



Interim Report

January-June 2021

“A strong quarter with several important acquisitions”

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–June 2021

The Annual General Meeting on 28 April 2021 passed a resolution on the distribution of the Bokusgruppen business area, which was deconsolidated from the Volati AB Group in June. The following income statements and balance sheets relate to continuing operations. The CEO's review and comments are focused on these continuing operations.

Quarter April-June 2021

- Net sales increased by 20 percent to SEK 1,641 (1,366) million
- EBITA increased by 33 percent to SEK 191 (144) million
- Profit after tax increased by 34 percent to SEK 129 (96) million
- Earnings per ordinary share increased by 107 percent to SEK 2.47 (1.19)**
- The distribution of Bokusgruppen AB was completed in June
- Scanmast AB was acquired in June
- The bond of SEK 600 million was repaid in June

Period January-June 2021

- Net sales increased by 21 percent to SEK 2,894 (2,394) million
- EBITA increased by 45 percent to SEK 293 (203) million
- Profit after tax increased by 65 percent to SEK 195 (119) million
- Earnings per ordinary share increased by 146 percent to SEK 2.88 (1.17)**

Events after the reporting period

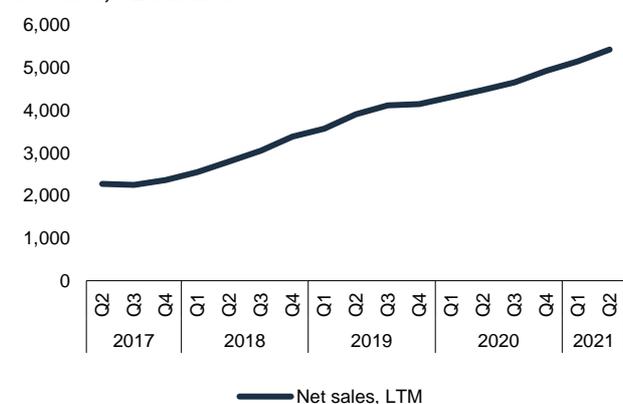
- Martin Hansson takes over as new CEO of Salix Group AB on 1 September
- The acquisitions of StrongPoint's labels business and Byggsystem Direkt were completed on 1 July
- The Spanish company Apisa S.L. was acquired on 6 July

Summary of results and key figures

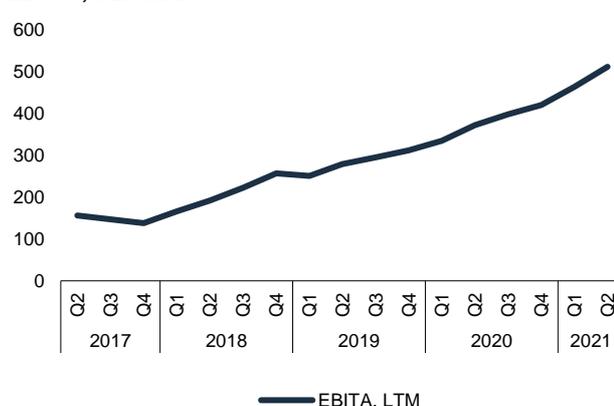
The income statements for Q2 2021 and Q2 2020 have been restated to describe continuing operations, excluding the Bokusgruppen business area, unless otherwise indicated. For financial information about the discontinued operation, see note 5.

| SEK million | Apr-Jun 2021 | Apr-Jun 2020 | Jan-Jun 2021 | Jan-Jun 2020 | LTM | Full year 2020 |
|--|--------------|--------------|--------------|--------------|-------|----------------|
| Net sales | 1,641 | 1,366 | 2,894 | 2,394 | 5,421 | 4,921 |
| EBITA* | 191 | 144 | 293 | 203 | 512 | 421 |
| EBIT | 183 | 139 | 278 | 192 | 480 | 394 |
| Profit after tax | 129 | 96 | 195 | 119 | 323 | 246 |
| Operating cash flow, SEK million* | 95 | 188 | 60 | 179 | 431 | 550 |
| Net debt/adjusted EBITDA, x** | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | -0.8 |
| Basic and diluted earnings per ordinary share, SEK** | 2.47 | 1.19 | 2.88 | 1.17 | 13.08 | 11.37 |
| Return on adjusted equity, %** | 64 | 0 | 64 | 0 | 64 | 51 |

Net sales, SEK million



EBITA*, SEK million



* See note 7 for definitions of alternative performance measures. ** Key figures including discontinued operations.

Strong earnings growth and several important acquisitions

Volati continued its rapid growth in the second quarter, with a strong performance from both of our business areas. Volati's total EBITA for the quarter increased by 33 percent to SEK 191 million. We are also maintaining a high acquisition rate with four acquisitions since the start of the quarter. Together, they have added more than SEK 700 million in annual sales.

The final steps towards a more focused Volati were taken during the quarter. We now have two successful, fast-growing business areas in Salix Group and Industry, with Salix Group's governance now further decentralised through the establishment of its own Board with an increased decision-making mandate. We also completed a successful distribution of Bokusgruppen, which now has its own platform on Nasdaq First North Premier for its continuing growth journey.

Our ambition with this focus is clear – to create the best conditions for continuing a high growth rate and long-term value creation for our shareholders. This frees up resources for Volati to invest in further acquisitions. It also enables us to provide even better support to our companies in areas such as strategic HR by ensuring leadership supply and development. Responsibility for operational development lies with the companies. However, Volati has the important role of giving companies better conditions to develop with us than in their previous environment – fully in line with our vision of being the best owner of medium-sized companies.

Continuing business area growth

The highly positive trend of the last year has continued in the second quarter, with good growth in both the Salix Group and Industry business areas. The business areas have performed strongly in an external environment that poses operational challenges due to the pandemic, such as rising material prices and disrupted supply chains. I am proud of the vigorous response of our management teams to the situation, which has minimised the impact on margins.

We are also delighted at the appointment of Martin Hansson as the new CEO of Salix Group, with Håkan Karlström stepping down at his own request after 25 successful years. Martin's broad experience in growth companies and international expansion, including in IKEA's Group management, makes him very well suited to lead a growth-oriented Salix Group.

Several important acquisitions

Since the start of the second quarter, we have completed four acquisitions with total annual sales of approximately SEK 700



million and profitability before synergies in line with the Group as a whole. We have made three add-on acquisitions for business units in Industry business area – Ettiketto, S:t Eriks and Tornum – and one acquisition that takes us into a new area, in this case telecom infrastructure.

We continue to see good opportunities for acquisitions. More time and resources are being devoted to identifying acquisition situations that suit us, and being perceived as a natural industrial buyer means we have a good inflow of add-on acquisitions. Our discipline in the acquisition process ensures that we create value at the actual point of acquisition and have a clear plan for future value creation in the acquired companies.

Synergistic add-on acquisitions are a priority

Add-on acquisitions, where we benefit from synergies, are a high priority for us and are in line with our ambition to build strong business units, with some of them eventually developing into separate business areas in the Group. Ettiketto is a good example of this. With three add-on acquisitions, we have increased the business unit's annual sales from about SEK 250 million to SEK 750 million in the space of a year.

Synergistic add-on acquisitions are complemented by acquisitions that broaden our operations to new areas. I am very pleased that we were able to announce such an acquisition during the quarter. Scanmast is a leading supplier of infrastructure in the form of masts and towers for telecom, lighting and surveillance. The acquisition gives us further exposure to the infrastructure sector, where we expect continued structural growth in selected segments and where we already have a presence through S:t Eriks.

