

Q3

Interim Report
January–September 2020

**“Continuing strong profitability
development and two exciting
add-on acquisitions”**

Mårten Andersson, 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 2020

Quarter July–September 2020

- Net sales increased by 7 percent to SEK 1,828 (1,711) million
- EBITA* increased by 3 percent to SEK 157 (153) million
- Profit after tax increased by 322 million to SEK 97 (-225) million
- Earnings per ordinary share increased by SEK 3.0 to SEK 1.00 (-2.00)
- An agreement for the sale of Besikta was signed after the end of the quarter. EBITA excluding Besikta increased with 26 percentage

Period January-September 2020

- Net sales increased by 7 percent to SEK 5,376 (5,032) million
- EBITA* increased by 25 percent to SEK 400 (319) million
- Profit after tax increased by 390 million to SEK 224 (-166) million
- Earnings per ordinary share increased by SEK 3.85 to SEK 2.17 (-1.68)

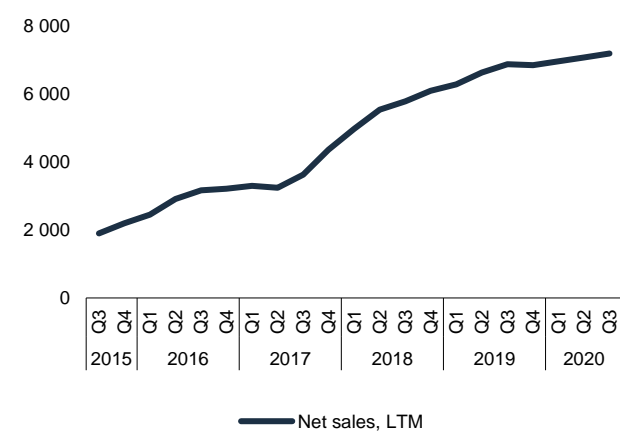
Events after the reporting period

- Volati has signed an agreement to sell all shares in Besikta Bilprovning to Appplus+. The transaction is taking place at an estimated enterprise value of approximately SEK 1,050 million and is expected to generate a capital gain of SEK 750 million for Volati.

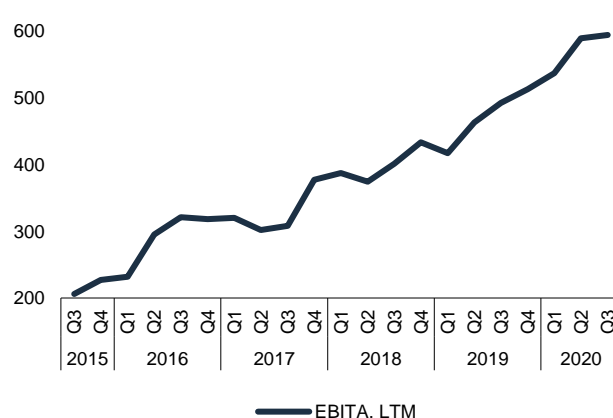
Summary of results and key figures

SEK million	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM	Full year 2019
Net sales	1,828	1,711	5,376	5,032	7,177	6,833
EBITA*	157	153	400	319	594	513
EBIT	148	-189	363	-49	543	130
Profit after tax	97	-225	224	-166	387	-2
Operating cash flow, SEK million*	142	214	291	85	730	523
Net debt/adjusted EBITDA, x*	1.4	2.2	1.4	2.2	1.4	1.5
Earnings per ordinary share, SEK	1.00	-2.00	2.17	-1.68	3.98	0.13
Return on adjusted equity, %*	20	-7	20	-7	20	-4

Net sales, SEK million



EBITA*, SEK million



* See note 6 for definitions of alternative performance measures

Continuing strong profitability development and two exciting add-on acquisitions

Volati continued to grow during the third quarter. EBITA (excluding Besikta) increased by 26 percent and amounted to SEK 161 million and we also achieved the return on adjusted equity target of 20 percent. The result for the quarter confirms the positive trend of very good earnings growth in our operations during recent years. This excellent development is the result of our long-term and systematic work to acquire and develop strong business units with good company management, clear strategic agendas and growth capacity. After the end of the quarter, we signed an agreement for the sale of Besikta Bilprovning.

Continuation of very high growth in Trading and an important acquisition in Finland

The Trading business area has delivered another quarter of high growth in both sales, SEK 675 million (26 percent), and earnings, SEK 79 million (58 percent), compared with the previous year. The market has remained strong during the quarter, and Trading has been able to benefit from this through its well-known brands and leading market positions. The combination of this and our efficient logistics platform means that profitability during the quarter was very good. The Trading business area is currently recognised as a good industrial buyer in the acquisition market within its market niches, which gives us a good inflow of potential acquisition candidates. During the quarter, Trading made a strategically important and attractively valued acquisition by purchasing the Finnish company Pislä, confirming the business area's position as a leading Nordic supplier of fittings for the hardware and building materials retail sector.

Growth and further acquisitions in Industry

The Industry business area had another good quarter, with increases in both sales, SEK 578 million (8 percent), and earnings, SEK 64 million (26 percent). The business area's business units are product leaders with strong market positions and good profitability growth. The Ettiketto business unit made its second add-on acquisition of the year with the purchase of Märkas during the quarter. Ettiketto has developed into a Swedish market leader in the area of labels and labelling systems, a position that has been further strengthened by the two acquisitions during the year. This is a clear example of our ability to create strong platforms within our business areas that can be expanded through continuing add-on acquisitions.

Akademibokhandeln increases sales and earnings

The Akademibokhandeln business area increased both its sales and earnings during the quarter. Sales for the digital channels Bokus, Akademibokhandeln.se and Bokus Play increased by 20 percent compared with the same period the previous year and now account for 45 percent of the quarter's sales. Store sales showed a clear recovery and were only 8 percent lower than in the same period the previous year. The corresponding figure for the second quarter was -27 percent. Akademibokhandeln is working intensively on preparations to ensure that all customers in our stores have a safe and positive experience during the important Christmas shopping period.



Temporary challenges for Consumer

The third quarter was challenging for the Consumer business area, with considerably lower sales and earnings than in the same period the previous year. This is solely a result of the Omnibus Regulation, a temporary EU regulation introduced in response to the corona crisis. This means that the time limit for motor vehicle inspections in Sweden has been extended by seven months. As many chose to take advantage of the opportunity to postpone inspections, the vehicle volumes for Besikta and the whole sector declined, primarily in July and August. In September, the volumes were back at normal levels.

Sale of Besikta to Applus+

After the end of the quarter, we signed an agreement with the Spanish company Applus+ for the sale of Besikta Bilprovning. The transaction will take place at an enterprise value of approximately SEK 1,050 million and a purchase consideration of approximately SEK 840 million, bringing a capital gain of about SEK 750 million in the fourth quarter.

