial know-how and a recipient organisation are already in place in the acquiring company.

At the end of June, an agreement was signed to acquire the labels business from StrongPoint. This is an add-on acquisition for the Ettiketto business unit that strengthens the company as a comprehensive supplier of label solutions in the Swedish market and expands the market to include Norway. The acquisition is also expected to generate significant cost synergies. The acquired business reported annual sales of approximately SEK 185 million in 2020. The Swedish part of the business was consolidated with effect from 1 July 2021 and the Norwegian part from 1 September 2021.

On 29 June, an agreement was signed to acquire all shares in Byggsystem Direkt AB, a leading supplier of foundations for the Swedish building industry under the Isolegrund brand. The acquisition is part of an effort to accelerate the S:t Eriks business unit's growth strategy and also adds value through synergies. The company reported annual sales of approximately SEK 60 million in 2020. The acquisition was consolidated with effect from 1 July 2021.

On 6 July, Volati acquired all shares in Apisa S.L., a Spanish market leader in drying and storage solutions for grain, feed and biomass. The acquisition is an add-on acquisition for the Tornum business unit. The acquisition strengthens Tornum's offering in grain and feed handling and gives the company a stronger market position in Europe, where the Spanish grain handling market is one of the largest. Apisa reported annual sales of approximately EUR 15 million for the last financial year. The acquisition was consolidated with effect from July.

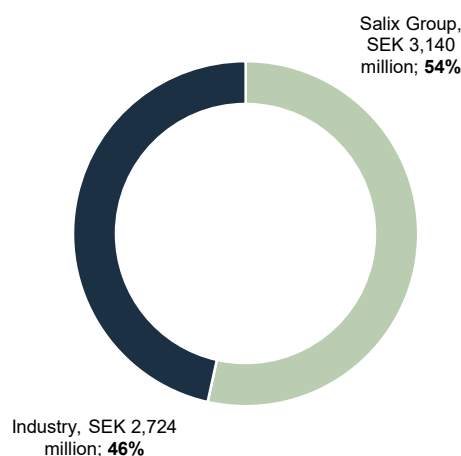
On 21 October, Volati acquired all shares in Meag Va-system, a provider of water and sewage infrastructure. The acquisition is an add-on acquisition for the S:t Eriks business unit in the Industry business area. S:t Eriks has a clear ambition to be Sweden's best provider of solutions for water and sewage infrastructure. The acquisition makes S:t Eriks a market-leading supplier in this area, while creating opportunities for significant synergies. Meag Va-system reported sales of approximately SEK 190 million for the last financial year. The acquisition was conducted with immediate access to the shares.

# Volati's business areas

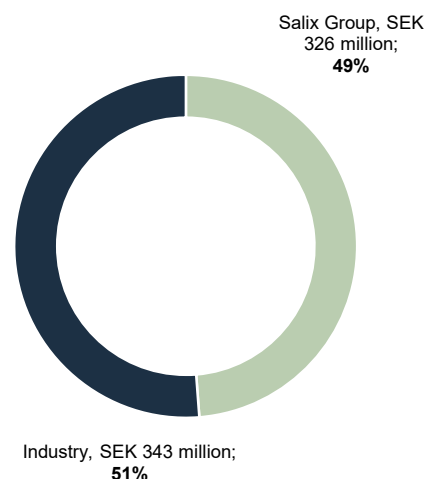
## Volati's net sales and earnings by business area

The diagrams relate to the 12-month period 1 October 2020 to 30 September 2021. Acquired operations are included in the relevant business area from the acquisition closing date and their proportion is calculated net of central costs and items affecting comparability.

### Net sales by business area



### EBITA by business area



## Salix Group

	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM	Full year 2020
Net sales, SEK million	824	675	2,452	1,978	3,140	2,665
EBITA, SEK million <sup>1)</sup>	93	79	265	203	326	265
EBITA margin, % <sup>1)</sup>	11	12	11	10	10	10
EBIT, SEK million	91	76	256	194	312	251
ROCE excl. goodwill, % <sup>1)</sup>	42	36	42	36	42	38
ROCE incl. goodwill, % <sup>1)</sup>	19	15	19	15	19	17

1) See note 7 for definitions of alternative performance measures.

*The Salix Group business area offers products for building and industry, primarily hardware, consumables, material and packaging. The business area also offers a broad range of products for home and garden, and agriculture and forestry. The products consists of both own brands and external brands.*

Salix Group's sales for Q3 increased by 22 percent compared with the corresponding period the previous year, while EBITA for the same period increased by 17 percent. This means that the business is showing good growth, even in the face of stronger comparative figures from the previous year. Demand from do-it-yourself consumers remains good, despite some tendency to slow down during the quarter, driving the need for consumer-oriented products in building materials, hardware retail and garden centres. The market for business-to-business products also strengthened during the quarter, which benefited Salix Group's business units targeting the building and wood industry and small-scale agriculture. Despite the easing of restrictions in society, the pandemic continues to affect business. Material prices remain high, but have stabilised somewhat during the quarter. The impact on supply chains is significant, with historically high freight costs and extended lead times – a situation that is expected to persist into 2022. Despite this, Salix Group's business units performed well during the



quarter by carrying out disciplined work on customer communication, pricing and cost control, and focusing on growth.

The process of integrating and developing Duschprodukter Sweden AB, which was acquired in March 2021, is progressing according to plan. The acquisition strengthens and complements the business area's existing offering of bathroom products and creates a stronger presence in the Baltic region, which will enable faster geographical expansion of the rest of our product range.

The business area sees further acquisition opportunities in most of its operations.

## Industry

	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM	Full year 2020
Net sales, SEK million	869	578	2,136	1,670	2,724	2,258
EBITA, SEK million <sup>1)</sup>	129	64	279	172	343	236
EBITA margin, % <sup>1)</sup>	15	11	13	10	13	10
EBIT, SEK million	120	60	262	164	322	224
ROCE excl. goodwill, % <sup>1)</sup>	39	27	39	27	39	29
ROCE incl. goodwill, % <sup>1)</sup>	24	17	24	17	24	18

1) See note 7 for definitions of alternative performance measures.

*The Industry business area offers products and solutions for companies within five different market niches – grain handling, moisture and water damage restoration, labels and labelling solutions, stone and cement products for infrastructure, paving and roofing, and the supply of critical infrastructure to customers in telecom and other sectors.*

Acquisitions and continuing positive development for Industry's business units resulted in Q3 sales growth of 50 percent and EBITA growth of 101 percent compared with the same quarter the previous year. Demand for the business units' products is high and the majority of the acquisitions contributed positively during the quarter. During the quarter, the business area was operating in an environment of operational challenges in the wake of the pandemic, with increased material prices and supply chain disruptions. Despite this, all business units are showing stronger earnings, with most of them reporting increased margins. This is due to a combination of strong demand, price discipline, productivity improvements and good cost control. For example, Corroventa has had an exceptionally strong quarter as a consequence of the severe flooding in the Nordic region and Western Europe.