Focused on growth

This summary of my first period as CEO of Volati is marked with enthusiasm. The Group has a clear growth orientation, with two fast-growing business areas and a strong focus on acquisitions. We have a strong balance sheet, with net debt at the end of the quarter at 1.3 times EBITDA, well below our financial target and providing significant scope for acquisitions. All in all, this means that we are well placed to continue creating growth and long-term value for our shareholders.

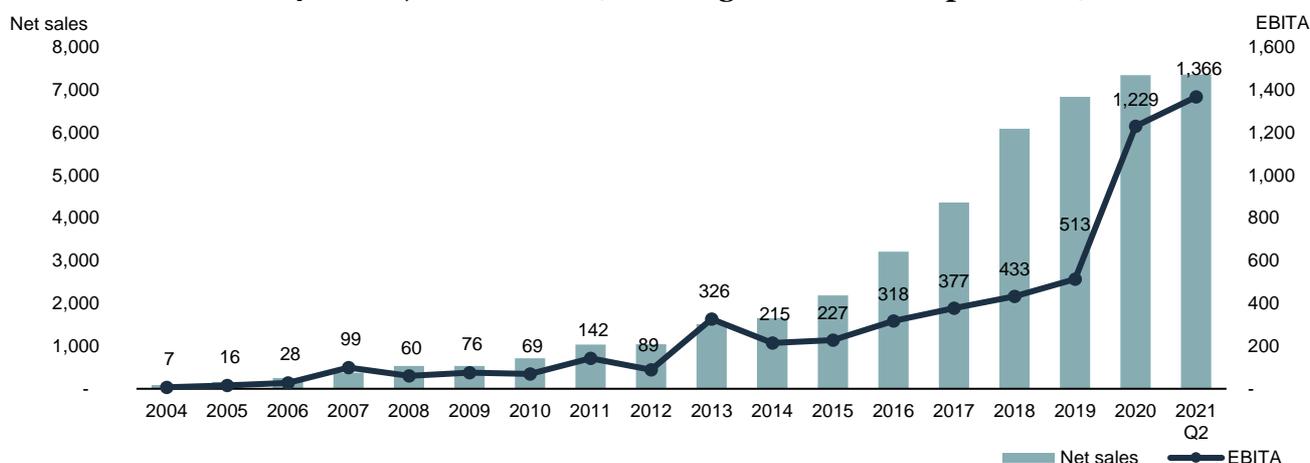
Andreas Stenbäck, President and CEO

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)



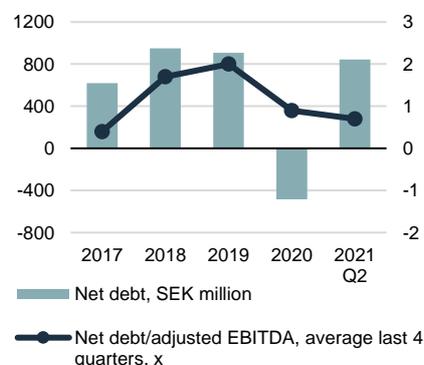
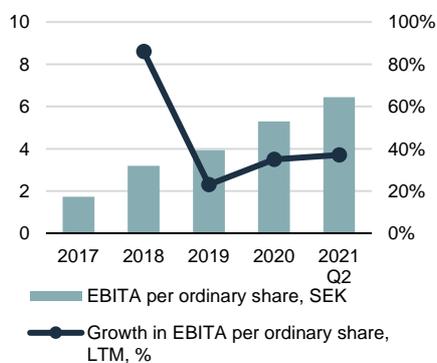
Financial targets

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 7 for definitions of alternative performance measures

*Including discontinued operations

*Including discontinued operations

Consolidated financial trend

Net sales

The Group's net sales for Q2 2021 amounted to SEK 1,641 (1,366) million, an increase of 20 percent compared with the same period the previous year.

The increase in sales is attributable to good demand in the two business areas, Salix Group and Industry, and effects of the completed add-on acquisitions.

| | Apr-Jun 2021 | Apr-Jun 2020 | Δ % | Jan-Jun 2021 | Jan-Jun 2020 | Δ % |
|--------------------------------------|-----------------|-----------------|-----------|-----------------|-----------------|-----------|
| Net sales, SEK million | 1,641 | 1,366 | 20 | 2,894 | 2,394 | 21 |
| EBITA*, SEK million | 191 | 144 | 33 | 293 | 203 | 45 |
| EBIT, SEK million | 183 | 139 | 32 | 278 | 192 | 44 |
| Profit after tax, SEK million | 129 | 96 | 34 | 195 | 119 | 65 |

* See note 7 for definitions of alternative performance measures

Earnings

+33%

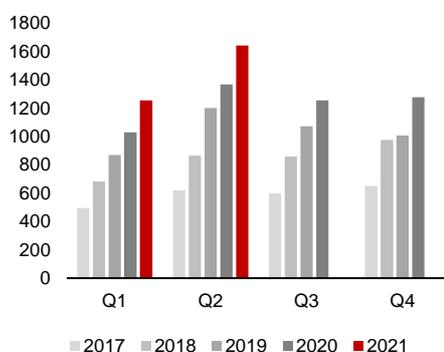
EBITA per ordinary
share
Q2 2021

EBITA for Q2 increased by 33 percent to SEK 191 (144) million. The positive development was partly attributable to the two business areas, Salix Group and Industry, both of which reported increased earnings compared with the same period the previous year. This was achieved through organic growth, improving margins and the effects of add-on acquisitions.

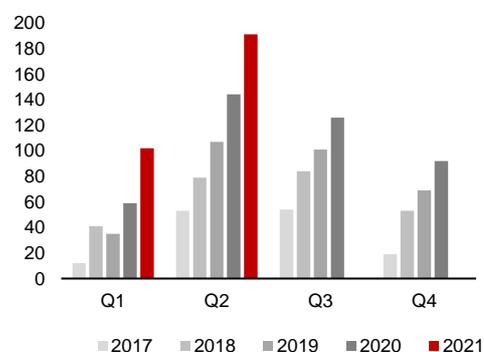
EBITA for the first six months increased by 45 percent to SEK 293 (203) million. Profit after tax for Q2 increased by 34 percent to 129 (96) million. Profit after tax for the first six months increased by 65 percent to SEK 195 (119) million.

EBITA for the last twelve months increased by 37 percent to SEK 512 (373) million.

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
431
million**

Operating cash flow
LTM Q2

Cash flow

Operating cash flow (for definition and calculation, see pages 24-25) amounted to SEK 95 (188) million in Q2 2021. The lower cash flow is due to higher working capital, mainly through lower operating liabilities. Operating cash flow for the last twelve months amounted to SEK 431 million, compared with SEK 550 million for the full year 2020. The decline is mainly due to lower operating liabilities and higher inventory values as a result of external supply chain disruptions during the ongoing pandemic.

Cash flow from operating activities (see page 15), including discontinued operations, for Q2 amounted to SEK 72 (422) million. The lower cash flow is mainly due to lower operating liabilities and the fact that positive cash flows from the divested Consumer business area are only included in the comparative period. The comparative period includes operating liabilities of approximately SEK 134 million related to the general payment deferral for certain taxes and social security contributions that was granted due to the pandemic.

Cash flow for the last 12 months was SEK 580 million, compared with 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. The reduction in operating liabilities includes an amount of approximately SEK 134 million which is the repayment of the general payment deferral for certain taxes and social security contributions that was granted due to the pandemic. The reduction is also due to the fact that positive cash flows from the divested Consumer business area are included for the full year 2020 but only for five months in the period 1 July 2020 to 30 June 2021.

