



Interim report.

January–September 2016

“The strong trend continued in the third quarter. In the most recent 12-month period, net sales increased by 67% to nearly SEK 3.2 billion and EBITA rose 55% to SEK 321m. The strong growth is the result of completed acquisitions as well as a strong organic earnings growth.”

“We completed our fifth acquisition for the year after the close of the reporting period. Our ambition is to maintain our high rate of growth and we have therefore moved forward with our plans to prepare Volati for a new share issue and a listing of the company’s common share.”

Mårten Andersson, CEO

volati.

Interim report Jan–Sep 2016.

Q3 July–September 2016.

- Net sales amounted to SEK 839.1m (584.2)
- EBITDA amounted to SEK 106.9m (75.5)
- EBITA amounted to SEK 89.8m (64.0)
- Net profit after tax amounted to SEK 51.3 (39.6)
- Net profit attributable to the Parent Company's shareholders amounted to SEK 49.5m (33.2)
- Earnings per common share after deduction of preference share dividends amounted to SEK 0.56 (0.42)
- Cash flows from operating activities amounted to SEK 50.5m (93.6)
- On 15 September, the Extraordinary General Meeting (EGM) resolved to carry out a reverse share split and authorise the Board of Directors to make decisions regarding new issues of common shares. Christina Tillman was also elected as a new Board member
- Activities to investigate the possibility of a future listing of Volati's common share are proceeding as planned
- The Board is considering an adjustment of the financial targets, given that a potential new share issue would change the capital structure and support a maintained high rate of acquisitions that would exceed Volati's current growth target

January–September 2016 period.

- Net sales amounted to SEK 2,426.9m (1,456.2)
- EBITDA amounted to SEK 295.2m (179.8)
- EBITA amounted to SEK 245.6m (151.8)
- Net profit after tax amounted to SEK 155.0 (81.1)
- Net profit attributable to the Parent Company's shareholders amounted to SEK 151.6m (57.3)
- Earnings per common share after deduction of preference share dividends amounted to SEK 1.78 (0.89)
- Cash flows from operating activities amounted to SEK 149.6m (112.7)

Events after the reporting period.

- In October 2016, Ettikettoprintcom entered into an agreement to acquire a label printing business with annual sales of SEK 17m. Closing of the business is expected to take place in the first quarter of 2017
- Volati has entered into an agreement to acquire a minority holding of 18% in Volati Parts, the parent company of the Trading Business Area. An acquisition would increase Volati's ownership share to 92.2%. Completion is subject to certain conditions linked to a future listing of Volati's common shares, upon which the intention is for the sellers of the minority holding to acquire common shares in Volati from the main owners for the full purchase price

Key figures.

SEKm	Jul–Sep 2016	Jul–Sep 2015	Jan–Sep 2016	Jan–Sep 2015	Last 12 months	Full-year 2015
Net sales, SEKm	839.1	584.2	2,426.9	1,456.2	3,158.3	2,187.6
EBITDA, SEKm	106.9	75.5	295.2	179.8	390.0	274.5
EBITA	89.8	64.0	245.6	151.8	321.0	227.3
EBITA margin, %	10.7	11.0	10.1	10.4	10.2	10.4
EBIT, SEKm	85.2	60.7	232.7	142.7	304.3	214.3
Net debt/Adjusted EBITDA, ratio	2.1	2.6	2.1	2.6	2.1	2.3
Cash conversion, %	64.4	132.2	69.2	75.4	84.0	94.3
Earnings per common share, SEK	0.56	0.42	1.78	0.89	2.29	1.37
Equity per common share, SEK	3.93	5.79	3.93	5.79	3.93	5.51
Return on equity, %	18.8	7.7	18.8	7.7	18.8	20.1
Weighted Avg. No. of common shares outstanding ¹⁾	59,544,502	40,400,000	58,147,093	40,400,000	53,722,475	40,400,000
Common shares outstanding ¹⁾	59,544,502	40,400,000	59,544,502	40,400,000	59,544,502	40,400,000
Weighted Avg. No. of common shares outstanding after dilution ¹⁾	59,955,001	40,400,000	58,505,156	40,400,000	53,991,268	40,400,000
Number of preference shares outstanding ¹⁾	1,603,774	1,603,774	1,603,774	1,603,774	1,603,774	1,603,774

+55%
EBITA
LTM

84%
Cash
conversion
LTM

1) Expressed in number of shares. In September 2016, a 1:5 reverse share split was carried out, meaning for every five shares held, one share was received.

COMMENTS FROM THE CEO

Strong growth — both organic and acquisition-based.



The strong trend continued in the third quarter. In the most recent 12-month period, net sales increased by 67% to SEK 3,158m and EBITA rose 55% to SEK 321m. The strong growth is the result of completed acquisitions as well as a strong organic earnings growth. For the past five years, Volati has reported average annual organic earnings growth of 11%. We completed our fifth acquisition for the year after the close of the reporting period, and over the past five years, Volati's average acquired growth was 33%. Our ambition is to maintain our high rate of growth and we have therefore moved forward with our plans to prepare Volati for a new share issue and a listing of the company's common share.

A strong quarter

Volati is performing well. Our businesses are continuing to develop strongly and the Group's net sales increased in the third quarter by 44%, while EBITA rose 40% year-on-year. Return on equity improved to 19%, which is close to our target of 20%. The return was impacted by our relatively low level of indebtedness.

A long-term building process

Volati has a robust business model that has delivered value over the long term. We use the strong cash flows generated in our existing business units to acquire companies with proven business models, leading market positions and strong cash flows at reasonable valuations, and develop these with an emphasis on long-term value creation.

Building successful companies is a long-term process for Volati. It involves building on a culture in which we strive to be a little better each day, as well as more innovative and efficient. This approach is yielding results and year to date, our EBITA has grown 36% organically. The outcome may vary between quarters, but we are comfortable in the fact that we have stable underlying growth based on the company's clear vision of where it is headed and what is required to reach this objective.

A systematic approach

Behind the positive trend in our business units is a systematic approach that we have actively developed in the Group. The basis consists of a decentralised governance system distinguished by strong local entrepreneurship combined with clear management and monitoring. All business units

have thorough business plans and clear financial targets. Volati actively participates in Board work in the business units and we complement our own internal experience by adding relevant external Board members. One example of this is Magnus Rosén, formerly CEO of Ramirent, who joined Corroventa's Board of Directors in October.

At the Volati level, we have created processes and tools to capitalise on and share know-how and experience in the Group. Focus areas have included purchasing, pricing and digitalisation. We also have several Group-wide initiatives to recruit and develop employees in the business units. These structures ensure that Volati can continue to grow with limited central resources.

Fifth acquisition of the year

A central part of Volati's strategy is to continue growing through acquisitions of well-managed companies, both as a complement to our existing business units and within entirely new business fields. Following an intensive first six months of 2016, when several companies were added to the Group, we completed yet another add-on acquisition with the acquisition of the e-commerce company Lantbutiken. Furthermore, we entered an agreement to acquire a small label printing business, which will be included in the Ettikettoprintcom business unit, after the close of the period.