In September, the Swedish Parliament adopted a bill that would enable the Government to grant Cementa a temporary permit to quarry limestone in Slite. Cement is a key input, particularly for the S:t Eriks business unit, one of five business units in the business area, and we are therefore continuing to monitor developments closely.

The process of integrating and developing the companies acquired during the year – StrongPoint, Apisa S.L., JPT-Industria OY and Byggsystem Direkt – is progressing according to plan. The acquisitions are part of the strategy to strengthen and complement operations within the Ettiketto, Tornum and S:t Eriks business units. The establishment of Scanmast (acquired June 2021) as a separate business unit within the Industry business area is on track.

The business area sees further acquisition opportunities in most of its operations.

## Head Office

Head Office comprises the central costs in the Parent Company Volati AB and associated operations. EBITA for the quarter was SEK -12 (-12) million.

# Other information

## Share capital

Volati has two classes of shares, ordinary shares and preference shares, which are listed on Nasdaq Stockholm under the tickers VOLO and VOLO PREF. The number of shareholders at the end of Q3 was 10,539.

The number of ordinary shares was 79,406,571 and the number of preference shares was 1,603,774 at the end of September 2021. Share capital amounted to SEK 10 million at 30 September 2021.

## Related-party transactions

No significant related-party transactions of any other nature have occurred in addition to what is stated in the annual report for 2020. All related-party transactions have been conducted at market conditions.

## Events after the end of the reporting period

In October, Volati purchased shares in the subsidiary Salix Group AB from related parties. During October, Volati sold 281,295 shares and issued 831,863 warrants in the subsidiary Salix Group AB to the CEO of Salix Group AB in accordance with the resolution adopted by the EGM on 20 September 2021. These transactions reflect a part of Volati's business model, which is to create mutual interest with key individuals within its business units or business areas by way of co-investments. All related-party transactions have been conducted at market conditions.

Martin Aronsson took over as Volati CFO on 1 October.

The infrastructure company Meag Va-system was acquired on 21 October. This is an add-on acquisition for the S:t Eriks business unit in the Industry business area.

## Financial calendar

Year-end Report 2021:	11 February 2022
Interim Report January–March 2022:	26 April 2022
2022 Annual General Meeting:	27 April 2022
Interim Report January–June 2022:	18 July 2022
Interim Report January–September 2022:	25 October 2022

# Declaration by the Board

The Board of Directors and the CEO hereby certify that this interim report provides a fair overview of the Parent Company's and the Group's operations, financial position and performance and describes material risks and uncertainties faced by the Parent Company and Group companies.

Volati AB (publ)

The Board of Directors and CEO

Stockholm, 26 October 2021

Patrik Wahlén

Chairman of the Board

Karl Perlhagen

Board Member

Björn Garat

Board Member

Christina Tillman

Board Member

Louise Nicolin

Board Member

Anna-Karin Celsing

Board Member

Magnus Sundström

Board Member

Andreas Stenbäck

CEO

This interim report has been reviewed by the Company's auditors. See the Auditors' Review Report on page 30.

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This information is information that Volati AB (publ) 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 below, at 7.45 a.m. CEST on 26 October 2021.

#### Conference call

CEO Andreas Stenbäck and CFO Andreas Stenbäck will present the interim report in a conference call on 26 October at 09.00. The presentation will be conducted in Swedish.

Phone number to access the conference call: +46 8 566 427 05

For a webcast of the conference call, go to: <https://tv.streamfabriken.com/volati-q3-2021>

#### For more information, please contact:

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# Financial Statements

## Condensed consolidated income statement

SEK million	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM	Full year 2020
<b>Operating income</b>						
Net sales	1,693	1,253	4,587	3,646	5,861	4,921
<b>Operating expenses</b>						
Raw materials and supplies	-1,065	-796	-2,848	-2,316	-3,606	-3,074
Other external costs	-91	-61	-254	-192	-339	-277
Personnel expenses	-277	-224	-842	-679	-1,130	-967
Other operating income and expenses	6	-1	11	-3	5	-9
<b>EBITDA</b>	<b>266</b>	<b>170</b>	<b>654</b>	<b>457</b>	<b>791</b>	<b>594</b>
Depreciation	-54	-44	-149	-128	-194	-173
<b>EBITA</b>	<b>211</b>	<b>126</b>	<b>505</b>	<b>329</b>	<b>597</b>	<b>421</b>
Acquisition-related amortisation	-13	-7	-28	-18	-37	-27
<b>EBIT</b>	<b>199</b>	<b>119</b>	<b>476</b>	<b>311</b>	<b>560</b>	<b>394</b>
<b>Finance income and costs</b>						
Finance income and costs	-11	-20	-43	-61	-66	-85
<b>Profit before tax</b>	<b>188</b>	<b>99</b>	<b>434</b>	<b>250</b>	<b>493</b>	<b>309</b>
Tax	-45	-21	-96	-53	-106	-63
<b>Profit from continuing operations</b>	<b>142</b>	<b>78</b>	<b>338</b>	<b>196</b>	<b>388</b>	<b>246</b>
Profit from discontinued operations	-	20	80	27	784	731
<b>Net profit</b>	<b>142</b>	<b>97</b>	<b>418</b>	<b>224</b>	<b>1,172</b>	<b>977</b>
Attributable to:						
Owners of the Parent	134	95	396	220	1,143	967
Non-controlling interests	9	2	22	3	29	10
<b>Earnings per ordinary share, continuing operations, SEK</b>						
Basic and diluted earnings per ordinary share, SEK	1.48	0.76	3.38	1.82	3.71	2.15
<b>Earnings per ordinary share</b>						
Basic and diluted earnings per ordinary share, SEK	1.48	1.00	4.37	2.17	13.57	11.37
No. of ordinary shares	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571
Average no. of ordinary shares	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571
Average no. of ordinary shares after dilution	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571
No. of preference shares	1,603,774	1,603,774	1,603,774	1,603,774	1,603,774	1,603,774
Preference share dividend, SEK	10.00	-	50.80 <sup>1)</sup>	20.00	50.80 <sup>1)</sup>	20.00

1) Dividend on preference shares including outstanding amount as adopted by EGM on 4 February 2021.