Investments in non-current assets during Q2 amounted to SEK 25 (16) 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 260 (33) million. Dividend payments totalling SEK 114 million affected cash flow during the quarter.

Equity

The Group's equity at the end of the period amounted to SEK 1,779 (3,235) million. The decline is attributable to the net of profit for the period, cash dividend payments and the non-cash distribution of Bokusgruppen to shareholders during the period. The equity ratio on 30 June 2021 was 36 percent, compared with 50 percent on 31 December 2020. The lower equity ratio is due to dividend payments totalling SEK 1,600 million during the first quarter. The return on adjusted equity was 64 (51) percent.

Equity and return on adjusted equity



Capital structure trend



0.7x

Net debt/
adjusted EBITDA
average 4 quarters

Net debt

The Group had net debt of SEK 844 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 due to cash dividends of SEK 958 million and acquisitions of SEK 307 million. Net debt/adjusted EBITDA was 1.3x at the end of the quarter, compared with 0.8x 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 3,130 (3,270) million on 30 June 2021. Interest-bearing liabilities, including pension obligations and lease liabilities, were SEK 1,427 (1,375) million at the end of the period. The bond of SEK 600 million was repaid in June and replaced with an existing credit facility.

Business acquisitions and divestments 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 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.

In June, an agreement was signed to acquire Scanmast AB, through the parent company of Scanmast AB, which is a leading Swedish supplier of infrastructure in the form of masts and towers for telecom, lighting and surveillance, increasing the Group's presence in the infrastructure sector. Scanmast is now a new business unit in the Industry business area. The acquisition was consolidated on 30 June 2021. Net sales in the last 12 months amounted to SEK 310 million.

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 acquisition will be consolidated on 1 July 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 Isolergrund 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 will be consolidated on 1 July 2021.

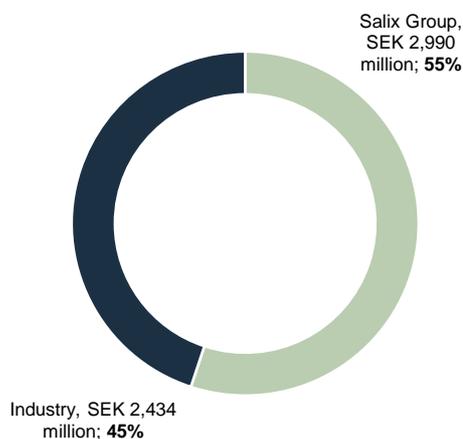
In early July, Volati acquired all shares in Apisa S.L., a Spanish market leader in drying and storage solutions for grain, feed and biomass. The acquisition is an add-on acquisition for the Tornum business unit. The acquisition strengthens Tornum's offering in grain and feed handling and gives the company 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.

Volati's business areas

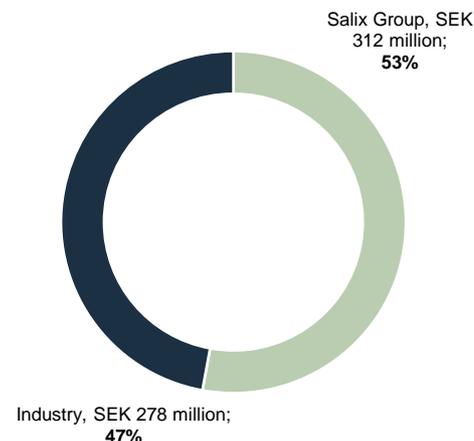
Volati's net sales and earnings by business area

The diagrams relate to the 12-month period 1 July 2020 to 30 June 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

| | Apr-Jun 2021 | Apr-Jun 2020 | Jan-Jun 2021 | Jan-Jun 2020 | LTM | Full year 2020 |
|-------------------------|--------------|--------------|--------------|--------------|-------|----------------|
| Net sales, SEK million | 898 | 712 | 1,628 | 1,303 | 2,990 | 2,665 |
| EBITA, SEK million* | 107 | 86 | 172 | 125 | 312 | 265 |
| EBITA margin, %* | 12 | 12 | 11 | 10 | 10 | 10 |
| EBIT, SEK million | 103 | 83 | 165 | 119 | 297 | 251 |
| ROCE excl. goodwill, %* | 42 | 32 | 42 | 32 | 42 | 38 |
| ROCE incl. goodwill, %* | 19 | 14 | 19 | 14 | 19 | 17 |

* 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 consist of both own brands and external brands.

Salix Group's sales for Q2 increased by 26 percent compared with the corresponding period the previous year, while EBITA for the same period increased by 24 percent. This is despite an external environment that poses operational challenges due to the pandemic, with rising material prices and seriously affected supply chains. The positive trend is driven by the do-it-yourself market, which continues to be very strong, with good demand for products in the consumer-driven area of building materials, hardware retail and garden centres. Operations targeting the building and wood industry and small-scale agriculture continued to experience good demand during the quarter, strengthened by long-term organic growth initiatives that were taken in the business units. The integration and development of Pislå OY and HECO, acquired in 2020, and Duschprodukter Sweden AB, acquired in March 2021, is progressing according to plan. The acquisitions strengthen and complement the business area's existing offering in fittings and household products for the building materials and specialist retail sector, while consolidating the presence in the Nordic markets. The business area sees further acquisition opportunities in most of its operations.

Industry

| | Apr-Jun 2021 | Apr-Jun 2020 | Jan-Jun 2021 | Jan-Jun 2020 | LTM | Full year 2020 |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-------|-------------------|
| Net sales, SEK million | 744 | 654 | 1,268 | 1,092 | 2,434 | 2,258 |
| EBITA, SEK million* | 100 | 77 | 150 | 108 | 278 | 236 |
| EBITA margin, %* | 13 | 12 | 12 | 10 | 11 | 10 |
| EBIT, SEK million | 96 | 75 | 142 | 104 | 262 | 224 |
| ROCE excl. goodwill, %* | 34 | 25 | 34 | 25 | 34 | 29 |
| ROCE incl. goodwill, %* | 21 | 16 | 21 | 16 | 21 | 18 |

* 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.

All of its business units continued to develop positively, resulting in sales growth of 14 percent and EBITA increasing by 29 percent compared with the same period the previous year. Continuing high demand for the business units' products, as well as acquisitions, have resulted in increased sales for the quarter. For example, the business unit Corroventa had strong demand, not least towards the end of the quarter, due to floods in the Nordic region and Europe. The fact that both earnings and the margin in the business area improved is due to a combination of strong demand, price adjustments, productivity improvements and good cost control.

During the quarter, the business was able to operate successfully in an environment of operational challenges due to the pandemic, with increased material prices and supply chain disruptions. After the end of the quarter, Sweden's largest supplier of cement, Cementa, has been informed by the Land and Environmental Court that its application for a permit renewal to mine limestone at one of its production sites has been rejected. Cement is a key input for the S:t Eriks business unit, one of five business units in the business area, and we are currently analysing the impact of the decision.

The process of integrating and developing the acquirees JPT-Industria OY, Beneli AB and Märkas AB is on track. The acquisitions are part of the strategy to strengthen and complement operations within the Tornum and Ettiketto business units.

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 -13 (-12) million.

Martin Aronsson has been appointed Volati's new CFO and he will take up his position by October 2021 at the latest.

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 Q2 was 9,984.

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

Martin Hansson takes over as new Head of Business Area Salix Group AB on 1 September.