When Volati acquired the business, there was no company management, brand or IT systems. The transaction was complex and there was little financial history. It is when opportunities like these emerge that Volati is at its best and we completed the transaction at a reasonable valuation. Since then, we have worked with employees and management to build the industry's leading company. The station network has now tripled in size and Besikta has one of the industry's strongest brands and customer offerings, with very good profitability. We have created significant value for our shareholders, which we are pleased about.

Besikta's EBITA for rolling 12 months amounted to SEK 71 million, which was 12 percent of Volati's total EBITA. We notice that the five acquisitions that Volati closed 2020 had an EBITA in line with Besikta's EBITA. The acquisitions were closed at a total Enterprise value of less than SEK 300 million versus the sale of Besikta at Enterprise value of SEK 1,050 million.

Very strong financial position - continuing growth

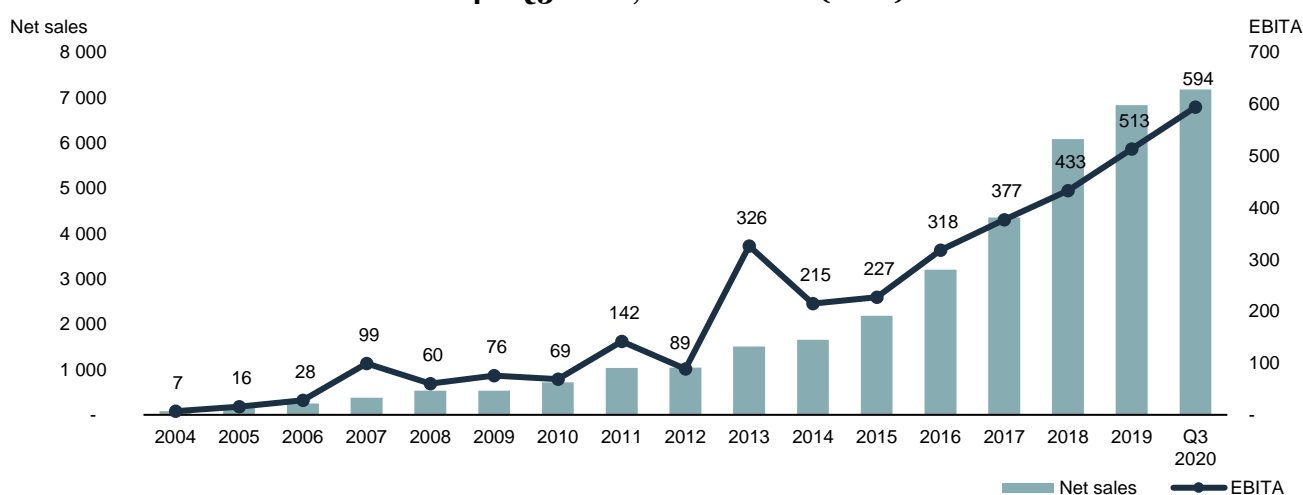
The net debt to adjusted EBITDA ratio at the end of the quarter was 1.4 times and the financial position will be strengthened in Q4 as a result of the sale of Besikta. We are in excellent shape – financially and organisationally – which means that we have very good conditions to continue to grow strongly and create high shareholder value, as Volati has always done.

Mårten Andersson, 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 – Q3 2020, SEK million (LTM)



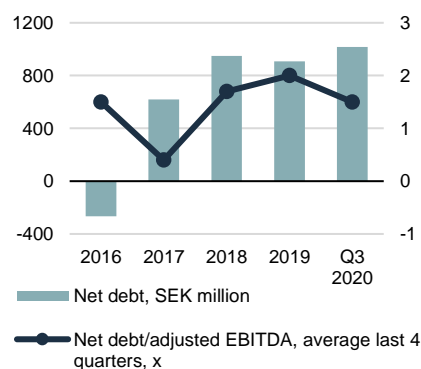
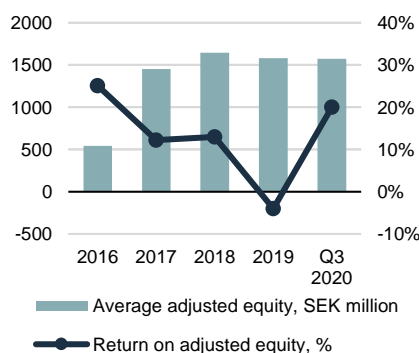
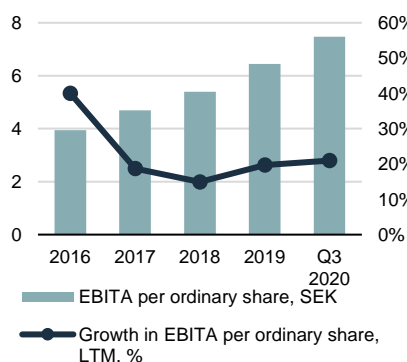
Financial targets

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* 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* of 20 percent.

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



* See note 6 for definitions of alternative performance measures

Consolidated financial trend

Net sales

The Group's net sales for Q3 2020 amounted to SEK 1,828 (1,711) million, an increase of 7 percent compared with the same period the previous year.

The increase is mainly attributable to good demand and add-on acquisitions that have been made in the Trading and Industry business areas. During the quarter, the Consumer business area was negatively affected by the EU regulation of June 2020, introduced in response to the Covid-19 pandemic. The regulation allows a postponement of the time limit for vehicle inspections by up to 7 months. The Akademibokhandeln business area increased its sales during the period.

Net sales for the first nine months of 2020 improved to SEK 5,376 (5,032) million, an increase of 7 percent compared with the same period the previous year.

	Jul-Sep 2020	Jul-Sep 2019	Δ %	Jan-Sep 2020	Jan-Sep 2019	Δ %
Net sales, SEK million	1,828	1,711	7%	5,376	5,032	7%
EBITA*, SEK million	157	153	3%	400	319	25%
EBIT, SEK million	148	-189	N/A	363	-49	N/A
Profit after tax, SEK million	97	-225	N/A	224	-166	N/A

* See note 6 for definitions of alternative performance measures

Earnings

EBITA for Q3 increased by 3 percent to SEK 157 (153) million. The Trading and Industry business areas contributed to the positive development, both of which reported improved results compared with the previous year. This was achieved through increased sales, rising margins and the effects of add-on acquisitions. The Consumer business area was negatively affected by lower sales due to the EU regulation introduced in June. The Akademibokhandeln business area delivered rising earnings compared with the same period previous year.

EBITA for the first nine months increased by 25 percent to SEK 400 (319) million.