## Consolidated statement of comprehensive income

SEK million	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM	Full year 2020
<b>Net profit</b>	<b>142</b>	<b>97</b>	<b>418</b>	<b>224</b>	<b>1,172</b>	<b>977</b>
Items that may be reclassified subsequently to profit or loss	-	-	-	-	7	7
Reversal of translation differences attributable to divested operations						
Translation differences for the period	2	-3	8	-38	28	-18
<b>Total</b>	<b>2</b>	<b>-3</b>	<b>8</b>	<b>-38</b>	<b>34</b>	<b>-12</b>
<b>Total comprehensive income for the period</b>	<b>145</b>	<b>95</b>	<b>426</b>	<b>186</b>	<b>1,206</b>	<b>966</b>
Owners of the Parent	136	93	405	184	1,176	955
Non-controlling interests	9	2	22	2	30	11
<b>Total comprehensive income for the period attributable to owners of the Parent has arisen from:</b>						
Continuing operations	136	74	326	176	367	217
Discontinued operations	-	18	79	8	809	738

## Condensed consolidated statement of financial position

SEK million	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	2,080	2,895	2,413
Property, plant and equipment	297	347	299
Right-of-use assets	504	899	772
Financial assets	7	7	7
Deferred tax assets	44	67	35
<b>Total non-current assets</b>	<b>2,931</b>	<b>4,215</b>	<b>3,526</b>
<b>Current assets</b>			
Inventories	1,028	989	969
Trade receivables	1,084	934	698
Other current receivables	218	242	153
Cash and cash equivalents	198	566	1,160
<b>Total current assets</b>	<b>2,528</b>	<b>2,731</b>	<b>2,979</b>
<b>Total assets</b>	<b>5,459</b>	<b>6,946</b>	<b>6,506</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to owners of the Parent	1,793	2,480	3,219
Non-controlling interests	15	9	16
<b>Total equity</b>	<b>1,808</b>	<b>2,489</b>	<b>3,235</b>
<b>Liabilities</b>			
Non-current interest-bearing liabilities	29	605	605
Non-current lease liabilities	406	608	556
Other non-current liabilities and provisions	319	127	164
Deferred tax	240	290	282
<b>Total non-current liabilities</b>	<b>995</b>	<b>1,630</b>	<b>1,606</b>
Current interest-bearing liabilities	1,144	907	0
Current lease liabilities	122	279	214
Trade payables	644	743	711
Other current liabilities	746	899	739
<b>Total current liabilities</b>	<b>2,656</b>	<b>2,827</b>	<b>1,664</b>
<b>Total liabilities</b>	<b>3,651</b>	<b>4,457</b>	<b>3,270</b>
<b>Total equity and liabilities</b>	<b>5,459</b>	<b>6,946</b>	<b>6,506</b>

## Condensed consolidated cash flow statement<sup>1)</sup>

SEK million	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM	Full year 2020
<b>Operating activities</b>						
Profit before tax including discontinued operations	188	124	505	287	1292	1073
Adjustment for other non-cash items	76	132	165 <sup>2)</sup>	410	-321 <sup>2)</sup>	-75
Interest paid and received, excl. interest on lease liabilities	-10	-11	-22	-26	-30	-33
Interest paid on lease liabilities	-7	-12	-25	-34	-35	-45
Income tax paid	-6	-2	-67	-44	-49	-26
<b>Cash flow from operating activities before changes in working capital</b>	<b>241</b>	<b>232</b>	<b>556</b>	<b>593</b>	<b>858</b>	<b>895</b>
<b>Cash flow from changes in working capital</b>						
Change in inventories	-5	25	-87	54	-76	65
Change in operating receivables	17	61	-260	-241	-56	-37
Change in operating liabilities	-93	-237	-68	25	-61	32
Cash flow from changes in working capital	-81	-151	-415	-161	-193	61
<b>Cash flow from operating activities</b>	<b>160</b>	<b>81</b>	<b>141</b>	<b>432</b>	<b>664</b>	<b>956</b>
<b>Investing activities</b>						
Net investments in property, plant & equipment and intangible assets	-11	-14	-55	-37	-78	-59
Acquisitions and disposals	-248	-108	-557	-254	524	827
Net investments in financial assets	0	0	0	0	0	0
Cash flow from investing activities	-259	-121	-612	-290	447	769
<b>Financing activities</b>						
Dividend	-19	0	-982	-32	-982	-32
New borrowings and repayment of borrowings, excl. leases	210	-11	616	162	-309	-764
Repayment of lease liabilities	-33	-69	-126	-183	-185	-242
Other financing activities	-	-	-	36	-	36
Cash flow from financing activities	158	-80	-492	-17	-1,477	-1,002
Cash flow for the period	59	-120	-964	125	-366	722
Cash & cash equivalents at beginning of period	138	687	1,160	447	566	447
Exchange differences	1	-1	2	-6	-1	-10
Cash & cash equivalents at end of period	198	566	198	566	198	1,160

1) Condensed cash flow statement for discontinued operations, see note 5.

2) Includes adjustment of SEK -115 million for capital gain on Bokusgruppen distribution.

## Consolidated statement of changes in equity

SEK million	Share capital	Other paid-in capital	Other reserves	Retained earnings including net profit	Non-controlling interests	Total equity
Closing balance, 31 Dec 2019	10	1,995	26	320	9	2,360
Net profit	-	-	-	214	10	224
Other comprehensive income	-	-	-37	-	-1	-38
Comprehensive income for the period	-	-	-37	214	9	186
Remeasurement of non-controlling interests	-	-	-	-48	-9	-57
Other owner transactions	-	-	-	-1	0	0
Closing balance, 30 Sep 2020	10	1,995	-11	485	9	2,489

SEK million	Share capital	Other paid-in capital	Other reserves	Retained earnings incl. net profit	Non-controlling interests	Total equity
Closing balance, 31 Dec 2020	10	1,995	14	1,200	16	3,235
Net profit	-	-	-	396	22	418
Other comprehensive income	-	-	8	-	0	8
Comprehensive income for the period	-	-	8	396	22	426
Dividend	-	-	-	-1,717	-3	-1,720
Remeasurement of non-controlling interests	-	-	-	-115	-19	-134
Closing balance, 30 Sep 2021	10	1,995	23	-235	15	1,808