The acquisitions of StrongPoint's labels business and Byggsystem Direkt were completed on 1 July and the Spanish company Apisa S.L. was acquired on 6 July.

After the end of the quarter, Sweden's largest supplier of cement, Cementa, has been informed that the Land and Environmental Court has rejected its application for a permit renewal to mine limestone at one of its production sites. Cement is an important input for the S:t Eriks business unit, one of five business units in the business area, and the potential effects of the decision are currently being analysed.

Financial calendar

| | |
|--|------------------|
| Interim Report January–September 2021: | 26 October 2021 |
| Year-end Report 2021: | 11 February 2022 |
| 2022 Annual General Meeting: | 27 April 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, 16 July 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 not been reviewed by the Company's auditors.

This information is information that Volati AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out below, at 07.45 CEST on 16 July 2021.

Conference call

CEO Andreas Stenbäck will present the interim report in a conference call at 09.00 on 16 July. The presentation will be conducted in Swedish.

Phone number to access the conference call: +46 8 505 583 69

For a webcast of the conference call, go to : <https://tv.streamfabriken.com/volati-q2-2021>

For more information, please contact:

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Financial Statements

Condensed consolidated income statement

| SEK million | Apr-Jun 2021 | Apr-Jun 2020 | Jan-Jun 2021 | Jan-Jun 2020 | LTM | Full year 2020 |
|--|-----------------|-----------------|-----------------|-----------------|--------------|-------------------|
| Operating income | | | | | | |
| Net sales | 1,641 | 1,366 | 2,894 | 2,394 | 5,421 | 4,921 |
| Operating expenses | | | | | | |
| Raw materials and supplies | -1,026 | -885 | -1,783 | -1,520 | -3,338 | -3,074 |
| Other external costs | -84 | -60 | -163 | -131 | -309 | -277 |
| Personnel expenses | -292 | -234 | -565 | -455 | -1,076 | -967 |
| Other operating income and expenses | 1 | -1 | 5 | -1 | -3 | -9 |
| EBITDA | 240 | 187 | 388 | 286 | 695 | 594 |
| Depreciation | -48 | -42 | -95 | -84 | -184 | -173 |
| EBITA | 191 | 144 | 293 | 203 | 512 | 421 |
| Acquisition-related amortisation | -8 | -5 | -16 | -10 | -32 | -27 |
| EBIT | 183 | 139 | 278 | 192 | 480 | 394 |
| Finance income and costs | | | | | | |
| Finance income and costs | -23 | -17 | -32 | -42 | -75 | -85 |
| Profit before tax | 161 | 122 | 246 | 151 | 405 | 309 |
| Tax | -32 | -26 | -51 | -32 | -82 | -63 |
| Profit from continuing operations | 129 | 96 | 195 | 119 | 323 | 246 |
| Profit from discontinued operations | 93 | 16 | 80 | 8 | 804 | 731 |
| Net profit | 221 | 112 | 275 | 126 | 1,127 | 977 |
| Attributable to: | | | | | | |
| Owners of the Parent | 213 | 111 | 262 | 125 | 1,104 | 967 |
| Non-controlling interests | 9 | 2 | 13 | 1 | 22 | 10 |
| Earnings per ordinary share, continuing operations, SEK | | | | | | |
| Basic and diluted earnings per ordinary share, SEK | 1.31 | 0.98 | 2.09 | 1.06 | 2.98 | 2.15 |
| Earnings per ordinary share | | | | | | |
| Basic and diluted earnings per ordinary share, SEK | 2.47 | 1.19 | 2.88 | 1.17 | 13.08 | 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 | 10.00 | 40.80* | 20.00 | 40.80* | 20.00 |

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

Consolidated statement of comprehensive income

| SEK million | Apr-Jun 2021 | Apr-Jun 2020 | Jan-Jun 2021 | Jan-Jun 2020 | LTM | Full year 2020 |
|--|-----------------|-----------------|-----------------|-----------------|--------------|-------------------|
| Net profit | 221 | 112 | 275 | 126 | 1,127 | 977 |
| Items that may be reclassified subsequently to profit or loss | | | | | | |
| Reversal of translation differences attributable to divested operations | - | - | - | - | -18 | 7 |
| Translation differences for the period | -8 | -4 | 6 | -35 | 23 | -18 |
| Total | -8 | -4 | 6 | -35 | 5 | -12 |
| Total comprehensive income for the period | 214 | 109 | 282 | 91 | 1,131 | 966 |
| Owners of the Parent | 205 | 107 | 269 | 91 | 1,133 | 955 |
| Non-controlling interests | 9 | 2 | 13 | 0 | 23 | 11 |
| Total comprehensive income for the period attributable to owners of the Parent has arisen from: | | | | | | |
| Continuing operations | 114 | 88 | 190 | 101 | 305 | 217 |
| Discontinued operations | 91 | 19 | 79 | -10 | 827 | 738 |

Condensed consolidated statement of financial position

| SEK million | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 |
|--|----------------|----------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | 1,787 | 2,888 | 2,413 |
| Property, plant and equipment | 275 | 332 | 299 |
| Right-of-use assets | 494 | 909 | 772 |
| Financial assets | 7 | 7 | 7 |
| Deferred tax assets | 38 | 64 | 35 |
| Total non-current assets | 2,602 | 4,200 | 3,526 |
| Current assets | | | |
| Inventories | 937 | 912 | 969 |
| Trade receivables | 1,058 | 906 | 698 |
| Other current receivables | 174 | 244 | 153 |
| Cash and cash equivalents | 138 | 687 | 1,160 |
| Total current assets | 2,307 | 2,749 | 2,979 |
| Total assets | 4,909 | 6,949 | 6,506 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity attributable to owners of the Parent | 1,765 | 2,417 | 3,219 |
| Non-controlling interests | 14 | 8 | 16 |
| Total equity | 1,779 | 2,426 | 3,235 |
| Liabilities | | | |
| Non-current interest-bearing liabilities | 3 | 602 | 605 |
| Non-current lease liabilities | 391 | 634 | 556 |
| Other non-current liabilities and provisions | 192 | 95 | 164 |
| Deferred tax | 196 | 290 | 282 |
| Total non-current liabilities | 782 | 1,622 | 1,606 |
| Current interest-bearing liabilities | 913 | 913 | 0 |
| Current lease liabilities | 120 | 272 | 214 |
| Trade payables | 627 | 727 | 711 |
| Liabilities attributable to assets held for distribution | 0 | | |
| Other current liabilities | 688 | 990 | 739 |
| Total current liabilities | 2,348 | 2,902 | 1,664 |
| Total liabilities | 3,130 | 4,523 | 3,270 |
| Total equity and liabilities | 4,909 | 6,949 | 6,506 |