We have noted that the acquisition market remains highly competitive. However, Volati's holds a position that allows us to perform, which has been confirmed by our success in completing five acquisitions. Today, we are a recognised and respected counterpart which, in many cases, makes us a prioritised buyer. We also have a flexible organisation that can complete both complex transactions and transactions within a short time frame, at the same time as we are very careful to only make acquisitions that we consider value creating.

Steps toward new share issue and IPO

As previously announced, Volati's Board of Directors has decided to investigate the possibility of a new share issue and a listing of the company's common share on Nasdaq Stockholm. We have now made progress in our planning and, in the context of this process, the Board intends to consider an adjustment of the financial targets for Volati. The reason for this is that a new share issue will alter the capital structure and thus create a platform for continued high acquisition-based growth, in excess of the company's organic growth, and will exceed the current growth targets. In the event of a new share issue, a free float of common shares of approximately 25% is considered. We look forward to moving ahead with a listing of the common share and completing further acquisitions.

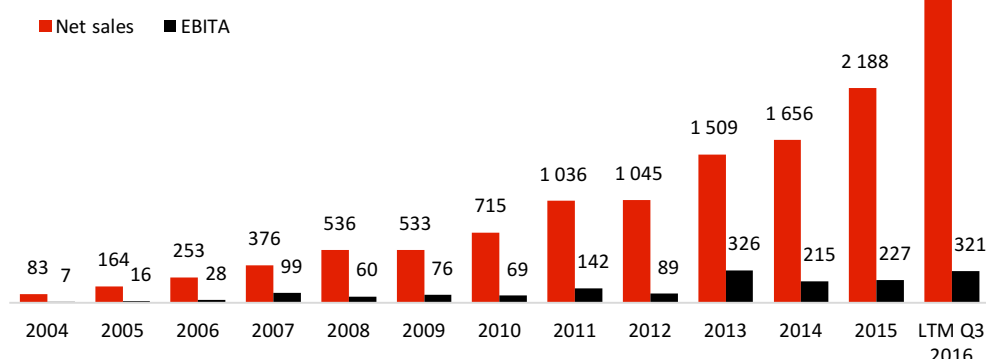
Mårten Andersson, CEO

About Volati.

Volati is a Swedish industrial group that acquires companies with proven business models, leading market positions and strong cash flows at reasonable valuations, and develops these with an emphasis on long-term value creation. Volati's corporate-development strategy is based on retaining the entrepreneurial spirit of companies and supplementing leadership, expertise, processes and financial resources. To identify growth potential and improving cash flows is of great importance.

Since 2003, Volati has built an industrial group that, as of 30 September 2016, comprised some 13 business units with around 40 operating companies that were organised under the three business areas Trading, Consumer and Industry. Volati has operations in 15 countries and a total of 1,195 employees. The financial trend since the start of operations is presented in the adjacent diagram.

Net sales and EBITA trend
2004–2016 LTM, SEK m



Financial targets

- Average growth in EBITA is to exceed 15% per year. A combination of acquisitions and organic growth will be used to meet the growth target. In the third quarter of 2016, EBITA rose 40% year-on-year. In the 1 January 2011–30 September 2016 period, Volati achieved average annual EBITA growth of 41%.
- Average return on equity is to exceed 20% per year. At the end of the third quarter of 2016, the return on equity was 19% for the last 12 months. For the period 1 January 2011–30 September 2016, Volati has achieved an average annual return on equity of 39%.
- Normally, net debt in relation to adjusted EBITDA (“ND/adjusted EBITDA”) for the last 12 months should be a ratio of between 2.0 and 3.5. At the end of the third quarter of 2016, the ND/adjusted EBITDA was 2.1.
- Each year, the preference shares receive a dividend of SEK 40.00. (the 1:5 reverse split completed in September required a recalculation of the dividend). Furthermore, the aim is to pay an annual dividend on the common shares corresponding to between zero and 30% of net profit after tax.
- In the event of a potential listing of the common shares, the Board of Directors will review the financial targets, given that a new share issue would provide the basis for continued high growth.

Consolidated financial trend

+44%
Net sales
Q3 2016

Sales

In the third quarter, consolidated net sales amounted to SEK 839.1m (584.2), corresponding to a year-on-year increase of 43.6%. Growth was driven by strong organic expansion of 13.0% and a positive effect of acquisitions totalling 32.2%. All business areas reported organic growth in the quarter and the acquired growth was attributable to the Trading and Consumer business areas. The exchange-rate effect was negative at 1.6% due to a strengthening of the NOK.

In the first nine months of the year, consolidated net sales were SEK 2,426.9m (1,456.2), corresponding to a year-on-year increase of 66.7%. Growth was driven by strong organic expansion of 15.3% and a positive effect of acquisitions totalling 52.8%. The exchange-rate effect was negative at 1.5% due to a strengthening of the NOK.

+40%
EBITA
Q3 2016

Earnings

In the third quarter, EBITA amounted to SEK 89.8m (64.0), corresponding to an increase of 40.2%. Growth was driven by strong organic expansion of 36.7% and a positive effect of acquisitions totalling 28.4%. The organic growth was mainly an effect of Corroventa's success in the area of rentals in the summer and Besikta Bilprovning's improved margins. The acquired growth was attributable to the Trading Business Area. The exchange-rate effect was negative at 1.6% due to a strengthening of the NOK.

In the first nine months of the year, EBITA amounted to SEK 245.6m (151.8), corresponding to an increase of 61.7%. Growth was driven by strong organic expansion of 35.9% and a positive effect of acquisitions totalling 43.4%. All business areas reported positive organic growth in the first nine months of the year.

Net profit after tax increased 91.1% to SEK 155.0m (81.1) for the first nine months of the year. Net profit after tax attributable to the Parent Company's owners increased to SEK 151.6m (57.3) during the period. The minority share of net sales was SEK 3.4m (23.8).

At the end of the quarter, LTM EBITA amounted to SEK 321.0m (SEK 227.3m for full-year 2015). Adjusted EBITA, including the acquisitions completed in the last 12 months, totalled SEK 331.6m. During the period, earnings were charged with restructuring costs of SEK 16.7m¹ relating to ClearCar, costs for change of lists for the preference share and preparations for a potential listing of the company's common share, termination costs and one-off payment for personnel and an earn-out revaluation.

Ahead of a review of the company's financial targets in conjunction with a potential new share issue, Volati has made certain assumptions regarding the Group's anticipated organic earnings growth in 2017 and has thus assumed that the business will achieve organic EBITA growth of about 5%.

Moreover, Volati expects the company's central costs to be on a par with the level of the twelve-month period ending 30 September 2016 of SEK 39.8m adjusted for items affecting comparability, in the short and medium term.

1) Refer to the note relating to Alternative performance measures under Adjusted EBITA for a specification of the items affecting comparability.

Acquisitions during and after the period

Acquisitions comprise a core element of Volati's strategy for creating long-term value growth and the company continuously evaluates complementary companies and companies in entirely new business areas. In Volati's assessment, risk levels with add-on acquisitions are lower than for acquisitions in new business areas, since in-depth industry know-how and an organisation for receiving the acquired company are already in place.