## Key figures<sup>2)</sup>

	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM	Full year 2020
Net sales, SEK million	1,693	1,253	4,587	3,646	5,861	4,921
Net sales growth, %	35	17	26	16	26	19
EBITDA, SEK million	266	170	654	457	791	594
EBITA, SEK million	211	126	505	329	597	421
EBITA margin, %	12	10	11	9	10	9
EBITA growth, %	68	25	53	36	50	35
EBITA growth per ordinary share, %	68	25	53	36	50	35
EBIT, SEK million	199	119	476	311	560	394
Profit after tax, SEK million	142	78	338	196	388	246
Basic and diluted earnings per ordinary share, continuing operations	1.48	0.76	3.38	1.82	3.71	2.15
Basic and diluted earnings per ordinary share, SEK <sup>1)</sup>	1.48	1.00	4.37	2.17	13.57	11.37
Return on equity, %	51	16	51	16	51	37
Return on adjusted equity, %	74	20	74	20	74	51
Equity ratio, %	33	36	33	36	33	50
Cash conversion, LTM, %	68	114	68	114	68	113
Operating cash flow	142	117	197	296	450	550
Net debt/EBITDA, x	1.4	1.4	1.4	1.4	1.4	-0.8
Net debt/EBITDA average four quarters, x	0.7	1.5	0.7	1.5	0.7	0.9
No. of employees	1,678	2,318	1,678	2,318	1,678	1,974
Ordinary shares outstanding	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571
Average no. of shares outstanding						
Ordinary shares	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571
Preference shares outstanding	1,603,774	1,603,774	1,603,774	1,603,774	1,603,774	1,603,774

<sup>1)</sup> When calculating earnings per ordinary share, the preference share dividend of SEK 16 million per quarter is deducted for the period.

<sup>2)</sup> All performance measures, apart from net sales, EBIT, profit after tax and earnings per share, are non-IFRS performance measures – see also Alternative performance measures below.

# Notes to consolidated financial statements

## Note 1 Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The accounting policies are consistent with those applied by the Group in the 2020 annual report.

The Parent Company's interim report has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. Some figures in this report have been rounded, which means that certain tables do not always add up exactly. This applies where figures are stated in thousands, millions or billions. Pages 1-11 of this report are an integral part of the interim report.

## Note 2 Risks and uncertainties

In September, the Swedish Parliament adopted a bill that would enable the Government to grant Cementa a temporary permit to quarry limestone in Slite. Cement is a key input, particularly for the S:t Eriks business unit, one of five business units in the Industry business area, and we are therefore continuing to monitor developments closely.

It is the assessment that the Group's other material risks and uncertainties are unchanged from those described in detail in the 2020 Annual Report.

## Note 3 Segment reporting

At the end of Q3 2021, Volati consisted of the two business areas Salix Group and Industry.

Net sales, SEK million	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM	Full year 2020
Salix Group	824	675	2,452	1,978	3,140	2,665
Industry	869	578	2,136	1,670	2,724	2,258
Internal eliminations	-1	0	-2	-1	-3	-2
<b>Total net sales</b>	<b>1,693</b>	<b>1,253</b>	<b>4,587</b>	<b>3,646</b>	<b>5,861</b>	<b>4,921</b>

Sales between segments are immaterial.

EBITA, SEK million	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM	Full year 2020
Salix Group	93	79	265	203	326	265
Industry	129	64	279	172	343	236
Items affecting comparability	2	-5	-1	-10	-21	-29
Central costs	-12	-12	-38	-37	-52	-51
<b>Total EBITA</b>	<b>211</b>	<b>126</b>	<b>505</b>	<b>329</b>	<b>597</b>	<b>421</b>
Acquisition-related amortisation	-13	-7	-28	-18	-37	-27
Net financial items	-11	-20	-43	-61	-66	-85
<b>Profit before tax from continuing operations</b>	<b>188</b>	<b>99</b>	<b>434</b>	<b>250</b>	<b>493</b>	<b>309</b>

EBIT, SEK million	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM	Full year 2020
Salix Group	91	76	256	194	312	251
Industry	120	60	262	164	322	224
Items affecting comparability <sup>1)</sup>	1	-5	-3	-10	-22	-29
Central costs	-12	-12	-38	-37	-52	-51
<b>Total EBIT</b>	<b>199</b>	<b>119</b>	<b>476</b>	<b>311</b>	<b>560</b>	<b>394</b>

1) From June 2020, transaction costs are reported in items affecting comparability and not in central costs. Historical figures have not been restated.

The Q3 2020 figure is calculated as if the transaction costs had been recognised as an item affecting comparability from Q1 2020.

## Note 4 Business acquisitions

On 29 January, Volati acquired all shares in JPT-Industria OY. The acquisition is an add-on acquisition for the Industry business area and the Tornum business unit. The acquisition was consolidated with effect from 1 February.

On 2 March, Volati acquired all shares in Duschprodukter Sweden AB. The acquisition is an add-on acquisition for the Salix Group business area and the HABO business unit. The acquisition was consolidated with effect from 1 March.

On 30 June, Volati acquired all shares in Scanhold AB (Scanmast). The acquired company is now a new business unit in the Industry business area. The acquisition was consolidated with effect from 30 June.

On 1 July, Volati acquired StrongPoint's labels business through the acquisition of all shares in StrongPoint Labels AB and StrongPoint Labels AS. The acquisition is an add-on acquisition for the Industry business area and the Ettiketto business unit. The Swedish part of the business was consolidated with effect from 1 July and the Norwegian part from 1 September.

On 1 July, Volati acquired all shares in Byggsystem Direkt AB. The acquisition is an add-on acquisition for the Industry business area and the S:t Eriks business unit. The acquisition was consolidated with effect from 1 July.

On 6 July, Volati acquired all shares in Apisa S.L. The acquisition is an add-on acquisition for the Industry business area and the Tornum business unit. The acquisition was consolidated with effect from July.

The Group's earnings were affected by transaction costs of SEK 7 million for the above acquisitions. Goodwill of SEK 279 million arising from the transactions is supported by several factors, largely attributable to the acquired companies' synergies, employees and market shares.

Cash settlements of additional and deferred purchase consideration during the year amounted to SEK 22 million (SEK 6 million in Q3). The year's preliminary consideration settlement of SEK 6 million was fully repaid in Q3.

The impact of the acquisitions on the Volati Group's balance sheet on the acquisition date is set out below. As the acquisition of StrongPoint's Norwegian operations was completed near the end of the quarter, not all analyses of fair values have been completed. The acquisition analysis is therefore considered preliminary and will be finalised in Q4, but it is not expected to have a material impact on the Group's reported results or financial position.