Condensed consolidated cash flow statement*

| SEK million | Apr-Jun 2021 | Apr-Jun 2020 | Jan-Jun 2021 | Jan-Jun 2020 | LTM | Full year 2020 |
|--|-----------------|-----------------|-----------------|-----------------|------------|-------------------|
| Operating activities | | | | | | |
| Profit before tax including discontinued operations | 248 | 144 | 317 | 162 | 1,228 | 1073 |
| Adjustment for other non-cash items | -15** | 144 | 88** | 278 | -265** | -75 |
| Interest paid and received, excl. interest on lease liabilities | -5 | -6 | -12 | -14 | -31 | -33 |
| Interest paid on lease liabilities | -8 | -12 | -18 | -23 | -40 | -45 |
| Income tax paid | -15 | 4 | -61 | -42 | -45 | -26 |
| Cash flow from operating activities before changes in working capital | 204 | 275 | 315 | 361 | 848 | 895 |
| Cash flow from changes in working capital | | | | | | |
| Change in inventories | -8 | 59 | -82 | 29 | -46 | 65 |
| Change in operating receivables | -65 | -172 | -277 | -302 | -12 | -37 |
| Change in operating liabilities | -60 | 260 | 19 | 262 | -211 | 32 |
| Cash flow from changes in working capital | -133 | 147 | -340 | -10 | -268 | 61 |
| Cash flow from operating activities | 72 | 422 | -25 | 351 | 580 | 956 |
| Investing activities | | | | | | |
| Net investments in property, plant & equipment and intangible assets | -24 | -15 | -44 | -23 | -80 | -59 |
| Acquisitions and disposals | -263 | -33 | -309 | -146 | 665 | 827 |
| Net investments in financial assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash flow from investing activities | -287 | -48 | -353 | -169 | 585 | 769 |
| Financing activities | | | | | | |
| Dividend | -114 | -16 | -958 | -32 | -958 | -32 |
| New borrowings and repayment of borrowings, excl. leases | 381 | -14 | 406 | 173 | -531 | -764 |
| Repayment of lease liabilities | -51 | -64 | -93 | -113 | -222 | -242 |
| Other financing activities | 0 | -1 | 0 | 36 | 0 | 36 |
| Cash flow from financing activities | 216 | -95 | -645 | 63 | -1,710 | -1,002 |
| Cash flow for the period | 0 | 279 | -1023 | 245 | -546 | 722 |
| Cash & cash equivalents at beginning of period | 140 | 410 | 1,160 | 447 | 687 | 447 |
| Exchange differences | -2 | -2 | 2 | -5 | -3 | -10 |
| Cash & cash equivalents at end of period | 138 | 687 | 138 | 687 | 138 | 1,160 |

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

**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 | - | - | - | 125 | 1 | 126 |
| Other comprehensive income | - | - | -34 | - | -1 | -35 |
| Comprehensive income for the period | 0 | 0 | -34 | 125 | 0 | 91 |
| Shareholder contributions | - | - | - | -1 | 1 | 0 |
| Dividend | - | - | - | 1 | -1 | 0 |
| Remeasurement of non-controlling interests | - | - | - | -24 | -1 | -25 |
| Closing balance, 30 Jun 2020 | 10 | 1,995 | -8 | 420 | 8 | 2,426 |

| SEK million | Share capital | Other paid-in capital | Other reserves | Retained earnings including net profit | Non-controlling interests | Total equity |
|--|---------------|-----------------------|----------------|--|---------------------------|--------------|
| Closing balance, 31 Dec 2020 | 10 | 1,995 | 14 | 1,200 | 16 | 3,235 |
| Net profit | - | - | - | 262 | 13 | 275 |
| Other comprehensive income | - | - | 6 | - | 0 | 6 |
| Comprehensive income for the period | - | - | 6 | 262 | 13 | 282 |
| Remeasurement of non-controlling interests | - | - | - | -9 | -12 | -21 |
| Dividend | - | - | - | -1,715 | -3 | -1,718 |
| Closing balance, 30 Jun 2021 | 10 | 1,995 | 20 | -260 | 14 | 1,779 |

Key figures²⁾

| | Apr-Jun 2021 | Apr-Jun 2020 | Jan-Jun 2021 | Jan-Jun 2020 | LTM | Full year 2020 |
|--|-----------------|-----------------|-----------------|-----------------|------------|-------------------|
| Net sales, SEK million | 1,641 | 1,366 | 2,894 | 2,394 | 5,421 | 4,921 |
| Net sales growth, % | 20 | 14 | 21 | 16 | 21 | 19 |
| EBITDA, SEK million | 240 | 187 | 388 | 286 | 695 | 594 |
| EBITA, SEK million | 191 | 144 | 293 | 203 | 512 | 421 |
| EBITA margin, % | 12 | 11 | 10 | 8 | 9 | 9 |
| EBITA growth, % | 33 | 35 | 45 | 43 | 37 | 35 |
| EBITA growth per ordinary share, % | 33 | 35 | 45 | 43 | 37 | 35 |
| EBIT, SEK million | 183 | 139 | 278 | 192 | 480 | 394 |
| Profit after tax, SEK million | 129 | 96 | 195 | 119 | 323 | 246 |
| Basic and diluted earnings per ordinary share, continuing operations | 1.31 | 0.98 | 2.09 | 1.06 | 2.98 | 2.15 |
| Basic and diluted earnings per ordinary share, SEK ¹⁾ | 2.47 | 1.19 | 2.88 | 1.17 | 13.08 | 11.37 |
| Return on equity, % | 45 | 3 | 45 | 3 | 45 | 37 |
| Return on adjusted equity, % | 64 | 0 | 64 | 0 | 64 | 51 |
| Equity ratio, % | 36 | 35 | 36 | 35 | 36 | 50 |
| Cash conversion, LTM, % | 75 | 114 | 75 | 114 | 75 | 113 |
| Operating cash flow | 95 | 188 | 60 | 179 | 431 | 550 |
| Net debt/EBITDA, x | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | -0.8 |
| Net debt/EBITDA average four quarters, x | 0.7 | 1.7 | 2.0 | 1.7 | 0.7 | 0.9 |
| No. of employees | 1,576 | 2,021 | 1,576 | 2,021 | 1,576 | 2,318 |
| Ordinary shares outstanding | 79,406,571 | 79,406,571 | 79,406,571 | 79,406,571 | 79,406,571 | 79,406,571 |
| Average no. of ordinary shares outstanding | 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 |

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

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 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

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

Note 3 Segment reporting

At the end of Q2 2021, Volati consisted of the two business areas Salix Group and Industry.

| Net sales, SEK million | Apr-Jun 2021 | Apr-Jun 2021 | Jan-Jun 2021 | Jan-Jun 2020 | LTM | Full year 2020 |
|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|---------------------------|
| Salix Group | 898 | 712 | 1,628 | 1,303 | 2,990 | 2,665 |
| Industry | 744 | 654 | 1,268 | 1,092 | 2,434 | 2,258 |
| Internal eliminations | -1 | 0 | -1 | -1 | -2 | -2 |
| Total net sales | 1,641 | 1,366 | 2,894 | 2,394 | 5,421 | 4,921 |

Sales between segments are immaterial.

| EBITA, SEK million | Apr-Jun 2021 | Apr-Jun 2021 | Jan-Jun 2021 | Jan-Jun 2020 | LTM | Full year 2020 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|------------|---------------------------|
| Salix Group | 107 | 86 | 172 | 125 | 312 | 265 |
| Industry | 100 | 77 | 150 | 108 | 278 | 236 |
| Items affecting comparability | -2 | -7 | -3 | -5 | -27 | -29 |
| Central costs | -13 | -12 | -26 | -25 | -52 | -51 |
| Total EBITA | 191 | 144 | 293 | 203 | 511 | 421 |
| Acquisition-related amortisation | -8 | -5 | -16 | -10 | -32 | -27 |
| Net financial items | -23 | -17 | -32 | -42 | -75 | -85 |
| Profit before tax from continuing operations | 161 | 122 | 246 | 151 | 405 | 309 |

| EBIT, SEK million | Apr-Jun 2021 | Apr-Jun 2021 | Jan-Jun 2021 | Jan-Jun 2020 | LTM | Full year 2020 |
|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------|---------------------------|
| Salix Group | 103 | 83 | 165 | 119 | 297 | 251 |
| Industry | 96 | 75 | 142 | 104 | 262 | 224 |
| Items affecting comparability* | -2 | -7 | -3 | -5 | -27 | -29 |
| Central costs | -14 | -12 | -26 | -25 | -52 | -51 |
| Total EBIT | 183 | 139 | 278 | 192 | 479 | 394 |

* From June 2020, transaction costs are reported in items affecting comparability and not in central costs. Historical figures have not been corrected. The Q2 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. The acquired company is now a new business unit in the Industry business area. The acquisition was consolidated on 30 June.