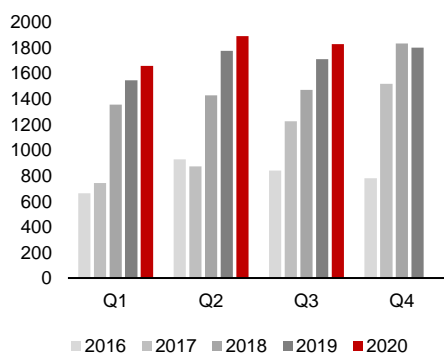
Profit after tax for Q3 increased by 322 million to 97 (-225) million. The increase for the first nine months was 390 million, from SEK -166 million to SEK 224 million. Profit after tax for the previous year includes impairment of SEK -324 million.

EBITA for the last twelve months increased by 16 percent to SEK 594 million, compared with SEK 513 million for the full year 2019.

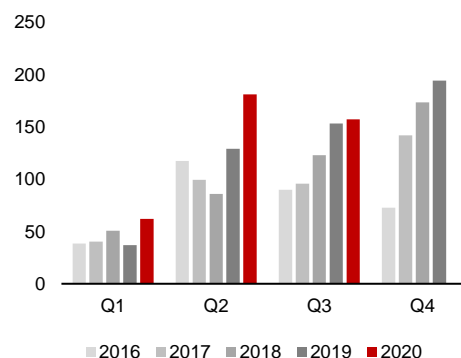
+21%

EBITA per ordinary
share
LTM, Q3 2020

Net sales, SEK million



EBITA, SEK million



Seasonal variations

Volati's sales, earnings and cash flow are affected by seasonal variations. The fourth quarter generally has the strongest cash flow and earnings, and the first quarter the weakest. This means that Volati's operations, sales and earnings development should be analysed on an LTM basis.

Cash flow

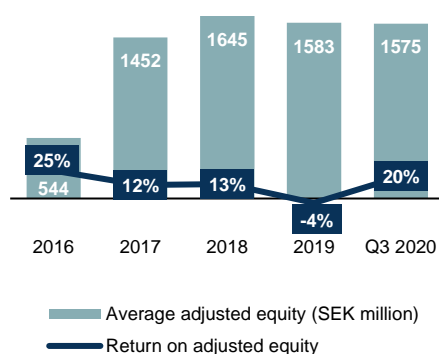
Operating cash flow for Q3 2020 amounted to SEK 142 (214) million. The lower cash flow is an effect of the strong cash flow in Q2. Operating cash flow for the nine-month period amounted to SEK 291 (85) million. Operating cash flow for the last twelve months was SEK 730 million, compared with SEK 523 million for the full year 2019.

Cash flow from operating activities for Q3 amounted to SEK 81 (276) million. The lower cash flow is mainly due to higher working capital during the quarter. Cash flow from operating activities for the last twelve months was SEK 976 million, compared with 759 million for the full year 2019. Investments in non-current assets during Q3 amounted to SEK 14 (19) million and were primarily business investments in the form of new establishments, IT systems and ongoing investments in machinery and equipment.

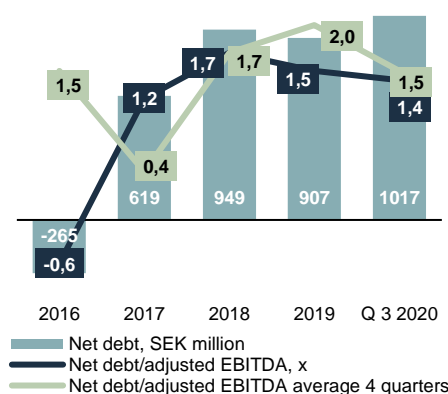
Equity

The Group's equity at the end of the period amounted to SEK 2,489 (2,360) million. The increase is mainly attributable to profit for the period. The equity ratio was 36 percent on 30 September 2020, compared with 38 percent on 31 December 2019. The return on adjusted equity was 20 (-4) percent.

Equity and return on adjusted equity



Capital structure trend



Net debt

The Group had net debt of SEK 1,017 million at the end of the period, compared with SEK 907 million on 31 December 2019. Net debt/adjusted EBITDA at the end of the quarter was 1.4x, compared with 1.3x in the previous quarter and 2.2x in Q3 2019. Net debt/EBITDA as an average over the last four quarters is 1.5x compared to 2,0x per December 31, 2019. Total liabilities amounted to SEK 4,457 million on 30 September 2020, compared with SEK 3,796 million on 31 December 2019. Interest-bearing liabilities, including pension obligations and lease liabilities, were SEK 2,398 million at the end of the period, compared with SEK 2,094 million on 31 December 2019.

Acquisitions and disposals during and after the period

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

730

SEK million

Operating cash flow
LTM Q3 2020

1.5x

Net debt/
Adjusted EBITDA
average 4 quarters

As announced in September press releases, Volati made two add-on acquisitions in the quarter: Pislä OY, which is a leading Finnish distributor of fittings for homes and buildings, with annual sales of about EUR 23.5 million, and Märkas AB, which has a strong position in both graphic labels and print & apply system solutions in Sweden, with annual sales of about SEK 168 million. Both acquisitions were financed through Volati's existing credit facilities and the acquired companies are consolidated with effect from 1 and 30 September 2020.

Divestment of Besikta Bilprovning I Sverige Holding AB

On 20 October, Volati signed an agreement with the Spanish company Applus+ for the sale of Besikta Bilprovning i Sverige AB's operations. The transaction is taking place at an estimated enterprise value of approximately SEK 1,050million and is expected to generate a capital gain of SEK 750million for Volati.

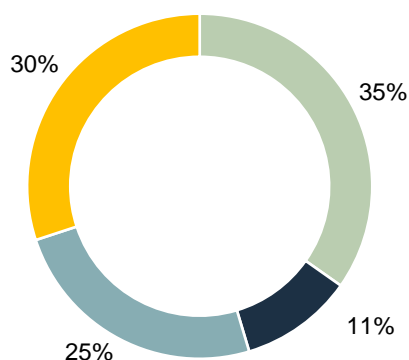
During the quarter, Besikta Bilprovning Sverige Holding AB's sales were SEK 117 (145) million and EBITA was SEK -4 (25) million. During the period January-September, sales amounted to SEK 460 (466) and EBITA was SEK 57 (69) million.

Volati's business areas

Volati's net sales and earnings by business area

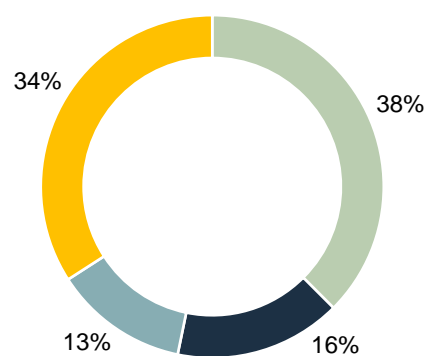
The diagrams relate to the 12-month period 1 October 2019 to 30 September 2020. Acquired operations are included in the relevant business area from the acquisition closing date and their proportion is calculated net of central costs and items affecting comparability. Divested operations are included in the relevant business area up to the divestment date.