Lantbutiken AB

In the third quarter, Kellfri, which is included in the Trading Business Area, acquired all shares in Lantbutiken AB, a Swedish e-commerce business with products for use in agriculture and by people living in the countryside. The acquisition of Lantbutiken will contribute to accelerating Kellfri's transition from physical mail order to e-commerce. For the 1 July 2015 to 30 June 2016 period, Lantbutiken reported sales of about SEK 45m, corresponding to year-on-year growth of around 65%. EBITDA was about SEK 2.3m for the same period. The purchase price for Lantbutiken was about SEK 10.2m on a cash-free and debt-free basis. In total, the acquisition is expected to have a marginally positive earnings impact for Volati in the current financial year. All of the shares were acquired as of 25 July 2016.

Acquisition of label printing business

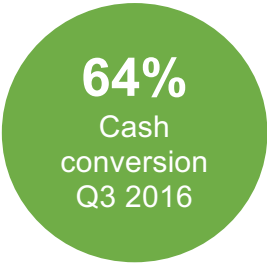
After the close of the period, Ettikettoprintcom entered into an agreement to acquire a label printing business with the planned transfer of the operation to take place in the first quarter of 2017. The acquired operation reported sales of SEK 17m in its most recent financial year ending 30 April 2016. The acquisition is expected to have a marginally positive earnings impact for Volati in the financial years ahead.

Cash flow

Cash flows from operating activities amounted to SEK 50.5m (93.6) in the third quarter. The year-on-year change in cash flows was mainly attributable to an increase in tied-up working capital as a result of a lower share of deferred income for Tornum and Besikta's businesses. Investments in non-current assets in the business units amounted to SEK 6.6m (12.9) and pertained primarily to ongoing investments in machinery and development of certain products and systems. Sales of financial fixed assets totalled SEK 0.2m (-). Cash flow from financing activities totalled a negative SEK 5.9m (pos: 460.7). Cash flow from financing activities was mainly impacted by dividends of SEK 16.0m to holders of preference shares. Total cash flows for the nine-month period were a negative SEK 51.1m (pos: 14.4). Over the last 12 months, cash flows from operating activities were 4.4 times higher than the dividend to preference shareholders over the same period.

Equity

Total equity for the Group amounted to SEK 1,061.9m (1,050.9) at the end of the period. The change in Group equity was attributable to comprehensive income for the period, the adopted dividend to preference shareholders and the dividend paid to holders of common shares. During the first nine months, shareholders' equity increased by SEK 69.0m as a result of the non-cash issue that took place in conjunction with the share swap in January 2016 and was reduced by SEK 104.7m due to the remeasurement of non-controlling interests in conjunction with the restructuring of me&ci ownership and the acquisition of an 18% minority holding in Volati Parts, which is the parent company of the Trading Business Area. During the period, equity attributable to the Parent Company's shareholders adjusted for preference share capital increased from SEK 141.7m at 31 December 2015 to SEK 220.8m at 30 September 2016.



64%
Cash
conversion
Q3 2016

The return on equity for the last 12 months was 18.8% (20.1 for full-year 2015), which represented a minor increase from end of the second quarter. As a result of the completed acquisitions, the equity ratio declined slightly to 33.2% compared with 37.2% at the end of 2015. As a consequence of the share swap completed in January 2016, the number of Volati's issued shares increased and, accordingly, the equity per common share was diluted to SEK 3.93 compared with SEK 5.51 at year-end 2015. On 22 September, the company conducted a reverse split of its preference shares and common shares, meaning that every five shares were consolidated into one share. As a result of the reverse split, the annual dividend per preference share was adjusted from SEK 8.00 to SEK 40.00.

Net debt

At the end of the period, external bank financing totalled SEK 1,001.6m compared with SEK 951.7m at 31 December 2015. Total liabilities amounted to SEK 2,133.6m compared with SEK 1,774.9m at 31 December 2015. At the end of the period, interest-bearing liabilities including pension provisions were SEK 1,100.8m compared with SEK 1,042.5m at 31 December 2015. At 30 September, cash and cash equivalents and unutilised credit facilities amounted to SEK 410.4m, of which SEK 200.0m was the unutilised portion of the overdraft facility, SEK 50m the unutilised portion of the revolving credit facility and SEK 160.4m cash and cash equivalents. Net debt totalled SEK 845.1m (SEK 756.2m at year-end 2015) at the end of the period.

Seasonal variations

Volati's business areas operate in several different branches and markets. Overall, the Group is impacted by seasonal variations in terms of cash flow and earnings, where the fourth quarter generally has the strongest cash flow and the third quarter the strongest earnings, while the first quarter has the lowest cash flow and earnings.

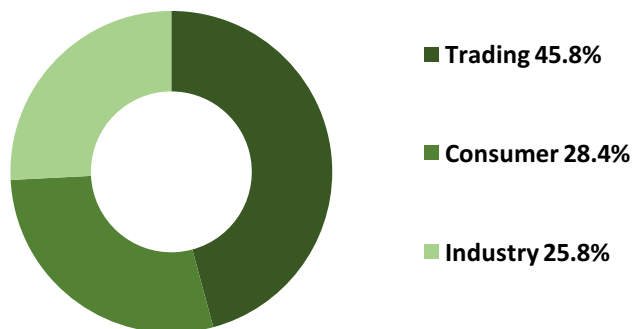
Volati's business areas.

As of the second quarter 2016, Volati's 13 business units and some 40 operating companies are organised in three business areas: Trading, Consumer and Industry.

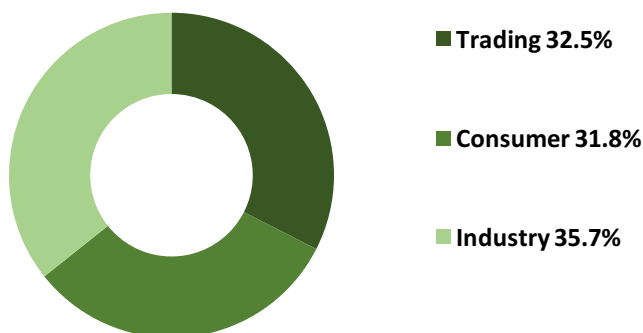
Breakdown of Volati's net sales and earnings by business area

For the October 2015–September 2016¹ period

Sales SEK 3,158m



EBITA SEK 321m



- 1) The business areas' share has not been calculated pro forma for the acquisitions carried out during the year, which is why the acquired operations in the above calculation are only included from the date possession was taken of the respective business and the share is calculated exclusive of central costs.



Trading

The Trading Business Area comprises seven business units with some 15 operating companies in six countries. The business area focuses on three market segments: the building materials sector, home and garden, and agriculture and forestry farmers. The business units under Trading have similar business models and customers, and are integrated through several functions and spheres of cooperation. Three business units share a logistics centre in Malmö, which enables coordination gains through the synchronisation of deliveries, flexibility in staffing schedules and cost advantages through bulk purchasing. Most of the operations also share an IT system, which allows for standardised processes and the coordination of purchases, support and service. Finance and other administrative functions are centrally coordinated, which generates cost advantages and the customer base shared between the business units enables cross sales, cooperation between sellers and the opportunity to offer integrated customer solutions. The business area manager is responsible for coordinating Volati's central support function and for supporting acquisition processes.