The Group's earnings were affected by transaction costs of SEK 3 million for the above acquisitions. Goodwill of SEK 157 million arising from the transactions is supported by several factors, largely attributable to the acquired companies' synergies, employees and market shares. An additional purchase consideration of SEK 12.5 million was paid for Beneli AB during the quarter.

The impact of the acquisitions on the Volati Group's balance sheet is set out below. As the acquisition of Scanhold AB 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 Q3, 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)

| | |
|--|------------|
| Intangible assets | 40 |
| Property, plant and equipment | 44 |
| Deferred tax asset | 5 |
| Inventories | 35 |
| Trade receivables | 73 |
| Other receivables | 58 |
| Cash and cash equivalents | 24 |
| Deferred tax liability and other provisions | -14 |
| Non-current interest-bearing liabilities | -24 |
| Current interest-bearing liabilities | -2 |
| Current liabilities | -68 |
| Net assets | 171 |
| Goodwill | 157 |
| Purchase price for shares | 328 |
| Purchase price for shares | -328 |
| Settlement of preliminary fixed consideration | -6 |
| Deferred fixed consideration | 4 |
| Consideration settled against non-cash issue | 1 |
| Cash & cash equivalents in the acquired company at the acquisition date | 24 |
| Acquisition-date impact of acquisitions on the Group's cash & cash equivalents | -305 |

| Impact of acquisitions on income statement (SEK million) | Net sales | | EBITDA | | EBITA | | EBIT | |
|--|-----------|---------|---------|---------|---------|---------|---------|---------|
| | Apr-Jun | Jan-Jun | Apr-Jun | Jan-Jun | Apr-Jun | Jan-Jun | Apr-Jun | Jan-Jun |
| Trading | 22 | 30 | 3 | 4 | 1 | 1 | 1 | 1 |
| Industry | 15 | 24 | 2 | 2 | 2 | 1 | 2 | 1 |
| Volati Group | 37 | 54 | 5 | 6 | 3 | 2 | 2 | 2 |

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-June 2021 would have been as follows: sales SEK 237 million, EBITDA SEK 25 million, EBITA SEK 18 million and operating profit SEK 17 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 for Bokusgruppen for the period January to May 2021 and January to June 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.

| | Apr-Jun 2021 | Apr-Jun 2020 | Jan-Jun 2021 | Jan-Jun 2020 | LTM | Full year 2020 |
|--|-----------------|-----------------|-----------------|-----------------|------------|-------------------|
| Profit/loss attributable to discontinued operations | | | | | | |
| Net sales | 212 | 523 | 674 | 1,154 | 1,936 | 2,416 |
| Operating expenses | -211 | -429 | -645 | -1,001 | -1,683 | -2,038 |
| EBITDA | 1 | 94 | 29 | 153 | 253 | 377 |
| Depreciation | -23 | -57 | -58 | -112 | -161 | -215 |
| EBITA | -22 | 37 | -28 | 41 | 93 | 162 |
| Acquisition-related amortisation | | | | | | |
| | -4 | -9 | -10 | -17 | -17 | -25 |
| EBIT | -26 | 29 | -38 | 23 | 75 | 137 |
| Finance income and costs | -2 | -6 | -5 | -12 | -13 | -20 |
| Profit before tax | -28 | 22 | -43 | 12 | 62 | 117 |
| Tax for the period | 6 | -6 | 9 | -4 | 49 | -33 |
| Profit/loss from discontinued operations | -22 | 16 | -35 | 8 | 111 | 84 |
| Gain/loss on sale of operation | 115 | - | 115 | - | 762 | 647 |
| Total profit/loss attributable to discontinued operations | 93 | 16 | 80 | 8 | 873 | 731 |
| Attributable to: | | | | | | |
| Owners of the Parent | 91 | 16 | 79 | 8 | 872 | 732 |
| Non-controlling interests | 1 | 0 | 1 | -1 | 1 | -1 |
| Earnings per ordinary share attributable to owners of the Parent | 0.94 | 0.00 | 0.57 | -0.30 | 10.15 | 8.41 |
| | | | | | | |
| Cash flow from discontinued operations | | | | | | |
| Cash flow from operating activities | -42 | 115 | -83 | 92 | 173 | 348 |
| Cash flow from investing activities* | -8 | -7 | -18 | -19 | 1,050 | 1,049 |
| Cash flow from financing activities | 85 | -43 | 75 | -66 | -18 | -159 |
| Total cash flow from discontinued operations | 35 | 64 | -26 | 7 | 1,205 | 1,238 |

*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

| | |
|--|-------|
| 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 Jun 2021 | | | 31 Dec 2020 | | |
|------------------------------------|-------------------------------|-----------------|------------|-------------------------------|-----------------|------------|
| | 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 | 5 | 5 |
| Other non-current financial assets | 1.2 | 3 | 3 | 1.2 | 2 | 2 |
| Derivatives held for trading | 2 | 0 | 0 | 2 | - | - |
| Financial liabilities | | | | | | |
| Bonds | 4 | | | 4 | 600 | 604 |
| Loans from credit institutions | 4 | 901 | 901 | 4 | 4 | 4 |
| Derivatives held for trading | 5 | 0 | 0 | 5 | 0 | 0 |
| Additional consideration | 5 | 14 | 14 | 5 | 26 | 26 |
| Put options | 6 | 166 | 166 | 6 | 145 | 145 |
| Other current liabilities | 4 | 48 | 48 | 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 2019 annual report.

Financial instruments measured at fair value

| | 30 Jun 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 |
| Financial assets | | | | | | | | |
| Other shares and interests | 4 | - | - | 4 | 5 | - | - | 5 |
| Derivatives | 0 | 0 | - | - | - | - | - | - |
| Financial liabilities | | | | | | | | |
| Derivatives | 0 | 0 | - | - | 0 | 0 | - | - |
| Put options | 166 | - | - | 166 | 145 | - | - | 145 |
| Additional consideration ¹⁾ | 14 | - | - | 14 | 26 | - | - | 26 |

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.