Net sales by business area



- Trading, SEK 2,496 million
- Consumer, SEK 761 million
- Akadembokhandeln, SEK 1,765 million
- Industry, SEK 2,157 million

EBITA by business area



- Trading, SEK 243 million
- Consumer, SEK 102 million
- Akadembokhandeln, SEK 82 million
- Industry, SEK 221 million

Trading

	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM	Full year 2019
Net sales, SEK million	675	535	1,978	1,620	2,496	2,138
EBITA, SEK million*	79	50	203	138	243	178
EBITA margin, %*	12	9	10	9	10	8
EBIT, SEK million	76	48	194	130	231	167
ROCE excl. goodwill, %*	36	28	36	28	36	28
ROCE incl. goodwill, %*	15	12	15	12	15	12

* See note 6 for definitions of alternative performance measures

The Trading business area offers products for building and industry, primarily hardware, consumables, material and packaging. Within the business area, there is also a strong offering of products for home and garden, and agriculture and forestry. The products consists of both own brands and distributed brands.

The business area increased its sales and earnings during the quarter compared with the same period previous year. The trend is driven by the do-it-yourself market, which continues to be very strong, with increased demand for products in the consumer-driven operations in building materials, hardware retail and garden centres. Operations targeting the building and wood industry, and small-scale agriculture also experienced good demand during the quarter. Earnings were also strengthened through a lower cost level. Pisla OY was acquired in September, with a minimal earnings effect during the quarter. The acquisition strengthens and complements the business area's existing offering in fittings and household products for the building materials and specialist retail sector, while increasing the presence in other Nordic markets. The business area sees further opportunities for acquisitions in most of its operations.

Consumer

	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM	Full year 2019
Net sales, SEK million	149	224	560	694	761	895
EBITA, SEK million*	6	34	76	86	102	112
EBITA margin, %*	4	15	13	12	13	13
EBIT, SEK million	10	31	75	77	98	101
ROCE excl. goodwill, %*	66	86	66	86	66	76
ROCE incl. goodwill, %*	17	12	17	12	17	14

1) Excluding impairment of intangible assets in Q3 2019.

* See note 6 for definitions of alternative performance measures

The Consumer business area comprises the business units that offer products and services directly to end consumers. Despite the business units operating in two different market niches – vehicle inspection and nutritional supplements – the business area affiliation creates the conditions for clear and strong follow-up and guidance of the operations towards the goal of long-term value creation.

The third quarter was challenging for the Consumer business area, with considerably lower sales and earnings compared with the same period the previous year. This is solely a result of the Omnibus Regulation, a temporary EU regulation introduced in response to the Covid-19 pandemic crisis. This means that, among other things, the time limit for vehicle inspections in Sweden has been extended by seven months for vehicles that were to have been inspected between 1 February and 31 August. As many chose to take advantage of the opportunity to postpone inspections, the vehicle volumes for Besikta and the whole sector declined, primarily in July and August. In September, the volumes were back at normal levels. The decline in sales is also attributable to the business area having one business unit less now that me&i is no longer consolidated.

Akademibokhandeln

	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM	Full year 2019
Net sales, SEK million	427	416	1,169	1,198	1,765	1,793
EBITA, SEK million*	25	18	-4	-10	82	76
EBITA margin, %*	6	4	0	-1	5	4
EBIT, SEK million	19	12	-22	-27	58	53
ROCE excl. goodwill, %*	32	37	32	37	32	26
ROCE incl. goodwill, %*	9	10	9	10	9	8

* See note 6 for definitions of alternative performance measures

The Akademibokhandeln business area is the leading bookstore chain in Sweden. Under the Akademibokhandeln (nationwide store network and e-commerce), Bokus (e-commerce) and Bokus Play (audio book streaming) brands, the business area operates modern and profitable sales channels for consumers, companies and the public sector.

Both sales and earnings for the business area improved compared with the same period the previous year. Within the Akademibokhandeln business area, the digital channels continued to develop very well with around 20 percentage increase in the quarter. It is positive to see store customers also making their purchases via the business area's digital channels. About 46 percent of the business area's total revenue for the quarter came from the digital channels. During the period, the business area has dealt with the reduced number of customers in the physical stores by making staffing adjustments, thereby reducing running costs to balance the loss in sales. As the number of visitors to the physical stores begins to rise, we are phasing out the state short-time work allowance support.

Industry

	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM	Full year 2019
Net sales, SEK million	578	536	1,670	1,521	2,157	2,008
EBITA, SEK million*	64	51	172	130	221	179
EBITA margin, %*	11	10	10	9	10	9
EBIT, SEK million	60	49	164	124	210	171
ROCE excl. goodwill, %*	27	20	27	20	27	21
ROCE incl. goodwill, %*	17	13	17	13	17	14

* See note 6 for definitions of alternative performance measures

The Industry business area offers products and solutions for companies within four different market niches – grain handling, moisture and water damage restoration, labels for brand manufacturers, and stone and cement products for infrastructure, paving and roofing.

The operations within the business area developed positively during the quarter. Good demand for the business units' products meant that total sales grew during the quarter. Earnings and margins rose during the quarter due to increased demand and good cost control.

In September, Märkas AB was acquired as an add-on acquisition for the Ettiketto business unit. The acquisition further strengthens Ettiketto's market position within self-adhesive labels. The acquisition is part of Ettiketto's strategy to continue growth and become a stronger comprehensive supplier of label solutions. The business area sees further opportunities for acquisitions in most of its operations.

Head Office

Head Office comprises the central costs in the Parent Company Volati AB and associated operations. EBITA for Q3 was SEK -12 (-13) 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 PEF. The number of shareholders at the end of Q3 was 7,375.

The number of ordinary shares was 79,406,571 and the number of preference shares was 1,603,774 at the end of September 2020. Share capital amounted to SEK 10 million at 30 September 2020.

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 2019. All related-party transactions have been conducted at market conditions.

Events after the end of the reporting period

An agreement for the sale of the business unit Besikta Bilprovning AB to Applus+ was signed on 20 October. The transaction is taking place at an enterprise value of approximately SEK 1,050 million and a capital gain of around 750 million

Financial calendar

Year-end Report 2020:	19 February 2021
Interim Report January–March 2021:	27 April 2021
2021 Annual General Meeting:	28 April 2021
Interim Report January–June 2021:	16 July 2021
Interim Report January–September 2021:	22 October 2021
Year-end Report 2021:	11 February 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, 22 October 2020

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

Mårten Andersson

CEO

This interim report has been reviewed by the Company's auditors. See the Auditors' Review Report on page 27.

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 set out below, at 07.45 CEST on 22 October 2020.

Conference call

CEO Mårten Andersson and CFO Andreas Stenbäck will present the interim report in a conference call on 22 October at 10.00. The presentation will be conducted in Swedish.

Phone number to access the conference call: +46 8 505 583 51

For a webcast of the conference call, go to www.volati.se.