Impact of acquisitions on balance sheet (SEK million)	Scanmast	Other	Total
Intangible assets	111	108	219
Property, plant and equipment	18	74	91
Deferred tax asset	0	11	11
Inventories	18	106	124
Trade receivables	55	92	147
Other receivables	50	14	64
Cash and cash equivalents	6	86	92
Deferred tax liability and other provisions	-32	-31	-63
Non-current interest-bearing liabilities	-9	-67	-76
Current interest-bearing liabilities	-5	-40	-46
Current liabilities	-51	-150	-201
<b>Net assets</b>	<b>162</b>	<b>202</b>	<b>364</b>
Goodwill	91	187	279
<b>Purchase price for shares</b>	<b>253</b>	<b>390</b>	<b>643</b>
Purchase price for shares	-253	-390	-643
Settlement of preliminary fixed consideration	-	-6	-6
Deferred variable consideration	-	16	16
Consideration settled against non-cash issue	1	-	1
Cash & cash equivalents in the acquired company at the acquisition date	6	86	92
Acquisition-date impact of acquisitions on the Group's cash & cash equivalents	-246	-293	-539

Impact of acquisitions on income statement (SEK million)	Net sales		EBITDA		EBITA		EBIT	
	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep
Salix Group	24	54	4	8	2	3	2	3
Scanmast	75	75	4	4	2	2	-1	-1
Industry – Other acquisitions	134	158	11	13	7	8	5	5
<b>Volati Group</b>	<b>232</b>	<b>286</b>	<b>19</b>	<b>25</b>	<b>11</b>	<b>14</b>	<b>6</b>	<b>8</b>

If the acquisitions had been consolidated with effect from 1 January 2021, their contribution to the Group's income statement, excluding transaction costs, for the period January-September 2021 would have been as follows: sales SEK 692 million, EBITDA SEK 65 million, EBITA SEK 40 million and operating profit SEK 24 million.

## Note 5 Discontinued operations

An in-kind distribution of the shares in Bokusgruppen to Volati AB's ordinary shareholders was implemented on 4 June. A capital gain of SEK 115 million on the distribution was recognised in Volati AB, while Volati AB's equity was reduced by the corresponding amount and no cash flows arose from the distribution.

The income statement and cash flow information for Bokusgruppen for the period January to May 2021 and the comparative figures for 2020 are presented as discontinued operations in this report in accordance with IFRS 5.

The income statement and cash flow statement comparative figures for 2020 include the Consumer business area as a discontinued operation.

The income statement and cash flow information below for the divested operations of the Consumer business area is for the period up to the divestment dates in 2020.

Profit/loss attributable to discontinued operations	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM	Full year 2020
Net sales	-	576	674	1,729	1,360	2,416
Operating expenses	-	-488	-645	-1,489	-1,194	-2,038
EBITDA	-	88	29	241	166	377
Depreciation	-	-57	-58	-170	-103	-215
EBITA	-	30	-28	71	62	162
Acquisition-related amortisation	-	-1	-10	-19	-16	-25
EBIT	-	29	-38	52	46	137
Finance income and costs	-	-4	-5	-16	-9	-20
Profit before tax	-	25	-43	37	37	117
Tax for the period	-	-6	9	-10	28	-33
Profit/loss from discontinued operations	-	20	-35	27	64	84
Gain/loss on sale of operation	-	-	115	-	762	647
<b>Total profit/loss attributable to discontinued operations</b>	<b>-</b>	<b>20</b>	<b>80</b>	<b>27</b>	<b>826</b>	<b>731</b>

Attributable to:

Owners of the Parent	-	20	79	28	825	732
Non-controlling interests	-	0	1	-1	1	-1

Earnings per ordinary share attributable  
to owners of the Parent

-	0.04	0.37	-0.26	9.57	8.41
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Cash flow from discontinued operations	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM	Full year 2020
Cash flow from operating activities	-	42	-83	133	126	342
Cash flow from investing activities <sup>1)</sup>	-	-7	-18	-25	1,057	1,049
Cash flow from financing activities	-3	-53	66	-120	35	-151
Total cash flow from discontinued operations	-3	-18	-35	-12	1,217	1,240

<sup>1)</sup> Cash flow from investing activities for the full year 2020 includes a positive cash flow of SEK 1,086 million attributable to the divestment of Besikta and NMP.

Bokusgruppen's impact on the balance sheet on the distribution date is shown below.

**Impact on the balance sheet on the distribution date**

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Intangible assets	814
Property, plant and equipment	24
Right-of-use assets	259
Other non-current assets	2
Current operating assets	216
Cash and cash equivalents	2
Total assets	1,317
Non-current non-interest-bearing liabilities	6
Deferred tax liabilities	93
Non-current lease liabilities	156
Current interest-bearing liabilities	103
Current lease liabilities	103
Current operating liabilities	270
Total liabilities	731
Net assets	586

## Note 6 Financial Instruments

Financial instruments: carrying amounts and fair values by measurement category

	30 Sep 2021			31 Dec 2020		
	IFRS 9 category <sup>1)</sup>	Carrying amount	Fair value	IFRS 9 category <sup>1)</sup>	Carrying amount	Fair value
<b>Financial assets</b>						
Other shares and interests	2	5	5	2	5	5
Other non-current financial assets	1,2	3	3	1	2	2
Derivatives held for trading	2	0	0	2	-	-
<b>Financial liabilities</b>						
Bonds	4	-	-	4	600	604
Loans from credit institutions	4	999	999	4	4	4
Derivatives held for trading	5	0	0	5	0	0
Additional consideration	5	23	23	5	26	26
Put options	6	281	281	6	145	145
Other current liabilities	4	32	32	4	-	-

1) applicable IFRS 9 categories

- 1= Financial assets at amortised cost
- 2= Financial assets at fair value through profit or loss
- 3= Financial assets at fair value through OCI
- 4= Financial liabilities at amortised cost
- 5= Financial liabilities at fair value through profit or loss
- 6= Financial liabilities at fair value through equity

For a description of what is included in the various items and the measurement method, see note 22 of the 2020 annual report.

Financial instruments measured at fair value

	30 Sep 2021				31 Dec 2020			
	Carrying amounts	Quoted prices Level 1	Observable inputs Level 2	Unobservable inputs Level 3	Carrying amounts	Quoted prices Level 1	Observable inputs Level 2	Unobservable inputs Level 3
<b>Financial assets</b>								
Other shares and interests	5	-	-	5	5	-	-	5
Derivatives	0	0	-	-	-	-	-	-
<b>Financial liabilities</b>								
Derivatives	0	0	-	-	0	0	-	-
Put options	281	-	-	281	145	-	-	145
Additional consideration <sup>1)</sup>	23	-	-	23	26	-	-	26

<sup>1)</sup> Additional consideration is often contingent on the financial performance of the acquired business over a specific period and is measured on the basis of management's best estimate. Discounting to present value is applied for large amounts or long durations.