Net sales in the third quarter increased to SEK 405.5m (215.1) and EBITA rose to SEK 37.5m (19.6). The strong growth is an effect of the acquisitions carried out over the past 12 months. Lantbutiken was acquired in the third quarter, which contributed to accelerating the transition from physical mail order to e-commerce.

	Jul–Sep 2016	Jul–Sep 2015	Jan–Sep 2016	Jan–Sep 2015	Last 12 months	Full-year 2015
Net sales, SEK m	405.5	215.1	1,120.4	323.4	1,445.2	648.2
EBITDA, SEK m	40.4	21.4	106.7	26.3	136.5	56.1
EBITA, SEK m	37.5	19.6	98.4	22.9	125.4	49.9
EBITA margin, %	9.2	9.1	8.8	7.1	8.7	7.7
EBIT, SEK m	36.1	18.9	94.4	22.1	120.1	47.8



Consumer

The Consumer Business Area comprises three business units with a total of nine operating companies in five countries. The business units focus on various B2C niches and are driven by a combination of strong local entrepreneurship and cooperation in selected areas, such as database marketing, digitisation and e-commerce. The business area manager is responsible for coordinating Volati's central support function and for supporting acquisition processes.

Net sales in the third quarter increased to SEK 219.2m (182.1) and EBITA rose to SEK 23.3m (17.5). During the second quarter, the Besikta Bilprovning business unit acquired ClearCar and the integration is progressing according to plan. While integration costs have had a temporary

negative impact on profitability, the acquired operation is expected to make a positive contribution to the business area's profitability as of the fourth quarter of 2016.

	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Last 12 months	Full-year 2015
Net sales, SEK m	219.2	182.1	688.1	628.9	897.6	838.4
EBITDA, SEK m	30.9	22.1	114.5	96.7	150.3	132.5
EBITA, SEK m	23.3	17.5	92.9	87.3	122.7	117.1
EBITA margin, %	10.6	9.6	13.5	13.9	13.7	14.0
EBIT, SEK m	20.6	15.1	85.1	79.9	112.5	107.4



Industry

The Industry Business Area comprises three business units with a total of 18 operating companies in 13 countries. The business area focuses on various B2B niches and is driven by the combination of strong local entrepreneurship with cooperation in selected areas, such as international expansion, lean manufacturing and HR. The business area manager is responsible for coordinating Volati's central support function and for supporting acquisition processes.

Net sales in the third quarter increased to SEK 214.5m (187.0) and EBITA rose to SEK 47.5m (29.2). The extensive flooding that struck large areas of Europe in the summer resulted in very high demand for Corroventa's equipment for managing water damage, which had a positive impact on profitability in the business area.

	Jul-Sep 2016	Jul-Sep 2015	Jan-Jun 2016	Jan-Jun 2015	Last 12 months	Full-year 2015
Net sales, SEK m	214.5	187.0	618.9	505.0	816.1	702.2
EBITDA, SEK m	53.9	34.1	129.3	73.7	166.4	110.8
EBITA, SEK m	47.5	29.2	110.2	58.8	137.6	86.2
EBITA margin, %	22.1	15.6	17.8	11.6	16.9	12.3
EBIT, SEK m	47.1	28.9	109.2	57.8	136.4	85.0

Head Office

Head Office comprises the Parent Company Volati AB and associated operations including the acquisition costs or other non-operational items arising in the Group. In the third quarter, Head Office posted an EBITA of negative SEK 18.5m (neg: 2.3). During the third quarter, earnings were charged with costs of SEK 7.7m relating primarily to preparations for a potential listing of the company's common share as well as termination costs and one-off payments for personnel.

Other information

Share capital

Volati has two classes of shares – common shares, which are unlisted, and preference shares which have been listed on Nasdaq First North Premier under the symbol VOLO PREF since 8 June 2015. At the end of the third quarter, the number of preference shareholders was 3,415. Each preference share entitles the holder to a preferential annual dividend of SEK 40.00, which is payable in an amount of SEK 10.00 each quarter.

The number of common shares outstanding was 59,544,502 at the end of the period. The share capital amounted to SEK 7.6m at 30 September 2016. In addition, Volati has issued 4,174,570 warrants to senior executives, which carry entitlement to subscription for 834,914 common shares.

Reverse share split

On 22 September, 2016, the company conducted a reverse split of its preference shares and common shares, entailing that every five shares were consolidated into one share. As a result of the reverse split, the dividend on the company's preference share was adjusted so that the dividend per preference share for the remaining dividend dates, until the 2017 Annual General Meeting (AGM), in accordance with the dividend decision made at the 2016 AGM, will total SEK 30.00 per share, to be paid quarterly in an amount of SEK 10.00 per share on each remaining dividend date.

Extraordinary General Meeting

Volati's Extraordinary General Meeting (EGM) held on 15 September 2016 resolved on a reverse split of the company's preference shares and common shares. Furthermore, the EGM resolved to authorise the Board to make decisions regarding new issues of common shares, with the possibility to disapply the shareholders' preferential rights. The reason for disapplying the shareholders' preferential rights was to enable Volati to make payment for acquisitions of companies or operations using treasury shares or to offer shares to investors in connection with the raising of capital and/or diversification of ownership. Moreover, the EGM elected Christina Tillman to replace Anna-Karin Eliasson Celsing as a Board member. Anna-Karin Eliasson Celsing chose to step down from the Board following her appointment as the Director of the Wall-Beijer Foundations.

Nomination Committee

A Nomination Committee for the 2017 AGM has been appointed in accordance with the instructions adopted at the 2016 AGM. The Nomination Committee comprises Carin Wahlén as Chairman representing Patrik Wahlén, Nicklas Granath representing Norron Fonder, and Karl Perlhagen as Chairman of the Board.

2017 Annual General Meeting

Volati AB's 2017 AGM will be held on 18 May 2017 in Stockholm. Shareholders wishing to have matters considered at the AGM should submit their proposals in writing to info@volati.se or to Volati AB (publ), Att: CFO, Englebredsplan 1, SE-114 34 Stockholm, Sweden. To be certain that a proposal will be included in the notice of the meeting, requests must be submitted not later than seven weeks prior to the AGM. Further information on how and when to provide notice to attend will be published in advance of the AGM.

Shareholder structure 30 September 2016

Voting rights and percentage of share capital

Class of shares	Number	Voting rights per share	No. of votes	Share of votes	Percentage of share capital
Common shares	59,544,502	1.0	59,544,502	99.7%	97.4%
Preference shares	1,603,774	0.1	160,377	0.3%	2.6%
Total	61,148,276		59,704,879	100.0%	100.0%

Shareholders by country

	Number	Share of votes
Sweden	3,354	99.96%
Other countries	61	0.04%
Total	3,415	100.0%

Number of shareholders

Number of shares	Number of shareholders
1-500	3,136
501-1 000	132
1,001-10,000	121
10,001-	26
Total	3,415