Specification of financial instruments Level 3:

| | Financial assets | | Financial liabilities | |
|--------------------------------------|----------------------------|-------------|--------------------------|--|
| | Other shares and interests | Put options | Additional consideration | |
| Balance, 1 Jan 2020 | 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 | - | - | |
| Balance, 31 Dec 2020 | 5 | -145 | -26 | |
| Balance, 1 Jan 2021 | 5 | -145 | -26 | |
| Additions through acquisitions | - | - | -4 | |
| Cash settled | 0 | - | 15 | |
| Change in value recognised in OCI | - | - | - | |
| Change in value recognised in equity | - | -21 | - | |
| Balance, 30 Jun 2021 | 4 | -166 | -14 | |

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 |
|--|---|--|
| 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 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. |
| 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. |

| Non-IFRS APMs and key metrics | Description | Reason for use |
|--|---|---|
| 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, This is an average over the four most recent quarters. | The metric can be used to assess financial risk. |

*Key figures including discontinued operations

Calculations of alternative performance measures are presented separately below.

| | Apr-Jun 2021 | Apr-Jun 2020 | Jan-Jun 2021 | Jan-Jun 2020 | LTM | Full year 2020 |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|------------|-------------------|
| Adjusted EBITDA, LTM | | | | | | |
| EBITDA, LTM | 695 | 984 | 695 | 984 | 695 | 815 |
| Reversal of IFRS 16 effect | -119 | -277 | -119 | -277 | -119 | -236 |
| Acquired and divested companies | 50 | 16 | 50 | 16 | 50 | 28 |
| Items affecting comparability* | 27 | -17 | 27 | -17 | 27 | 29 |
| Adjusted EBITDA, LTM | 654 | 706 | 654 | 706 | 654 | 637 |

*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 | 191 | 144 | 293 | 203 | 512 | 421 |
| Adjustment for items affecting comparability | 2 | 7 | 3 | 5 | 27 | 29 |
| EBITA excl. items affecting comparability | 193 | 151 | 297 | 208 | 539 | 450 |
| Total acquired/divested EBITA | -18 | -6 | -23 | -16 | -35 | -29 |
| Currency effects | 0 | 1 | -2 | 1 | - | 2 |
| Comparative figure for previous year | 176 | 145 | 271 | 193 | 504 | 424 |
| Organic EBITA growth, % | 16 | 33 | 30 | 37 | 37 | 41 |

Calculation of EBITA growth per ordinary share, %

| | | | | | | |
|---|------------|------------|------------|------------|------------|------------|
| EBITA | 191 | 144 | 293 | 203 | 512 | 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 | 2.41 | 1.82 | 3.69 | 2.55 | 6.44 | 5.30 |
| EBITA per ordinary share for same period in previous year | 1.82 | 1.34 | 2.55 | 1.79 | 4.69 | 3.93 |
| EBITA growth per ordinary share, % | 33 | 35 | 45 | 43 | 37 | 35 |

| | Apr-Jun 2021 | Apr-Jun 2020 | Jan-Jun 2021 | Jan-Jun 2020 | LTM | Full year 2020 |
|---|-----------------|-----------------|-----------------|-----------------|--------------|-------------------|
| Basic and diluted earnings per ordinary share, SEK | | | | | | |
| Net profit attributable to owners of the Parent | 213 | 111 | 262 | 125 | 1,104 | 967 |
| Deduction for preference share dividend | 16 | 16 | 33 | 32 | 65 | 64 |
| Net profit attributable to owners of the Parent, adjusted for preference share dividend | 197 | 95 | 229 | 93 | 1,039 | 903 |
| Average no. of ordinary shares | 79,406,571 | 79,406,571 | 79,406,571 | 79,406,571 | 79,406,571 | 79,406,571 |
| Earnings per ordinary share, SEK | 2.47 | 1.19 | 2.88 | 1.17 | 13.08 | 11.37 |
| Basic and diluted earnings per ordinary share, continuing operations, SEK | | | | | | |
| Total profit attributable to continuing operations | 129 | 96 | 195 | 119 | 323 | 246 |
| Deduction for profit attributable non-controlling interests | 7 | 2 | 12 | 2 | 21 | 11 |
| Deduction for preference share dividend | 17 | 16 | 17 | 32 | 65 | 64 |
| Net profit attributable to owners of the Parent adjusted for preference share dividend | 104 | 78 | 166 | 84 | 237 | 171 |
| Average no. of ordinary shares | 79,406,571 | 79,406,571 | 79,406,571 | 79,406,571 | 79,406,571 | 79,406,571 |
| Earnings per ordinary share, SEK | 1.31 | 0.98 | 2.09 | 1.06 | 2.98 | 2.15 |
| Calculation of return on equity | | | | | | |
| (A) Net profit, LTM, including non-controlling interests | 1,127 | 64 | 1,127 | 64 | 1,127 | 977 |
| Adjustment for preference share dividends, including dividends accrued but not yet paid | -65 | -64 | -65 | -64 | -65 | -64 |
| (B) Net profit, adjusted | 1,061 | 0 | 1,061 | 0 | 1,061 | 913 |
| (C) Average total equity | 2,490 | 2,340 | 2,490 | 2,340 | 2,490 | 2,622 |
| (D) Average adjusted equity | 1,662 | 1,511 | 1,662 | 1,511 | 1,662 | 1,794 |
| (A/C) Return on total equity, % | 45 | 3 | 45 | 3 | 45 | 37 |
| (B/D) Return on adjusted equity, % | 64 | 0 | 64 | 0 | 64 | 51 |
| Calculation of equity ratio, % | | | | | | |
| Equity including non-controlling interests | 1,779 | 2,426 | 1,779 | 2,426 | 1,779 | 3,235 |
| Total assets | 4,909 | 6,949 | 4,909 | 6,949 | 4,909 | 6,506 |
| Equity ratio, % | 36 | 35 | 36 | 35 | 36 | 50 |
| Calculation of operating cash flow and cash conversion, % | | | | | | |
| EBITDA | 240 | 187 | 388 | 286 | 695 | 594 |
| Reversal of IFRS 16 effect | -32 | -26 | -62 | -51 | -119 | -108 |
| (A) EBITDA excl. IFRS 16 effect | 208 | 161 | 326 | 235 | 577 | 486 |
| (B) adjustment for non-cash items | -4 | 7 | -3 | 3 | 11 | 17 |
| Change in working capital* | -91 | 29 | -237 | -53 | -112 | 70 |
| Net investments in property, plant & equipment and intangible assets | -17 | -8 | -26 | -4 | -45 | -23 |
| (C) Operating cash flow | 95 | 188 | 60 | 179 | 431 | 550 |
| (C/A) Cash conversion, % | 46 | 117 | 18 | 76 | 75 | 113 |

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

| Calculation of Net debt/adjusted EBITDA, LTM, x | Apr-Jun 2021 | Apr-Jun 2020 | Jan-Jun 2021 | Jan-Jun 2020 | LTM | Full year 2020 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|------------|---------------------------|
| Net debt | | | | | | |
| Cash & cash equivalents and other interest-bearing assets | -141 | -689 | -141 | -689 | -141 | -1,162 |
| Non-current interest-bearing liabilities | 47 | 648 | 47 | 648 | 47 | 655 |
| Current interest-bearing liabilities | 938 | 934 | 938 | 934 | 938 | 21 |
| Net debt | 844 | 893 | 844 | 893 | 844 | -485 |
| Adjusted EBITDA | 654 | 706 | 654 | 706 | 654 | 637 |
| Net debt/adjusted EBITDA, x | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | -0.8 |