Specification of financial instruments Level 3:

	Financial assets		Financial liabilities	
	Other shares and interests	Put options	Additional consideration	
<b>Balance, 1 Jan 2020</b>	4	-56	-6	
Additions through acquisitions	0	-	-23	
Cash settled	-	-	6	
Change in value recognised in OCI	-	-	-4	
Change in value recognised in equity	-	-90	-	
Currency translation effects	0	-	-	
<b>Balance, 31 Dec 2020</b>	5	-145	-26	
<b>Balance, 1 Jan 2021</b>	5	-145	-26	
Additions through acquisitions	-	-	-16	
Cash settled	0	-	20	
Change in value recognised in OCI	-	-	-1	
Change in value recognised in equity	-	-136	-	
<b>Balance, 30 Sep 2021</b>	5	-281	-23	

## Note 7 Alternative performance measures

The financial reports published by Volati include alternative performance measures (APMs), which supplement the metrics defined or specified in the applicable rules for financial reporting, such as revenue, profit or loss and earnings per share. APMs are specified when they, in their context, provide clearer or more in-depth data than those metrics defined in the applicable rules for financial reporting. The basis for APMs is that they are used by management to assess financial performance and can thus be considered to give analysts and other stakeholders valuable information.

Volati regularly uses APMs as a complement to the key metrics defined in IFRS. The APMs derive from Volati's consolidated accounts and do not comprise measures of financial performance or liquidity in accordance with IFRS and, accordingly, should not be considered as alternatives to net income, operating profit or other key metrics that are derived pursuant to IFRS or as an alternative to cash flow as a measure of consolidated liquidity.

The following table sets out definitions for Volati's key figures. The calculation of APMs is presented separately below.

Non-IFRS APMs and key metrics	Description	Reason for use
<b>EBITDA</b>	Earnings before interest, taxes, depreciation and amortisation.	Together with EBITA, EBITDA provides a view of the profit generated by operating activities.
<b>Adjusted EBITDA</b>	Calculated as EBITDA, excl. IFRS 16 adjustments, for the last 12 months for the companies included in the Group at the reporting date, as if they had been owned for the last 12 months, and adjusted for transaction-related costs, restructuring costs, remeasurement of additional consideration, capital gains/losses on the sale of operations and other income and expenses considered to be non-recurring.	Adjusted EBITDA provides management and investors with a view of the size of the operations included in the Group at the reporting date, as it does not include items not directly attributable to day-to-day operations. Also used in our covenant calculations for the bank.
<b>EBITA</b>	Earnings before interest, taxes and amortisation.	Together with EBITDA, EBITA provides a view of the profit generated by operating activities.
<b>EBITA excl. items affecting comparability</b>	Calculated as EBITA, adjusted for transaction-related costs, restructuring costs, remeasurement of additional consideration, capital gains/losses on the sale of operations and properties, and other income and expenses considered to be non-recurring.	Used by management to monitor the underlying earnings growth for the Group.
<b>EBITA growth per ordinary share</b>	Calculated as EBITA divided by the number of ordinary shares outstanding at the end of the period compared with the same period the previous year.	Used to illustrate earnings per ordinary share generated by operating activities.
<b>Organic EBITA growth</b>	Calculated as EBITA excluding items affecting comparability for the period, adjusted for total acquired and divested EBITA and currency effects, compared with EBITA excluding items affecting comparability for the same period the previous year, as if the relevant business unit had been owned for the same length of time in the comparative period as the length of time it has been legally consolidated in the current period.	Used by management to monitor the underlying earnings growth for existing operations.
<b>Return on equity</b>	Net profit (including share attributable to non-controlling interests) divided by average equity for the last four quarters (including share attributable to non-controlling interests) less the preference share capital.	Shows the return generated on the total capital invested in the Company by shareholders.
<b>Return on adjusted equity</b>	Net profit (including share attributable to non-controlling interests) less the preference share dividend by average equity for the last four quarters (including share attributable to non-controlling interests) less the preference share capital.	Shows the underlying return generated on ordinary share capital invested in the Company by owners of ordinary shares.
<b>Return on capital employed (ROCE excl. GW)</b>	EBITA excluding items affecting comparability for the last 12 months divided by average capital employed for the last 12 months.	Shows the return on capital employed generated by each business area and the Group without taking into consideration acquisition-related intangible assets with indefinite useful lives.
<b>Return on capital employed including goodwill (ROCE incl. GW)</b>	EBITA excluding items affecting comparability for the last 12 months divided by average capital employed including goodwill and other intangible assets with indefinite useful lives for the last 12 months.	Shows the return on capital employed generated by each business area and the Group.
<b>Equity ratio</b>	Equity (including share attributable to non-controlling interests) as a percentage of total assets.	The metric can be used to assess financial risk.
<b>Cash conversion</b>	Calculated as operating cash flow for the last twelve months divided by EBITDA excl. IFRS 16.	Cash conversion is used by management to monitor how efficiently the Company is managing working capital and ongoing investments.

Non-IFRS APMs and key metrics	Description	Reason for use
<b>Operating cash flow</b>	Calculated as EBITDA, excl. IFRS 16, adjusted for non-cash items, less the difference between investments in/divestments of property, plant & equipment and intangible assets, after adjustment for cash flow from changes in working capital, excl. IFRS 16.	Operating cash flow is used by management to monitor cash flow generated by operating activities.
<b>Net debt/Adjusted EBITDA</b>	Net debt, excl. IFRS 16 adjustments, at the end of the period in relation to adjusted EBITDA for the period.	The metric can be used to assess financial risk.
<b>Net debt/Adjusted EBITDA average 4 quarters</b>	Net debt, excl. IFRS 16 adjustments, at the end of the period in relation to adjusted EBITDA for the period, This is an average over the four most recent quarters.	The metric can be used to assess financial risk.

1) Key figure includes discontinued operations

Calculations of alternative performance measures are presented separately below.

	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM	Full year 2020
<b>Adjusted EBITDA, LTM</b>						
EBITDA, LTM	791	989	791	989	791	815
Reversal of IFRS 16 effect	-126	-282	-126	-282	-126	-236
Acquired and divested companies	69	30	69	30	69	28
Items affecting comparability <sup>2)</sup>	21	0	21	0	21	29
<b>Adjusted EBITDA, LTM</b>	<b>754</b>	<b>737</b>	<b>754</b>	<b>737</b>	<b>754</b>	<b>637</b>

2) Items affecting comparability refer to transaction-related costs, restructuring costs, remeasurement of additional consideration, capital gains/losses on the sale of operations and properties, and other income and expenses considered to be non-recurring.