Shareholder structure ¹⁾

Name	Number of shares		Share of	
	Common shares	Preference shares	Share capital	Votes
Karl Perlhagen ²⁾	34,440,000	204,173	56.67%	57.72%
Patrik Wahlén	19,391,782	8,929	31.73%	32.48%
Mårten Andersson	2,856,360	1,887	4.67%	4.78%
Mattias Björk	2,856,360	1,887	4.67%	4.78%
Nordea Livförsäkring Sverige AB	-	254,763	0.42%	0.04%
Försäkringsaktiebolaget Avanza Pension	-	132,248	0.22%	0.02%
SEB S.A. UCITS	-	70,233	0.11%	0.01%
Nordnet Pensionsförsäkring AB	-	55,007	0.09%	0.01%
Skandinaviska Enskilda Banken S.A.	-	48,716	0.08%	0.01%
Aktiebolag 1909 Gruppen	-	44,940	0.07%	0.01%
JPMorgan Luxembourg	-	30,000	0.05%	0.01%
Catella Bank Filial	-	23,894	0.04%	0.00%
Fibonacci Asset Management	-	22,384	0.04%	0.00%
Ulf Jonsson	-	22,085	0.04%	0.00%
Nordea Investment Funds	-	20,727	0.03%	0.00%
Total, 15 largest shareholders	59,544,502	941,873	98.92%	99.87%
Other shareholders	-	661,901	1.08%	0.13%
Total	59,544,502	1,603,774	100.00%	100.00%

1) The shareholder structure is based on information from Euroclear Sweden as of 30 September 2016.

2) Includes ownership exercised directly or indirectly through companies.

Related-party transactions

In conjunction with the share swap completed 16 January 2016, further legal simplification of the Group structure was carried out, whereby a smaller shareholding in Urb-it AB was divested to Volati shareholders for SEK 3.6m with no effect on the results and the shares outstanding in the part-owned subsidiary Volati Ventures AB, which were owned by shareholders of Volati AB, were acquired for SEK 20,600. In January 2016, Corroventa's CEO Per Ekdahl acquired 4.0% of the shares in Corroventa. All related-party transactions were carried out at market rates. No other material transactions with related parties took place in the third quarter aside from the information presented in the 2015 Annual Report.

Preparations for share issue and listing of the common share

In the second-quarter 2016 interim report, it was announced that Volati's Board of Directors had decided to investigate the possibility of a new share issue and a listing of the company's common share on Nasdaq Stockholm. This work is proceeding according to plan. In conjunction with the preparations, the Board of Directors will consider an adjustment of the financial targets, given that a new share issue would provide the basis for continued high growth, both organic and through acquisitions, that would exceed the current growth targets. In the event of a new share issue, a free float of common shares of approximately 25% is considered.

Events after the close of the reporting period

After the close of the period, Ettikettoprintcom entered into an agreement to acquire a label printing business with the planned transfer of the operation to take place in the first quarter of 2017. The acquired operation reported sales of SEK 17m in its most recent financial year ending 30 April 2016. The acquisition is expected to have a marginally positive earnings impact for Volati in the financial years ahead.

Volati has entered into an agreement to acquire a minority holding of 18% in Volati Parts, the Parent Company of the Trading Business Area, for a purchase price of SEK 80m. An acquisition would increase Volati's ownership share to 92.2%. Transfer of the holding is subject to certain conditions linked to a future listing of Volati's common shares, whereupon the seller of the minority holding would acquire common shares in Volati from the main owners for the full purchase price.

Financial calendar

- | | |
|-------------------------------|------------------|
| • Year-end report 2016 | 21 February 2017 |
| • Interim report Q1 2017 | 11 May 2017 |
| • Annual General Meeting 2017 | 18 May 2017 |
| • Interim report Q2 2017 | 17 August 2017 |
| • Interim report Q3 2017 | 9 November 2017 |
| • Year-end report 2017 | 22 February 2018 |

Distribution of dividend to preference shareholders

Each preference share entitles the holder to a preferential annual dividend of SEK 40.00, which is payable in an amount of SEK 10.00 each quarter. The following table sets out the dates for payment of the preference share dividends:

November 2016

- | | |
|---|-----------------|
| • Last day of trading before the share goes ex-dividend | 2 November 2016 |
| • The record date for dividend payments | 4 November 2016 |
| • The expected date for payments from Euroclear | 9 November 2016 |

February 2017

- | | |
|---|-----------------|
| • Last day of trading before the share goes ex-dividend | 1 February 2017 |
| • The record date for dividend payments | 3 February 2017 |
| • The expected date for payments from Euroclear | 8 February 2017 |

May 2017

- | | |
|---|-------------|
| • Last day of trading before the share goes ex-dividend | 3 May 2017 |
| • The record date for dividend payments | 5 May 2017 |
| • The expected date for payments from Euroclear | 10 May 2017 |

The Board of Directors and the CEO hereby certify that the interim report provides a fair view of the Parent Company's and the Group's operations, position and performance and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Volati AB (publ)
The Board of Directors and CEO
Stockholm 7 November 2016

Karl Perlhagen
Chairman of the Board

Patrik Wahlén
Board member

Björn Garat
Board member

Louise Nicolin
Board member

Christina Tillman
Board member

Mårten Andersson
CEO

This interim report was subject to review by the company's auditors, see the auditors' Report of Review on page 31.

The information contained in this report is such that Volati AB is obliged to disclose under the Market Abuse Regulation (MAR). This information was submitted for publication through the agency of the contact person set out below, at 7:00 a.m., 7 November 2016.

For more information, please contact:

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Financial statements.

Consolidated income statement

SEK m	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Last 12 months	Full-year 2015
Operating revenue						
Net sales, SEK m	839.1	584.2	2,426.9	1,456.2	3,158.3	2,187.6
Operating costs						
Raw materials and supplies	-414.7	-282.2	-1,175.4	-579.3	-1,529.1	-933.1
Other external costs	-129.3	-99.5	-383.8	-307.5	-489.4	-413.0
Personnel costs	-188.6	-136.8	-570.1	-405.1	-747.0	-582.1
Other operating revenue	2.3	10.8	5.6	16.7	7.3	18.4
Other operating costs	-2.0	-1.1	-8.1	-1.2	-10.2	-3.3
EBITDA	106.9	75.5	295.2	179.8	390.0	274.5
Depreciation	-17.1	-11.4	-49.6	-27.9	-68.9	-47.2
EBITA	89.8	64.0	245.6	151.8	321.0	227.3
Acquisition-related amortisations and write-downs	-4.6	-3.4	-12.9	-9.2	-16.7	-12.9
EBIT	85.2	60.7	232.7	142.7	304.3	214.3
Financial income and costs						
Financial income	4.8	6.3	15.6	16.0	22.2	22.6
Financial costs	-18.3	-18.4	-49.7	-53.1	-72.3	-75.6
Profit before tax	71.8	48.6	198.5	105.6	254.3	161.3
Tax	-20.5	-9.0	-43.5	-24.5	-54.4	-35.4
Net profit	51.3	39.6	155.0	81.1	199.9	125.9
Attributable to:						
Parent Company's owners	49.5	33.2	151.6	57.3	187.0	92.7
Non-controlling interests	1.8	6.4	3.4	23.8	12.9	33.3
Earnings per common share, SEK ¹⁾	0.56	0.42	1.78	0.89	2.29	1.37
Earnings per common share after dilution, SEK	0.56	0.42	1.77	0.89	2.28	1.37
No. of common shares	59,544,502	40,400,000	59,544,502	40,400,000	59,544,502	40,400,000
No. of common shares after dilution	60,379,416	40,400,000	60,379,416	40,400,000	60,379,416	40,400,000
Avg. No. of common shares	59,544,502	40,400,000	58,147,093	40,400,000	53,722,475	40,400,000
Avg. No. of common shares after dilution	59,955,001	40,400,000	58,505,156	40,400,000	53,991,268	40,400,000
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 ²⁾	10.00	10.00	20.00	10.00	40.00	20.00

1) Calculation of the earnings per common share deducts preference share dividends of SEK 16.0m per quarter for the period after 8 June 2015.