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

| | | | | | | |
|--------------------------------------|------------|------------|------------|------------|------------|------------|
| Current quarter | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | -0.8 |
| Previous quarter | 0.8 | 1.9 | 0.8 | 1.9 | 0.8 | 1.4 |
| Previous quarter -1 | -0.8 | 1.5 | -0.8 | 1.5 | -0.8 | 1.3 |
| Previous quarter -2 | 1.4 | 2.2 | 1.4 | 2.2 | 1.4 | 1.9 |
| Average last four quarters, x | 0.7 | 1.7 | 0.7 | 1.7 | 0.7 | 0.9 |

| ROCE %, 30 June 2021 | Salix Group | Industry | Central costs | Volati Group |
|--|------------------------|-----------------|--------------------------|-------------------------|
| 1) EBITA, LTM | 312 | 278 | -52 | 539 |
| Capital employed, 31 March 2021 | | | | |
| Intangible assets | 1,015 | 772 | | 1,787 |
| Adjustment for goodwill, patent/technology, brands | -1,009 | -749 | | -1,759 |
| Property, plant and equipment | 47 | 214 | | 275 |
| Right-of-use assets | 197 | 294 | | 494 |
| Operating receivables | 1,151 | 993 | | 2,145 |
| Operating liabilities | -604 | -570 | | -1,181 |
| Capital employed, 31 March 2021 | 797 | 954 | | 1,762 |
| Adjustment for average capital employed, LTM | -50 | -129 | 0 | -176 |
| 2) Average capital employed, LTM | 747 | 825 | | 1,586 |
| ROCE excl. GW 1)/2), % | 42 | 34 | | 34 |
| 3) Average capital employed, LTM, incl. goodwill and other intangible assets with indefinite useful lives | 1,655 | 1,313 | | 2,980 |
| ROCE incl. goodwill 1)/3), % | 19 | 21 | | 18 |

| ROCE %, 31 December 2020 | Salix | Industry | Central costs | Volati Group |
|--|--------------|-----------------|----------------------|---------------------|
| 1) EBITA, LTM | 265 | 236 | -51 | 450 |
| Capital employed, 31 December 2020 | | | | |
| 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 | 0 | 1,554 |
| Operating liabilities | -473 | -449 | 0 | -930 |
| Capital employed, 31 December 2020 | 654 | 755 | | 1,421 |
| Adjustment for average capital employed, LTM | 44 | 68 | 0 | 115 |
| 2) Average capital employed, LTM | 698 | 823 | | 1,537 |
| ROCE excl. GW 1)/2), % | 38 | 29 | | 29 |
| 3) Average capital employed, LTM, incl. goodwill and other intangible assets with indefinite useful lives | 1,604 | 1,285 | | 3,317 |
| ROCE incl. goodwill 1)/3), % | 17 | 18 | | 14 |

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 | Apr-Jun 2021 | Apr-Jun 2020 | Jan-Jun 2021 | Jan-Jun 2020 | LTM | Full year 2020 |
|--|-----------------|-----------------|-----------------|-----------------|------------|-------------------|
| Net sales | 5 | 6 | 10 | 12 | 20 | 22 |
| Operating expenses | -14 | -13 | -27 | -26 | -54 | -54 |
| Operating profit ¹⁾ | -9 | -8 | -17 | -15 | -34 | -32 |
| Profit/loss from financial investments | 65 | 197 | 85 | 240 | 153 | 308 |
| Profit after financial items | 55 | 189 | 68 | 225 | 119 | 276 |
| Appropriations | 0 | 0 | 0 | | 30 | 30 |
| Tax for the period | 0 | -6 | -3 | -14 | 11 | 0 |
| Net profit | 55 | 183 | 65 | 211 | 159 | 306 |

Parent Company comprehensive income for the period

| | | | | | | |
|-------------------------------------|----|-----|----|-----|-----|-----|
| Comprehensive income for the period | 55 | 183 | 65 | 211 | 159 | 306 |
|-------------------------------------|----|-----|----|-----|-----|-----|

Parent Company condensed statement of financial position

| SEK million | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 |
|-------------------------------------|----------------|----------------|----------------|
| Non-current assets | 1,215 | 2,036 | 2,127 |
| Current assets | 3,029 | 4,428 | 3,777 |
| Total assets | 4,244 | 6,464 | 5,904 |
| Equity | 2,489 | 3,758 | 3,852 |
| Untaxed reserves | 49 | 48 | 49 |
| Pension obligations | 2 | 1 | 2 |
| Non-current liabilities | 22 | 621 | 620 |
| Current liabilities | 1,682 | 2,035 | 1,382 |
| Total equity and liabilities | 4,244 | 6,464 | 5,904 |

Quarterly overview

| SEK million | Q2 2021 | Q1 2021 | Q4 2020 | Q3 2020 | Q2 2020 | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 |
|--|------------|------------|------------|------------|------------|------------|------------|-------------|------------|
| Operating income | | | | | | | | | |
| Net sales | 1,641 | 1,254 | 1,275 | 1,253 | 1,366 | 1,028 | 1,005 | 1,071 | 1,200 |
| Operating expenses | | | | | | | | | |
| Raw materials and supplies | -1,026 | -757 | -758 | -796 | -885 | -635 | -610 | -687 | -765 |
| Other external costs | -84 | -79 | -85 | -61 | -60 | -71 | -68 | -58 | -66 |
| Personnel expenses | -292 | -273 | -288 | -224 | -234 | -221 | -223 | -194 | -224 |
| Other operating income and expenses | 1 | 3 | -6 | -1 | -1 | -1 | 5 | 11 | 2 |
| Capital gain/loss on sale of Group company | 1 | 0 | - | - | - | - | 0 | - | - |
| EBITDA | 240 | 148 | 137 | 170 | 187 | 100 | 109 | 143 | 148 |
| Depreciation | -48 | -46 | -45 | -44 | -42 | -41 | -39 | -42 | -41 |
| EBITA | 191 | 102 | 92 | 126 | 144 | 59 | 69 | 101 | 107 |
| Acquisition-related amortisation | -8 | -8 | -9 | -7 | -5 | -5 | -5 | -5 | -5 |
| EBIT | 183 | 94 | 83 | 119 | 139 | 53 | 64 | 96 | 102 |
| Finance income and costs | | | | | | | | | |
| Finance income and costs | -23 | -9 | -24 | -20 | -17 | -24 | -20 | -11 | -18 |
| Profit before tax | 161 | 85 | 60 | 99 | 122 | 29 | 44 | 85 | 83 |
| Tax | -32 | -19 | -10 | -21 | -26 | -6 | 4 | -20 | -29 |
| Profit from continuing operations | 129 | 66 | 50 | 78 | 96 | 22 | 49 | 65 | 55 |
| Net profit from discontinued operations | 93 | -13 | 704 | 20 | 16 | -9 | 114 | -290 | 6 |
| Net profit | 221 | 54 | 754 | 97 | 112 | 14 | 163 | -225 | 60 |
| Attributable to: | | | | | | | | | |
| Owners of the Parent | 213 | 50 | 753 | 95 | 111 | 14 | 160 | -206 | 58 |
| Non-controlling interests | 9 | 4 | 0 | 2 | 2 | -1 | 3 | -19 | 3 |

| Net sales, SEK million | Q2 2021 | Q1 2021 | Q4 2020 | Q3 2020 | Q2 2020 | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Salix Group | 898 | 730 | 687 | 675 | 712 | 590 | 518 | 535 | 589 |
| Industry | 744 | 524 | 588 | 578 | 654 | 438 | 487 | 536 | 612 |
| Internal eliminations | -1 | -1 | -1 | 0 | 0 | -1 | 0 | 0 | 0 |
| Total net sales | 1,641 | 1,253 | 1,275 | 1,253 | 1,366 | 1,028 | 1,005 | 1,071 | 1,200 |
| EBITA, SEK million | | | | | | | | | |
| Salix Group | 107 | 65 | 62 | 79 | 86 | 38 | 40 | 50 | 59 |
| Industry | 100 | 50 | 64 | 64 | 77 | 31 | 49 | 51 | 63 |
| Items affecting comparability | -2 | -1 | -20 | -5 | -7 | 3 | -1 | 13 | -1 |
| Central costs | -13 | -12 | -14 | -12 | -12 | -14 | -18 | -13 | -15 |
| Total EBITA | 191 | 102 | 92 | 126 | 144 | 59 | 69 | 101 | 107 |