#### Calculation of organic EBITA growth, %

EBITA	211	126	505	329	597	421
Adjustment for items affecting comparability	-2	5	1	10	21	29
<b>EBITA excl. items affecting comparability</b>	<b>209</b>	<b>131</b>	<b>506</b>	<b>339</b>	<b>617</b>	<b>450</b>
Total acquired/divested EBITA	-25	-12	-48	-28	-49	-29
Currency effects	0	0	0	1	0	2
Comparative figure for previous year	184	119	458	312	569	424
<b>Organic EBITA growth, %</b>	<b>41</b>	<b>35</b>	<b>35</b>	<b>36</b>	<b>39</b>	<b>41</b>

#### Calculation of EBITA growth per ordinary share, %

EBITA	211	126	505	329	597	421
No. of ordinary shares outstanding at end of period	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571
EBITA per ordinary share, SEK	2.66	1.59	6.36	4.14	7.52	5.30
EBITA per ordinary share for same period in previous year	1.59	1.27	4.14	3.06	5.01	3.93
<b>EBITA growth per ordinary share, %</b>	<b>68</b>	<b>25</b>	<b>53</b>	<b>36</b>	<b>50</b>	<b>35</b>



	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM	Full year 2020
<b>Basic and diluted earnings per ordinary share, SEK</b>						
Net profit attributable to owners of the Parent	134	95	396	220	1,143	967
Deduction for preference share dividend	16	16	49	48	65	64
Net profit attributable to owners of the Parent, adjusted for preference share dividend	118	79	347	172	1,078	903
Average no. of ordinary shares	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571
<b>Earnings per ordinary share, SEK</b>	<b>1.48</b>	<b>1.00</b>	<b>4.37</b>	<b>2.17</b>	<b>13.57</b>	<b>11.37</b>
<b>Basic and diluted earnings per ordinary share, continuing operations, SEK</b>						
Total profit attributable to continuing operations	142	78	338	196	388	246
Deduction for profit attributable non-controlling interests	9	2	20	4	28	11
Deduction for preference share dividend	16	16	49	48	65	64
Net profit attributable to owners of the Parent, adjusted for preference share dividend	118	60	268	144	295	171
Average no. of ordinary shares	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571
<b>Earnings per ordinary share, SEK</b>	<b>1.48</b>	<b>0.76</b>	<b>3.38</b>	<b>1.82</b>	<b>3.71</b>	<b>2.15</b>
<b>Calculation of return on equity</b>						
(A) Net profit, LTM, including non-controlling interests	1,172	387	1,172	387	1,172	977
Adjustment for preference share dividends, including dividends accrued but not yet paid	-65	-64	-65	-64	-65	-64
(B) Net profit, adjusted	1,106	322	1,106	322	1,106	913
(C) Average total equity	2,319	2,403	2,319	2,403	2,319	2,622
(D) Average adjusted equity	1,491	1,575	1,491	1,575	1,491	1,794
<b>(A/C) Return on total equity, %</b>	<b>51</b>	<b>16</b>	<b>51</b>	<b>16</b>	<b>51</b>	<b>37</b>
<b>(B/D) Return on adjusted equity, %</b>	<b>74</b>	<b>20</b>	<b>74</b>	<b>20</b>	<b>74</b>	<b>51</b>
<b>Calculation of equity ratio, %</b>						
Equity including non-controlling interests	1,808	2,489	1,808	2,489	1,808	3,235
Total assets	5,459	6,946	5,459	6,946	5,459	6,506
<b>Equity ratio, %</b>	<b>33</b>	<b>36</b>	<b>33</b>	<b>36</b>	<b>33</b>	<b>50</b>
<b>Calculation of operating cash flow and cash conversion, %</b>						
EBITDA	266	170	654	457	791	594
Reversal of IFRS 16 effect	-35	-28	-97	-79	-126	-108
(A) EBITDA excl. IFRS 16 effect	231	143	557	378	665	486
(B) adjustment for non-cash items	-2	-1	-5	3	10	17
Change in working capital <sup>1)</sup>	-76	-18	-319	-73	-176	70
Net investments in property, plant & equipment and intangible assets	-11	-7	-37	-11	-49	-23
(C) Operating cash flow	142	117	197	296	450	550
<b>(C/A) Cash conversion, %</b>	<b>62</b>	<b>82</b>	<b>35</b>	<b>78</b>	<b>68</b>	<b>113</b>

1) Excluding effects of tax relief attributable to deferment of payments of social security contributions, withholding tax and VAT.

<b>Calculation of Net debt/adjusted EBITDA, LTM, x</b>	<b>Jul-Sep 2021</b>	<b>Jul-Sep 2020</b>	<b>Jan-Sep 2021</b>	<b>Jan-Sep 2020</b>	<b>LTM</b>	<b>Full year 2020</b>
<b>Net debt</b>						
Cash & cash equivalents and other interest-bearing assets	-201	-568	-201	-568	-201	-1,162
Non-current interest-bearing liabilities	75	657	75	657	75	655
Current interest-bearing liabilities	1,176	928	1,176	928	1,176	21
<b>Net debt</b>	<b>1,049</b>	<b>1,017</b>	<b>1,049</b>	<b>1,017</b>	<b>1,049</b>	<b>-485</b>
Adjusted EBITDA	754	737	754	737	754	637
<b>Net debt/adjusted EBITDA, x</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>-0.8</b>

**Calculation of Net debt/adjusted EBITDA,  
average last 4 quarters, x**

Current quarter	1.4	1.4	1.4	1.4	1.4	-0.8
Previous quarter	1.3	1.3	1.3	1.3	1.3	1.4
Previous quarter -1	0.8	1.9	0.8	1.9	0.8	1.3
Previous quarter -2	-0.8	1.5	-0.8	1.5	-0.8	1.9
<b>Average last four quarters, x</b>	<b>0.7</b>	<b>1.5</b>	<b>0.7</b>	<b>1.5</b>	<b>0.7</b>	<b>0.9</b>

<b>ROCE %, 30 September 2021</b>	<b>Salix Group</b>	<b>Industry</b>	<b>Central costs</b>	<b>Volati Group</b>
<b>1) EBITA, LTM</b>	326	343	-52	617
<b>Capital employed, 30 September 2021</b>				
Intangible assets	1,014	1,066		2,080
Adjustment for goodwill, patent/technology, brands	-1,008	-1,041		-2,049
Property, plant and equipment	49	233		297
Right-of-use assets	191	311		504
Operating receivables	1,178	1,123		2,303
Operating liabilities	-604	-618		-1,229
<b>Capital employed, 30 September 2021</b>	<b>820</b>	<b>1,074</b>		<b>1,906</b>
Adjustment for average capital employed, LTM	-40	-195		-233
<b>2) Average capital employed, LTM</b>	<b>780</b>	<b>879</b>		<b>1,672</b>
<b>ROCE excl. GW 1)/2), %</b>	<b>42</b>	<b>39</b>		<b>37</b>
<b>3) Average capital employed, LTM, incl. goodwill and other intangible assets with indefinite useful lives</b>	<b>1,690</b>	<b>1,454</b>		<b>3,157</b>
<b>ROCE incl. goodwill 1)/3), %</b>	<b>19</b>	<b>24</b>		<b>20</b>