2) The annual preference share dividend totals SEK 40.00 per preference share and is paid in an amount of SEK 10.00 per quarter.

Consolidated statement of comprehensive income

SEK m	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Last 12 months	Full-year 2015
Net profit	51.3	39.6	155.0	81.1	199.9	125.9
Other comprehensive income						
Translation differences for the period	28.0	-13.8	49.7	-20.6	36.5	-33.7
Other comprehensive income for the period	28.0	-13.8	49.7	-20.6	36.5	-33.7
Total comprehensive income for the period	79.3	25.8	204.7	60.5	236.4	92.2
Total comprehensive income for the period attributable to:						
Parent Company's owners	76.9	27.2	200.1	48.1	229.0	77.0
Non-controlling interests	2.4	-1.4	4.6	12.4	7.4	15.2

Key figures²

	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Last 12 months	Full-year 2015
Net sales, SEK m	839.1	584.2	2,426.9	1,456.2	3,158.30	2,187.6
Net sales growth, %	43.6	32.1	66.7	19.7	66.6	32.1
Organic growth in net sales, %	13.0	0.2	15.3	-1.7	12.2	4.6
EBITDA, SEK m	106.9	75.5	295.2	179.8	390	274.5
Adjusted EBITDA, SEK m	411.8	329.3	411.8	329.3	411.8	332.9
EBITA, SEK m	89.8	64.0	245.6	151.8	321	227.3
EBITA margin, %	10.7	11.0	10.1	10.4	10.2	10.4
EBITA growth, %	40.2	-9.6	61.7	-5.5	55.5	5.6
Adjusted EBITA, SEK m	339.7	286.9	339.7	286.9	339.7	280.7
EBITA excl. central costs and items affecting comparability, SEK m	108.3	66.3	301.5	169.0	385.6	253.1
Organic EBITA growth, %	36.7	-59.7	35.9	-37.0	24.4	-20.1
EBIT, SEK m	85.2	60.7	232.7	142.7	304.3	214.3
Earnings per common share before dilution, SEK	0.56	0.42	1.78	0.89	2.29	1.37
Earnings per common share after dilution, SEK	0.55	0.42	1.77	0.89	2.28	1.37
Equity per common share, SEK	3.93	5.79	3.93	5.79	3.93	5.51
Return on equity, % ¹⁾	18.8	7.7	18.8	7.7	18.8	20.1
Return on adjusted equity, %	58.0	12.1	58.0	12.1	58.0	41.9
Equity ratio, %	33.2	36.7	33.2	36.7	33.2	37.2
Cash conversion, %	64.4	132.2	69.2	75.4	84.0	94.3
Adjusted cash conversion, %	66.7	141.6	71.3	90.8	86.4	105.6

Operating cash flow, SEK m	68.9	99.8	204.2	135.4	327.5	258.8
Adjusted operating cash flow, SEK m	71.3	106.9	210.4	163.3	337.0	289.9
Net debt/EBITDA, ratio	2.1	2.6	2.1	2.6	2.1	2.3
No. of employees	1,195	1,037	1,195	1,037	1,195	1,038
No. of common shares outstanding	59,544,502	40,400,000	59,544,502	40,400,000	59,544,502	40,400,000
No. of common shares outstanding after dilution	60,379,416	40,400,000	60,379,416	40,400,000	60,379,416	40,400,000
Weighted Avg. No. of common shares outstanding	59,544,502	40,400,000	58,147,093	40,400,000	53,722,475	40,400,000
Weighted Avg. No. of common shares outstanding after dilution	59,955,001	40,400,000	58,505,156	40,400,000	53,991,268	40,400,000
No. of preference shares outstanding	1,603,774	1,603,774	1,603,774	1,603,774	1,603,774	1,603,774

- 1) The calculation of earnings per common share deducts preference share dividends during the period of SEK 16.0m per quarter for the period after 8 June 2015.
- 2) All performance measures, except for net sales and earnings per share, are non-IFRS performance measures — refer to the Alternative performance measures section below.

Quarterly summary

SEK m	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Operating revenue									
Net sales	839.1	926.5	661.3	731.4	584.2	467.3	404.7	439.2	442.3
Operating costs									
Raw materials and supplies	-414.7	-450.8	-309.9	-353.8	-282.2	-167.5	-129.7	-144.7	-159.6
Other external costs	-129.3	-135.4	-119.2	-105.6	-99.5	-105.4	-102.6	-95.2	-89.6
Personnel costs	-188.6	-208.2	-173.3	-176.9	-136.8	-137.6	-130.8	-135.7	-114.0
Other operating revenue	2.3	2.7	0.7	1.7	10.8	5.7	0.2	0.6	0.9
Other operating costs	-2.0	-0.1	-6.0	-2.1	-1.1	0.0	-0.1	-1.1	-0.5
EBITDA	106.9	134.8	53.5	94.7	75.5	62.6	41.7	63.1	79.5
Depreciation	-17.1	-17.4	-15.1	-19.3	-11.4	-8.4	-8.1	-8.5	-8.7
EBITA	89.8	117.4	38.4	75.4	64.0	54.2	33.6	54.6	70.8
Acquisition-related amortisations and write-downs	-4.6	-4.5	-3.9	-3.8	-3.4	-2.9	-2.9	-4.6	-1.6
Goodwill impairment	-	-	-	-	-	-	-	-52.5	-
EBIT	85.2	112.9	34.5	71.6	60.7	51.3	30.7	-2.5	69.2
Financial income and costs									
Financial income	4.8	6.5	4.2	6.6	6.3	8.5	1.1	-4.2	7.3
Financial costs	-18.3	-16.8	-14.6	-22.5	-18.4	-19.7	-15.0	-39.1	-23.4
Profit/loss before tax	71.8	102.6	24.1	55.7	48.6	40.2	16.8	-45.8	53.1
Tax	-20.5	-16.3	-6.8	-10.9	-9.0	-9.3	-6.2	14.2	-13.0
Net profit/loss	51.3	86.4	17.4	44.8	39.6	30.9	10.6	-31.6	40.1
Attributable to:									
Parent Company's owners	49.5	84.6	17.5	35.4	33.2	21.3	2.8	-27.5	26.4
Non-controlling interests	1.8	1.8	-0.1	9.4	6.4	9.6	7.8	-4.2	13.7