For more information, please contact:

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Financial Statements

Condensed consolidated income statement

SEK million	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM	Full year 2019
Operating income						
Net sales	1,828	1,711	5,376	5,032	7,177	6,833
Operating expenses						
Raw materials and supplies	-1,072	-965	-3,081	-2,802	-4,035	-3,756
Other external costs	-139	-157	-457	-506	-623	-672
Personnel expenses	-359	-347	-1,139	-1,128	-1,544	-1,533
Other operating income and expenses	0	11	-1	22	14	38
EBITDA	258	253	697	618	989	909
Depreciation	-101	-101	-297	-299	-395	-397
EBITA	157	153	400	319	594	513
Acquisition-related amortisation	-9	-342	-37	-368	-50	-382
EBIT	148	-189	363	-49	543	130
Finance income and costs						
Finance income and costs	-24	-17	-77	-66	-107	-96
Profit before tax	124	-206	287	-115	436	34
Tax	-27	-19	-63	-50	-49	-37
Net profit	97	-225	224	-166	387	-2
Attributable to:						
Owners of the Parent	95	-143	220	-86	381	74
Non-controlling interests	2	-82	3	-80	6	-77
Earnings per ordinary share, SEK	1.00	-2.00	2.17	-1.68	3.98	0.13
Diluted earnings per ordinary share, SEK	1.00	-2.00	2.17	-1.68	3.98	0.13
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	79,827,816	79,406,571	79,721,639
Average no. of ordinary shares after dilution	79,406,571	79,406,571	79,406,571	79,827,816	79,406,571	79,721,639
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	20.00*	30.00	30.00*	40.00

*In accordance with a resolution by the AGM on 25 June 2020, no preference share dividend was paid on 8 August 2020.

Consolidated statement of comprehensive income

SEK million	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM	Full year 2019
Net profit	97	-225	224	-166	387	-2
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Reversal of translation differences attributable to divested operations	-	-	-	-	-18	-18
Translation differences for the period	-3	0	-38	27	-54	11
Total	-3	0	-38	27	-73	-8
Total comprehensive income for the period	95	-225	186	-138	314	-10
Total comprehensive income attributable to:						
Owners of the Parent	93	-143	184	-59	309	66
Non-controlling interests	2	-82	2	-79	5	-77

Condensed consolidated statement of financial position

SEK million	30 Sep 2020	30 Sep 2019	31 Dec 2019
ASSETS			
Non-current assets			
Intangible assets	2,895	2,831	2,853
Property, plant and equipment	347	328	336
Right-of-use assets	899	872	832
Financial assets	7	7	7
Deferred tax assets	67	55	58
Total non-current assets	4,215	4,093	4,086
Current assets			
Inventories	989	937	865
Trade receivables	934	731	574
Other current receivables	242	301	183
Cash and cash equivalents	566	175	447
Total current assets	2,731	2,144	2,070
Total assets	6,946	6,237	6,156
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the Parent	2,480	2,313	2,351
Non-controlling interests	9	-80	9
Total equity	2,489	2,233	2,360
Liabilities			
Non-current interest-bearing liabilities	605	600	601
Non-current lease liabilities	608	607	579
Other non-current liabilities and provisions	127	36	60
Deferred tax	290	289	290
Total non-current liabilities	1,630	1,533	1,531
Current interest-bearing liabilities	907	797	689
Current lease liabilities	279	236	225
Trade payables	743	665	706
Other current liabilities	899	774	646
Total current liabilities	2,827	2,471	2,266
Total liabilities	4,457	4,004	3,796
Total equity and liabilities	6,946	6,237	6,156

Condensed consolidated cash flow statement

SEK million	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM	Full year 2019
Operating activities						
Profit before tax	124	-206	287	-115	436	34
Adjustment for other non-cash items	132	441	410	699	529	818
Interest paid and received, excl. leases	-11	-6	-26	-28	-36	-38
Lease interest paid	-12	-11	-34	-35	-45	-46
Income tax paid	-2	-10	-44	-64	-20	-40
Cash flow from operating activities before changes in working capital	232	207	593	457	864	728
Cash flow from changes in working capital						
Change in inventories	25	-2	54	-37	118	27
Change in operating receivables	61	88	-241	-155	-55	30
Change in operating liabilities	-237	-17	25	-51	50	-26
Cash flow from changes in working capital	-151	69	-161	-243	113	31
Cash flow from operating activities	81	276	432	214	976	759
Investing activities						
Net investments in property, plant & equipment and intangible assets	-14	-19	-37	-58	-75	-96
Acquisitions and disposals	-108	-	-254	-65	-316	-127
Net investments in financial assets	0	0	0	-1	0	-1
Cash flow from investing activities	-121	-19	-290	-124	-391	-225
Financing activities						
Dividend	-	-16	-32	-128	-48	-144
Share and warrant buybacks	-	-13	-	-58	-	-58
New borrowings and repayment of borrowings, excl. leases	-11	-76	162	237	48	123
Repayment of lease liabilities	-69	-46	-183	-178	-246	-241
Other financing activities	0	-35	36	-34	59	-11
Cash flow from financing activities	-80	-187	-17	-162	-187	-331
Cash flow for the period	-120	70	125	-72	399	203
Cash & cash equivalents at beginning of period	687	104	447	241	175	241
Exchange differences	-1	0	-6	5	-8	3
Cash & cash equivalents at end of period	566	175	566	175	566	447

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 2018	10	1,995	34	520	7	2,567
Net profit	-	-	-	-86	-80	-166
Other comprehensive income	-	-	27	-	0	27
Comprehensive income for the period	-	-	27	-86	-79	-138
Dividend	-	-	-	-144	-	-144
Share buy-back	-	-	-	-45	-	-45
Warrant buyback	-	-	-	-13	-	-13
Remeasurement of non-controlling interests	-	-	-	17	-6	11
Other owner transactions	-	-	-	-2	-2	-4
Closing balance, 30 Sep 2019	10	1,995	61	247	-80	2,233

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	-	-	-	220	3	224
Other comprehensive income	-	-	-37	-	-1	-38
Comprehensive income for the period	-	-	-37	220	2	186
Remeasurement of non-controlling interests	-	-	-	-54	-2	-57
Other owner transactions	-	-	-	-1	0	0
Closing balance, 30 Sep 2020	10	1,995	-11	485	9	2,489