<b>ROCE %, 31 December 2020</b>	<b>Salix</b>	<b>Industry</b>	<b>Central costs</b>	<b>Volati Group</b>
<b>1) EBITA, LTM</b>	265	236	-51	450
<b>Capital employed, 31 December 2020</b>				
Intangible assets	1,016	581		1,597
Adjustment for goodwill, patent/technology, brands	-1,010	-561		-1,571
Property, plant and equipment	45	214		274
Right-of-use assets	196	298		498
Operating receivables	880	673		1,554
Operating liabilities	-473	-449		-930
<b>Capital employed, 31 December 2020</b>	<b>654</b>	<b>755</b>		<b>1,421</b>
Adjustment for average capital employed, LTM	44	68		115
<b>2) Average capital employed, LTM</b>	<b>698</b>	<b>823</b>		<b>1,537</b>
<b>ROCE excl. GW 1)/2), %</b>	<b>38</b>	<b>29</b>		<b>29</b>
<b>3) Average capital employed, LTM, incl. goodwill and other intangible assets with indefinite useful lives</b>	<b>1,604</b>	<b>1,285</b>		<b>3,317</b>
<b>ROCE incl. goodwill 1)/3), %</b>	<b>17</b>	<b>18</b>		<b>14</b>

## Parent Company Volati AB (publ)

The Parent Company Volati AB acts as a holding company and the members of Volati's management are employed within the Parent Company.

### Parent Company condensed income statement

SEK million	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM	Full year 2020
Net sales	5	6	14	18	18	22
Operating expenses	-12	-13	-39	-39	-53	-54
Operating profit <sup>1)</sup>	-8	-7	-25	-21	-35	-32
Profit/loss from financial investments	18	35	103	275	135	308
Profit after financial items	10	29	78	254	100	276
Appropriations	0	0	0		30	30
Tax for the period	-2	-6	-5	-20	15	0
<b>Net profit</b>	<b>8</b>	<b>22</b>	<b>73</b>	<b>234</b>	<b>145</b>	<b>306</b>

### Parent Company comprehensive income for the period

Comprehensive income for the period	8	22	73	234	145	306
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### Parent Company condensed statement of financial position

SEK million	30 Sep 2021	30 Sep 2020	31 Dec 2020
Non-current assets	1,216	2,035	2,127
Current assets	2,929	4,514	3,777
<b>Total assets</b>	<b>4,145</b>	<b>6,549</b>	<b>5,904</b>
Equity	2,496	3,780	3,852
Untaxed reserves	49	48	49
Pension obligations	2	2	2
Non-current liabilities	22	621	620
Current liabilities	1,577	2,098	1,382
<b>Total equity and liabilities</b>	<b>4,145</b>	<b>6,549</b>	<b>5,904</b>

## Quarterly overview

SEK million	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
<b>Operating income</b>									
Net sales	1,693	1,641	1,254	1,275	1,253	1,366	1,028	1,005	1,071
<b>Operating expenses</b>									
Raw materials and supplies	-1,065	-1,026	-757	-758	-796	-885	-635	-610	-687
Other external costs	-91	-84	-79	-85	-61	-60	-71	-68	-58
Personnel expenses	-277	-292	-273	-288	-224	-234	-221	-223	-194
Other operating income and expenses	6	1	3	-6	-1	-1	-1	5	11
Capital gain/loss on sale of Group company	-	-	0	-	-	-	-	0	-
<b>EBITDA</b>	<b>266</b>	<b>240</b>	<b>148</b>	<b>137</b>	<b>170</b>	<b>187</b>	<b>100</b>	<b>109</b>	<b>143</b>
Depreciation	-54	-48	-46	-45	-44	-42	-41	-39	-42
<b>EBITA</b>	<b>211</b>	<b>191</b>	<b>102</b>	<b>92</b>	<b>126</b>	<b>144</b>	<b>59</b>	<b>69</b>	<b>101</b>
Acquisition-related amortisation	-13	-8	-8	-9	-7	-5	-5	-5	-5
EBIT	199	183	94	83	119	139	53	64	96
<b>Finance income and costs</b>									
Finance income and costs	-11	-23	-9	-24	-20	-17	-24	-20	-11
<b>Profit before tax</b>	<b>188</b>	<b>161</b>	<b>85</b>	<b>60</b>	<b>99</b>	<b>122</b>	<b>29</b>	<b>44</b>	<b>85</b>
Tax	-45	-32	-19	-10	-21	-26	-6	4	-20
<b>Profit from continuing operations</b>	<b>142</b>	<b>129</b>	<b>66</b>	<b>50</b>	<b>78</b>	<b>96</b>	<b>22</b>	<b>49</b>	<b>65</b>
Net profit from discontinued operations	-	93	-13	704	20	16	-9	114	-290
<b>Net profit</b>	<b>142</b>	<b>221</b>	<b>54</b>	<b>754</b>	<b>97</b>	<b>112</b>	<b>14</b>	<b>163</b>	<b>-225</b>
Attributable to:									
Owners of the Parent	134	213	50	753	95	111	14	160	-206
Non-controlling interests	9	9	4	0	2	2	-1	3	-19
	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>
<b>Net sales, SEK million</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
Salix Group	824	898	730	687	675	712	590	518	535
Industry	869	744	524	588	578	654	438	487	536
Internal eliminations	-1	-1	-1	-1	0	0	-1	0	0
<b>Total net sales</b>	<b>1,693</b>	<b>1,641</b>	<b>1,253</b>	<b>1,275</b>	<b>1,253</b>	<b>1,366</b>	<b>1,028</b>	<b>1,005</b>	<b>1,071</b>
<b>EBITA, SEK million</b>									
Salix Group	93	107	65	62	79	86	38	40	50
Industry	129	100	50	64	64	77	31	49	51
Items affecting comparability	2	-2	-1	-20	-5	-7	3	-1	13
Central costs	-12	-13	-12	-14	-12	-12	-14	-18	-13
<b>Total EBITA</b>	<b>211</b>	<b>191</b>	<b>102</b>	<b>92</b>	<b>126</b>	<b>144</b>	<b>59</b>	<b>69</b>	<b>101</b>

# Auditor's Review Report

To the Board of Directors of Volati AB (publ.), corporate identity number 556555-4317

## Introduction

We have reviewed the interim report for Volati AB (publ.) as of 30 September 2021 and for the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, *ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 26 October 2021

Ernst & Young AB

Rickard Andersson  
Authorised Public Accountant