Consolidated statement of financial position

SEK m	30 Sep 2016	30 Sep 2015	31 Dec 2015
ASSETS			
Non-current assets			
Intangible assets	1,849.3	1,699.2	1,688.6
Tangible fixed assets	195.3	173.4	180.2
Financial fixed assets	7.7	21.4	20.3
Deferred tax assets	47.7	23.6	32.8
Total non-current assets	2,100.1	1,917.5	1,921.9
Current assets			
Inventories	402.0	362.6	327.7
Current assets	533.0	450.4	375.8
Current interest-bearing securities	0.0	0.7	-
Cash and cash equivalents	160.4	162.7	200.4
Total current assets	1,095.4	976.5	903.8
Total assets	3,195.5	2,894.0	2,825.8
EQUITY AND LIABILITIES			
Equity			
Share capital	7.6	5.3	5.3
Other capital contributions	828.1	829.1	828.1
Other reserves	34.6	-7.4	-13.9
Retained earnings including net profit	178.6	104.6	150.3
Non-controlling interests	12.9	131.0	81.1
Total equity	1,061.9	1,062.6	1,050.9
Liabilities			
Non-current interest-bearing liabilities	1,028.1	940.4	908.1
Non-current non-interest-bearing liabilities	160.0	10.0	66.3
Pension provisions	2.1	77.7	1.8
Contingent liabilities	5.3	4.7	4.9
Deferred tax liabilities	120.7	107.5	111.7
Total non-current liabilities	1,316.2	1,140.3	1,092.8
Current interest-bearing liabilities	70.6	84.4	132.6
Current non-interest-bearing liabilities	746.8	606.6	549.5
Total current liabilities	817.4	691.0	682.1
Total liabilities	2,133.6	1,831.3	1,774.9
Total equity and liabilities	3,195.5	2,894.0	2,825.8

Consolidated cash flow statement

SEK m	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Last 12 months	Full-year 2015
Operating activities						
Profit after financial items	71.8	48.6	198.5	105.6	254.3	161.3
Adjustments for non-cash items, etc.	27.9	16.7	81.8	56.0	122.2	96.4
Interest paid	-8.3	-4.2	-26.1	-37.2	-33.8	-45.0
Interest received	0.1	0.4	0.6	0.7	1.1	1.2
Income tax paid	-9.1	-4.9	-37.8	-22.2	-34.1	-18.5
Cash flows from operating activities before changes in working capital	82.3	56.6	217.0	102.8	309.7	195.5
Cash flows from changes in working capital						
Change in inventories	2.4	13.0	-43.9	-14.9	-11.2	17.9
Change in operating receivables	44.5	-10.1	-74.6	-51.8	-39.2	-16.4
Change in operating liabilities	-78.7	34.1	51.1	76.5	24.6	50.0
Cash flows from changes in working capital	-31.8	37.0	-67.4	9.9	-25.8	51.4
Cash flows from operating activities	50.5	93.6	149.6	112.7	283.9	247.0
Investing activities						
Investments in tangible and intangible assets	-6.6	-12.9	-24.8	-55.0	-38.3	-68.5
Divested tangible and intangible assets	0.3	0.2	1.1	0.8	1.6	1.4
Investments in subsidiaries	-9.3	-587.9	-136.1	-601.5	-140.4	-605.8
Investments in financial assets	-0.2	-	-0.2	-3.0	-1.7	-4.5
Divested financial assets	0.2	-	10.0	-	13.4	3.4
Divested subsidiaries	0.0	-	-	14.1	-	14.1
Cash flow from investing activities	-15.6	-600.6	-150.0	-644.5	-165.5	-660.0
Financing activities						
Dividend paid on preference share	-16.0	-16.0	-48.1	-32.0	-64.2	-48.1
Dividend paid on common share	-	-	-24.5	-	-24.5	-
New share issue	-	-20.5	1.0	823.0	1.1	823.1
Shareholders' contributions	-	12.9	0.5	12.9	0.5	12.9
Change in pension liability	-	-	-	-	-77.6	-77.6
Change in borrowings	10.2	484.3	20.3	-257.7	40.1	-237.9
Cash flow from financing activities	-5.9	460.7	-50.8	546.2	-124.6	472.4
Cash flow for the period	29.1	-46.3	-51.1	14.4	-6.2	59.3
Opening cash and cash equivalents	125.1	215.4	200.4	156.2	162.7	156.2
Exchange-rate differences in cash and cash equivalents	6.2	-6.4	11.1	-7.8	3.8	-15.1
Closing cash and cash equivalents	160.4	162.7	160.4	162.7	160.4	200.4

Consolidated statement of changes in equity

SEK m	Share capital	Other capital contributions	Other reserves	Retained earnings incl. net income	Non-controlling interests	Total equity
Opening balance 1 Jan 2015	5.1	-	1.8	119.1	73.4	199.4
Comprehensive income for the period	-	-	-15.7	92.7	15.3	92.2
Dividends	-	-	-	-72.2	-7.9	-80.2
New issue of preference shares	0.2	828.1	-	-	-	828.3
Shareholders' contributions	-	-	-	5.9	58.0	63.9
Remeasurement of non-controlling interests	-	-	-	6.1	-58.3	-52.3
Other transactions with owners	-	-	-	-1.1	0.7	-0.5
Closing balance 31 Dec 2015	5.3	828.1	-13.9	150.3	81.1	1,050.8

SEK m	Share capital	Other capital contributions	Other reserves	Retained earnings incl. net income	Non-controlling interests	Total equity
Opening balance 1 Jan 2015	5.1	-	1.8	119.1	73.4	199.4
Comprehensive income for the period	-	-	-9.2	57.3	12.4	60.5
Dividends	-	-	-	-71.7	-8.5	-80.2
New issue of preference shares	0.2	828.8	-	-	-	829.0
Shareholders' contributions	-	-	-	6.4	57.5	63.9
Transactions with owners	-	-	-	-6.2	-3.8	-10.0
Closing balance 30 Sep 2015	5.3	828.8	-7.4	104.9	131.0	1,062.6

SEK m	Share capital	Other capital contributions	Other reserves	Retained earnings incl. net income	Non-controlling interests	Total equity
Opening balance 1 Jan 2016	5.3	828.1	-13.9	150.3	81.1	1,050.9
Comprehensive income for the period	-	-	48.5	151.6	4.6	204.7
Dividends	-	-	-	-88.6	-	-88.6
Non-cash issue ¹⁾	2.4	-	-	69.0	-71.6	-0.2
Warrants issue	-	-	-	1.0	-	1.0
Remeasurement of non-controlling interests	-	-	-	-104.7	-1.6	-106.3
Other transactions with owners	-	-	-	0.0	0.5	0.5
Closing balance 30 Sep 2016	7.6	828.1	34.6	178.6	12.9	1,061.9

1) Pertains to the issue completed in January 2016 in conjunction with a swap of Volati 2 AB shares to Volati AB shares.

Notes to the consolidated accounts:

Note 1 Accounting policies

This interim report has been prepared in accordance with IAS 34. The accounting policies are based on the International Financial Reporting Standards as adopted by the EU. Furthermore, the appropriate provisions of the Swedish Annual Accounts Act have been applied. No significant changes have occurred in the accounting policies compared with the 2015 Annual Report, with the exception of the introduction of segment reporting, which is set out under Note 3. This interim report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. Some figures in this report have been rounded off, which means that certain tables do not always add up correctly. This applies where figures are stated in thousands, millions or billions. Pages 1-16 of this report comprise an integrated part of the interim report.

Note 2 Risks and uncertainties

A detailed description of the Group's material risks and uncertainties is provided in the 2015 Annual Report. No significant, new or changed risks and uncertainties have been identified following the publication of the 2015 Annual Report.