Key figures²⁾

SEK million	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM	Full year 2019
Net sales, SEK million	1,828	1,711	5,376	5,032	7,177	6,833
Net sales growth, %	7	16	7	18	8	12
EBITDA, SEK million	258	253	697	618	989	909
EBITA, SEK million	157	153	400	319	594	513
EBITA margin, %	9	9	7	6	8	8
EBITA growth, %	3	24	25	23	21	18
EBITA growth per ordinary share, %	3	26	25	25	21	20
EBIT, SEK million	148	-189	363	-49	543	130
Profit after tax	97	-225	224	-166	387	-2
Basic earnings per ordinary share, SEK ¹⁾	1.00	-2.00	2.17	-1.68	3.98	0.13
Return on equity, %	16	-2	16	-2	16	0
Return on adjusted equity, %	20	-7	20	-7	20	-4
Equity ratio, %	36	36	36	36	36	38
Cash conversion, LTM, %	103	76	103	76	103	83
Operating cash flow, SEK million	142	214	291	85	730	523
Net debt/adjusted EBITDA, x	1.4	2.2	1.4	2.2	1.4	1.5
Net debt/adjusted EBITDA, average 4 quarters, x	1.5	2.1	1.5	2.1	1.5	2.0
No. of employees	2,318	2,125	2,318	2,125	2,318	2,304
Ordinary shares outstanding	79,406,571	79,406,571	79,406,571	79,406 517	79,406,571	79,406 571
Average no. of ordinary shares outstanding	79,406,571	79,406,571	79,406,571	79,827 816	79,406,571	79,721,639
Preference shares outstanding	1,603,774	1,603,774	1,603,774	1,603,774	1,603,774	1,603,774

1) When calculating earnings per ordinary share, the preference share dividend of SEK 16 million per quarter is deducted for the period. In accordance with a resolution by the AGM on 25 June 2020, no preference share dividend was paid on 8 August 2020.

2) 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 2019 annual report.

In connection with the Covid-19 pandemic, Volati has applied for and received support for reductions in social security contributions, sick pay and rent, and for short-time work allowance, reported as a government grant in accordance with IAS 20. The support has been gradually phased out during the third quarter, and has had a limited impact on the quarter in total.

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 1-12 of this report are an integral part of the interim report.

Note 2 Risks and uncertainties

It is the assessment that the Group's material risks and uncertainties are unchanged from those described in detail in the 2019 Annual Report. The Company has not found reason to change its assessment regarding risks related to Covid-19 compared with the risks reported in the 2019 annual report.

Note 3 Segment reporting

At the end of Q3, Volati consisted of four business areas: Trading, Industry, Akademibokhandeln and Consumer.

From 1 January 2020, Volati's chief operating decision-maker monitors the segments' performance with the effects of IFRS 16 included. The 2019 figures are therefore presented including IFRS 16 effects for EBITA and EBIT in order to obtain a comparative view.

Net sales, SEK million	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM	Full year 2019
Trading	675	535	1,978	1,620	2,496	2,138
Industry	578	536	1,670	1,521	2,157	2,008
Akademibokhandeln	427	416	1,169	1,198	1,765	1,793
Consumer	149	224	560	694	761	895
Internal eliminations	0	0	-1	-1	-2	-2
Total net sales	1,828	1,711	5,376	5,032	7,177	6,833

Sales between segments are immaterial.

EBITA, SEK million	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM	Full year 2019
Trading	79	50	203	138	243	178
Industry	64	51	172	130	221	179
Akademibokhandeln	25	18	-4	-10	82	76
Consumer	6	34	76	86	102	112
Items affecting comparability	-5	13	-10	16	1	27
Central costs	-12	-13	-37	-41	-55	-59
Total EBITA	157	153	400	319	594	513
Acquisition-related amortisation	-9	-14	-37	-40	-50	-54
Impairment of intangible assets	-	-328	-	-328	-	-328
Net financial items	-24	-17	-77	-66	-107	-96
Profit before tax	124	-206	287	-115	436	34

EBIT, SEK million	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM	Full year 2019
Trading	76	48	194	130	231	167
Industry	60	49	164	124	210	171
Akademibokhandeln	19	12	-22	-27	58	53
Consumer	10	31	75	77	98	101
Impairment of intangible assets	-	-328	-	-328	-	-328
Items affecting comparability	-5	13	-10	16	1	27
Central costs	-12	-13	-37	-42	-55	-60
Total EBIT	148	-189	363	-49	543	130

Note 4 Acquisitions and divestments of companies and operations

On 4 December 2019, Volati acquired all shares in Swekip Sweden AB and on 21 January all shares in Heco Nordiska AB. The acquisitions were completed and consolidated with effect from January 2020. Both acquisitions are add-on acquisitions for the Trading business area. The Heco Nordiska AB acquisition included a property which was sold during Q1 in a sale & leaseback transaction at a price of SEK 48 million, with an earnings effect of SEK 0 million. Interest-bearing liabilities of SEK 35 million attributable to Heco Nordiska AB were repaid during Q1. During Q2, the fixed purchase consideration for Swekip AB was settled at an amount of SEK 3 million.

During Q1, Volati's Industry business area acquired a small insolvency estate, which resulted in a gain of SEK 3 million on preparation of the acquisition analysis. This was due to the estimated value of the assets acquired being higher than the acquisition price. The gain is recognised as an item affecting comparability.

On 25 June, Volati acquired all shares in Beneli AB. The acquisition is an add-on acquisition for the Industry business area and the Ettiketto business unit. The acquisition is consolidated with effect from 30 June 2020.

On 2 September, Volati acquired all shares in Pisla Oy and Demerx i Kinda AB (Pisla Group). The acquisition is an add-on acquisition for the Trading business area. The acquisition is consolidated with effect from 1 September.

On 22 September, Volati acquired all shares in Märkas AB. The acquisition is an add-on acquisition for the Industry business area. The acquisition is consolidated with effect from 30 September 2020.

The Group's earnings were affected by transaction costs of SEK 5 million for the above acquisitions. Goodwill of SEK 49 million arising from the transactions is supported by several factors, largely attributable to the acquired companies' synergies, employees and market shares. The impact of the acquisitions on the Volati Group's balance sheet is set out below. As the acquisitions of Pisla Group and Märkas AB were completed close to the quarterly financial statements, not all analyses of fair values were available. The acquisition analyses are therefore considered preliminary and will be finalised during Q4. However, these are not expected to have a material impact on the Group's reported earnings or financial position.

Impact of acquisitions on balance sheet (SEK million)

Intangible assets	70
Property, plant and equipment	132
Financial receivables	0
Deferred tax asset	5
Inventories	182
Trade receivables	104
Other receivables	9
Cash and cash equivalents	46
Deferred tax liabilities	-23
Non-current interest-bearing liabilities	-71
Current interest-bearing liabilities	-16
Current liabilities	-159
Net assets	280
Goodwill	49
Purchase price for shares	329
Purchase price for shares	-329
Deferred variable consideration	23
Deferred fixed consideration	14
Cash & cash equivalents in the acquired company at the acquisition date	46
Impact on the Group's cash & cash equivalents on acquisition date	-246

Impact of acquisitions on income statement (SEK million)	Net sales		EBITDA		EBITA		EBIT	
	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep
Trading	82	220	8	25	5	21	5	19
Industry	29	29	6	6	4	4	2	2
Volati Group	111	249	14	31	10	25	7	22

As the acquisition of Märkas AB is consolidated with effect from the end of September 2020 and has not had any material effect on the Group's reported results, Märkas AB is not included in the above table.

If the acquisition had been consolidated with effect from 1 January 2020, its contribution to the Group's income statement, excluding transaction costs, for the period January-September 2020 would have been as follows: sales SEK 307 million, EBITDA SEK 49 million, EBITA SEK 3 million and operating profit SEK 29 million.

Note 5 Financial Instruments

Financial instruments: carrying amounts and fair values by measurement category

	30 Sep 2020			31 Dec 2019		
	IFRS 9 category ¹⁾	Carrying amount	Fair value	IFRS 9 category ¹⁾	Carrying amount	Fair value
Financial assets						
Other shares and interests	2	4	4	2	4	4
Other non-current financial assets	1.2	2	2	1.2	2	2
Derivatives held for trading	2	-	-	2	0	0
Trade receivables	1	934	934	1	574	574
Cash and cash equivalents	1	566	566	1	447	447
Financial liabilities						
Bonds	4	600	602	4	600	613
Loans from credit institutions	4	901	901	4	601	601
Derivatives held for trading	5	-	-	5	0	0
Trade payables	4	743	743	4	706	706
Additional consideration	5	23	23	5	6	6
Put options	6	112	112	6	56	56
Other current liabilities	4	-	-	4	32	32

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 2019 annual report.

Financial instruments measured at fair value

	30 Sep 2020				31 Dec 2019			
	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
Financial assets								
Other shares and interests	4	-	-	4	4	-	-	4
Derivatives	-	-	-	-	-	-	-	-
Financial liabilities								
Derivatives	-	-	-	-	0	0	-	-
Put options	112	-	-	112	56	-	-	56
Additional consideration ¹⁾	23	-	-	23	6	-	-	6

1) 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.

Note 6 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. As a result of IFRS 16 Leases, which came into effect on 1 January 2019, Volati changed the definition in 2019 to exclude the effects of IFRS 16 with a view to increasing the comparability of some of its alternative performance measures with previous years. Most of these APMs include IFRS 16 with effect from 1 January 2020, see below. Volati's new financial targets, which were adopted at the beginning of the year, have resulted in the revision of some APMs, the introduction of new APMs and the removal of some previous APMs related to previous financial targets.

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
EBITDA	Earnings before interest, taxes, depreciation and amortisation.	Together with EBITA, EBITDA provides a view of the profit generated by operating activities.
Adjusted EBITDA	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.
EBITA	Earnings before interest, taxes and amortisation.	Together with EBITDA, EBITA provides a view of the profit generated by operating activities.
EBITA excl. items affecting comparability	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.
EBITA growth per ordinary share	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.
Organic EBITA growth	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.
Return on equity	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.
Return on adjusted equity	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.
Return on capital employed (ROCE excl. GW)	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.
Return on capital employed including goodwill (ROCE incl. GW)	EBITA excluding items affecting comparability for the last 12 months divided by average capital employed including	Shows the return on capital employed generated by each business area and the Group.

Non-IFRS APMs and key metrics	Description	Reason for use
	goodwill and other intangible assets with indefinite useful lives for the last 12 months.	
Equity ratio	Equity (including share attributable to non-controlling interests) as a percentage of total assets.	The metric can be used to assess financial risk.
Cash conversion	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.
Operating cash flow	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.
Net debt/Adjusted EBITDA	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.
Net debt/Adjusted EBITDA average 4 quarters	Net debt, excl. IFRS 16 adjustments, at the end of the period in relation to adjusted EBITDA for the period, expressed as an average over the four most recent quarters.	The metric can be used to assess financial risk.

Calculations of alternative performance measures are presented separately below.

	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM	Full year 2019
Adjusted EBITDA, LTM						
EBITDA, LTM	989	828	989	828	989	909
Reversal of IFRS 16 effect	-282	-211	-282	-211	-282	-282
Acquired and divested companies	30	7	30	7	30	1
Items affecting comparability*	-6	-24	-6	-24	-6	-23
Adjusted EBITDA, LTM	731	600	731	600	731	604

*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	157	153	400	319	594	513
Reversal of IFRS 16 effect	-	-4	-	-14	-24	-22
Adjustment for items affecting comparability	5	-13	10	-14	0	-23
EBITA excl. items affecting comparability	161	136	410	292	570	467
Total acquired/divested EBITA	-10	-4	-25	-18	-30	-26
Currency effects	1	0	2	-1	-	0
Comparative figure for previous year	152	132	387	272	540	440
Organic EBITA growth, %	9	6	27	4	19	4

Calculation of EBITA growth per ordinary share, %

EBITA	157	153	400	319	594	513
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	1.97	1.92	5.04	4.02	7.48	6.45
EBITA per ordinary share for same period in previous year	1.92	1.53	4.02	3.23	6.20	5.38
EBITA growth per ordinary share, %	3	26	25	25	21	20

	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM	Full year 2019
Basic earnings per ordinary share, SEK						
Net profit attributable to owners of the Parent	95	-143	220	-86	381	74
Deduction for preference share dividend	16	16	48	48	64	64
Net profit attributable to owners of the Parent, adjusted for preference share dividend	79	-159	172	-134	316	10
Average no. of ordinary shares	79,406,571	79,406,571	79,406,571	79,827,816	79,406,571	79,721,639
Earnings per ordinary share, SEK	1.00	-2.00	2.17	-1.68	3.98	0.13

Calculation of return on equity

(A) Net profit, LTM, including non-controlling interests	387	-44	387	-44	387	-2
Adjustment for preference share dividends, including dividends accrued but not yet paid	-64	-64	-64	-64	-64	-64
(B) Net profit, adjusted	322	-109	322	-109	322	-67
(C) Average total equity	2,403	2,463	2,403	2,463	2,403	2,411
(D) Average adjusted equity	1,575	1,635	1,575	1,635	1,575	1,583
(A/C) Return on total equity, %	16	-2	16	-2	16	0
(B/D) Return on adjusted equity, %	20	-7	20	-7	20	-4

Calculation of equity ratio, %

Equity including non-controlling interests	2,489	2,233	2,489	2,233	2,489	2,360
Total assets	6,946	6,237	6,946	6,237	6,946	6,156
Equity ratio, %	36	36	36	36	36	38

Calculation of operating cash flow and cash conversion, %

EBITDA	258	253	697	618	989	909
Reversal of IFRS 16 effect	-76	-71	-210	-211	-282	-282
(A) EBITDA excl. IFRS 16 effect	182	182	488	408	707	627
(B) adjustment for non-cash items	-1	-17	3	-20	-12	-35
Change in working capital*	-26	68	-163	-246	110	28
Net investments in property, plant & equipment and intangible assets	-14	-19	-37	-58	-75	-96
(C) Operating cash flow	142	214	291	85	730	523
(C/A) Cash conversion, %	78	118	60	21	103	83

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

Calculation of Net debt/adjusted EBITDA, LTM, x

Net debt						
Cash & cash equivalents and other interest-bearing assets	568	177	568	177	568	449
Non-current interest-bearing liabilities	657	646	657	646	657	646
Current interest-bearing liabilities	928	821	928	821	928	711
Net debt	1,017	1,290	1,017	1,290	1,017	907
Adjusted EBITDA	737	600	737	600	737	604
Net debt/adjusted EBITDA, x	1.4	2.2	1.4	2.2	1.4	1.5

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

Current quarter	1.4	2.2	1.4	2.2	1.4	1.5
Previous quarter	1.3	2.4	1.3	2.4	1.3	2.2
Previous quarter -1	1.9	2.1	1.9	2.1	1.9	2.4
Previous quarter -2	1.5	1.7	1.5	1.7	1.5	2.1
Average last four quarters, x	1.5	2.1	1.5	2.1	1.5	2.0

ROCE %, 30 September 2020	Trading	Industry	Akademi- bokhandeln	Consumer	Central costs	Volati Group
1) EBITA, LTM	243	221	82	102	-55	593
Capital employed, 30 September 2020						
Intangible assets	1021	584	818	472		2895
Adjustment for goodwill, patent/technology, brands	-1015	-563	-760	-432		-2769
Property, plant and equipment	47	223	27	36		347
Right-of-use assets	206	306	234	147		899
Operating receivables	1009	784	238	46		2078
Operating liabilities	-523	-497	-304	-120		-1452
Capital employed, 30 September 2020	745	836	254	149		1998
Adjustment for average capital employed, LTM	-70	-10	5	6	0	-65
2) Average capital employed, LTM	675	827	258	154		1933
ROCE excl. GW 1)/2), %	36	27	32	66		31
3) Average capital employed, LTM, incl. goodwill and other intangible assets with indefinite useful lives	1575	1286	909	586		4383
ROCE incl. goodwill 1)/3), %	15	17	9	17		14
ROCE %, 31 December 2019	Trading	Industry	Akademi- bokhandeln	Consumer	Central costs	Volati Group
1) EBITA, LTM	178	179	76	112	-59	486
Capital employed, 31 December 2019						
Intangible assets	977	538	836	501		2,853
Adjustment for goodwill, patent/technology, brands	-973	-520	-774	-451		-2,717
Property, plant and equipment	31	223	30	37		336
Right-of-use assets	189	302	213	121		832
Operating receivables	674	620	262	53		1,612
Operating liabilities	-301	-403	-413	-132		-1,261
Capital employed, 31 December 2019	597	760	155	128		1,655
Adjustment for average capital employed, LTM	49	96	138	19	0	301
2) Average capital employed, LTM	646	856	293	147		1,956
ROCE excl. GW 1)/2), %	28	21	26	76		25
3) Average capital employed, LTM, incl. goodwill and other intangible assets with indefinite useful lives	1,507	1,305	943	804		4,586
ROCE incl. goodwill 1)/3), %	12	14	8	14		11

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 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM	Full year 2019
Net sales	6	4	18	13	28	24
Operating expenses	-13	-17	-39	-45	-53	-59
Operating profit ¹⁾	-7	-13	-21	-32	-25	-35
Profit/loss from financial investments	35	34	275	563	213	501
Profit after financial items	29	21	254	531	188	465
Appropriations	-	-	-	-	39	39
Tax for the period	-6	-5	-20	-13	-8	0
Net profit	22	17	234	518	220	504

Comprehensive income for the period, Parent Company

Comprehensive income for the period	22	17	234	518	220	504
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1) Operating profit includes bank charges.

Parent Company condensed statement of financial position

SEK million	30 Sep 2020	31 Dec 2019
Non-current assets	2,035	2,029
Current assets	4,514	5,807
Total assets	6,549	7,836
Equity	3,780	3,547
Untaxed reserves	48	48
Pension obligations	2	1
Non-current liabilities	621	618
Current liabilities	2,098	3,622
Total equity and liabilities	6,549	7,836

Quarterly overview

SEK million	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Operating income										
Net sales	1,828	1,889	1,658	1801	1711	1,776	1,544	1,831	1470	1,428
Operating expenses										
Raw materials and supplies	-1,072	-1,082	-927	-955	-965	-981	-856	-997	-830	-784
Other external costs	-139	-141	-177	-166	-157	-164	-185	-223	-202	-216
Personnel expenses	-359	-386	-394	-405	-347	-406	-376	-409	-292	-312
Other operating income and expenses	0	1	-2	3	11	3	8	7	6	-1
Capital gain/loss on sale of Group company	-	-		13	-	-	-	-	-	-
EBITDA	258	281	159	291	253	229	136	210	152	114
Depreciation	-101	-99	-97	-98	-101	-100	-98	-36	-29	-28
EBITA	157	181	62	194	153	129	37	173	123	86
Acquisition-related amortisation	-9	-14	-14	-14	-342	-14	-13	-26	-13	-16
EBIT	148	168	48	180	-189	115	24	147	110	70
Finance income and costs										
Finance income and costs	-24	-23	-30	-31	-17	-25	-24	-6	-14	-14
Profit before tax	124	144	18	149	-206	91	0	141	96	55
Tax	-27	-32	-4	14	-19	-30	-1	-19	-22	5
Net profit	97	112	14	163	-225	60	-1	121	74	61
Attributable to:										
Owners of the Parent	95	111	14	160	-206	58	-1	121	74	60
Non-controlling interests	2	2	-1	3	-19	3	0	0	1	1

Net sales, SEK million	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Trading	675	712	590	518	535	589	496	509	524	607
Industry	578	654	438	487	536	612	373	467	334	257
Akademibokhandeln	427	298	444	595	416	328	453	634	398	315
Consumer	149	225	186	201	224	248	222	222	214	249
Internal eliminations	0	0	-1	0	0	0	0	-1	0	0
Total net sales	1,828	1889	1658	1801	1711	1776	1544	1831	1470	1428

EBITA, SEK million	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Trading	79	86	38	40	50	59	29	32	54	53
Industry	64	77	31	49	51	63	15	30	44	38
Akademibokhandeln	25	-26	-3	86	18	-24	-3	101	12	-34
Consumer	6	64	6	26	34	47	5	19	27	41
Items affecting comparability	-5	-7	3	11	13	-1	5	12	-	0
Central costs	-12	-12	-14	-18	-13	-15	-14	-20	-14	-12
Total EBITA	157	181	62	194	153	129	37	173	123	86

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 at September 30, 2020 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim 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 Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, 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, 22 October 2020

Ernst & Young AB

Rickard Andersson

Authorised Public Accountant