Note 3 Segment reporting

During the second quarter, Volati organised its eight subsidiary groups into three business areas based on type of activities. The Trading Business Area includes operations previously reported under Lomond Industrier and Kellfri. The Consumer Business Area includes operations previously reported under Besikta, NaturaMed Pharma and me&i. The Industry Business Area includes operations previously reported under Corroventa, Ettikettoprintcom and Tornum.

	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Last 12	Full-year	Full-year	Full-year
	2016	2015	2016	2015	months	2015	2014	2013
Net sales, SEK m								
Trading	405.5	215.1	1,120.4	323.4	1,445.2	648.2	205.3	178.2
Consumer	219.2	182.1	688.1	628.9	897.6	838.4	798.7	397.8
Industry	214.5	187.0	618.9	505.0	816.1	702.2	615.4	653.8
Divested operations	-	-	-	-	-	-	36.2	279.6
Internal eliminations	0.0	0.0	-0.5	-1.2	-0.5	-1.2	-	-
Total net sales	839.1	584.2	2,426.9	1,456.2	3,158.3	2,187.6	1,655.6	1,509.4

	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Last 12	Full-year	Full-year	Full-year
	2016	2015	2016	2015	months	2015	2014	2013
EBITDA, SEK m								
Trading	40.4	21.4	106.7	26.3	136.5	56.1	20.6	7.2
Consumer	30.9	22.1	114.5	96.7	150.3	132.5	158.7	63.2
Industry	53.9	34.1	129.3	73.7	166.4	110.8	93.7	100.8
Divested operations	-	-	-	-	-	-	3.4	26.5
Capital gain — divestment TeamOlmed	-	-	-	-	-	-	-	189.0
Parent Company/Other	-18.3	-2.2	-55.3	-16.9	-63.3	-24.9	-27.5	-28.2
Total EBITDA	106.9	75.5	295.2	179.8	390.0	274.5	249.0	358.6

EBITA, SEK m	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Last 12	Full-year	Full-year	Full-year
	2016	2015	2016	2015	months	2015	2014	2013
Trading	37.5	19.6	98.4	22.9	125.4	49.9	18.1	5.5
Consumer	23.3	17.5	92.9	87.3	122.7	117.1	148.9	55.9
Industry	47.5	29.2	110.2	58.8	137.6	86.2	75.3	84.1
Divested operations	-	-	-	-	-	-	0.8	20.1
Capital gain — divestment TeamOlmed	-	-	-	-	-	-	-	189.0
Parent Company/Other	-18.5	-2.3	-55.9	-17.1	-64.6	-25.8	-27.8	-28.4
Total EBITA	89.8	64.1	245.6	151.8	321	227.3	215.3	326.1
Acquisition-related amortisations and write-downs	-4.6	-7.2	-12.9	-9.2	-16.8	-12.9	-7.7	-6.9
Goodwill impairment	-	-	-	-	-	-	-52.5	-
Net financial items	-13.5	-28.0	-34.1	-37.1	-50	-53.0	-93.7	-52.3
Profit before tax	71.8	28.9	198.5	105.6	254.3	161.3	61.3	267.0

EBIT, SEK m	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Last 12	Full-year	Full-year	Full-year
	2016	2015	2016	2015	months	2015	2014	2013
Trading	36.1	18.9	94.4	22.1	120.1	47.8	17.7	5.1
Consumer	20.6	15.1	85.1	79.9	112.5	107.4	143.2	55.9
Industry	47.1	28.9	109.2	57.8	136.4	85.0	73.6	82.2
Divested operations	-	-	-	-	-	-	0.6	15.5
Capital gain — divestment TeamOlmed	-	-	-	-	-	-	-	189.0
Goodwill impairment	-	-	-	-	-	-	-52.5	-
Parent Company/Other	-18.3	-2.3	-56.0	-17.2	-64.7	-25.9	-27.6	-28.4
Total EBIT	85.5	60.7	232.7	142.7	304.3	214.3	155.1	319.3

Note 4 Business and company acquisitions

During the January-September period, Volati acquired four companies: Ventotech AB, Pagnol Gruppen AB, ClearCar AB and Lantbutiken AB.

Ventotech was acquired 1 March 2016 and comprises an add-on acquisition to Corroventa's operations in the Industry Business Area which provides patents, systems and know-how regarding controlled ventilation of confined spaces, such as unheated attics, to avoid moisture damage. The acquisition allows the strengthening of Corroventa's offering to construction and decontamination companies in the Nordic region. In 2015, Ventotech AB recorded sales of SEK 0.3m.

Pagnol Gruppen AB was acquired 16 May 2016. The acquisition is part of a long-term strategy to broaden activities in the Trading Business Area through a presence in new market segments, thereby broadening the customer base and the product offering in home and garden as well as generating greater leverage of the warehouse and logistics platform. Pagnol Gruppen AB includes Bröderna Berglund AB and Miljöcenter i Malmö AB, which are leading home and garden product suppliers. In 2015, Pagnol Gruppen AB posted sales of about SEK 100m.

ClearCar AB was acquired 8 April 2016. The acquisition of ClearCar was an add-on acquisition to Besikta Bilprovning's operations under the Consumer Business Area. The acquisition strengthened Besikta's position in compulsory

inspections of motor vehicles and provides potential to increase growth and profitability. ClearCar reported sales of approximately SEK 82m in 2015.

Lantbutiken AB, acquired on 25 July 2016, is a Swedish e-commerce business with products for use in agriculture and by people living in the countryside. Lantbutiken represents an add-on acquisition for the Kellfri business unit, which is operated under the Trading Business Area, and will contribute to accelerating Kellfri's transition from physical mail order to e-commerce.

After the close of the reporting period, Ettikettprintcom entered into an agreement to acquire a label printing business. Transfer of the business is expected to take place in the first quarter of 2017. The operation to be acquired reported sales of SEK 17m in its most recent financial year ending in April 2016.

Balance sheet impact of acquisitions, SEK m	30 Sep 2016
Intangible assets	39.0
Tangible fixed assets	30.5
Deferred tax assets	8.0
Inventories	25.5
Accounts receivable	19.2
Other receivables	6.1
Cash and cash equivalents	26.8
Deferred tax liabilities	-12.9
Non-current interest-bearing liabilities	-3.4
Current interest-bearing liabilities	-19.5
Current liabilities	-46.7
	72.7
Goodwill	91.1
Acquisition value	163.9
Unpaid earn-out	-0.9
Cash and cash equivalents in acquired operations on acquisition date	-26.8
Impact on consolidated cash and cash equivalents	136.1

Since their acquisition, the acquired companies' sales in 2016 were SEK 85.5m, EBITDA totalled SEK 8.0m, EBITA amounted to SEK 4.6m and the operating loss was SEK 3.9m. Restructuring costs attributable to the acquired companies since the acquisitions of SEK 7.2m were charged to earnings. In addition, transaction costs for the acquisitions of SEK 1.4m were charged to consolidated earnings and integration costs of SEK 3.9m impacted earnings. If the acquisitions had been consolidated as of 1 January 2016, including the restructuring costs of SEK 7.2m and integration costs of SEK 3.9m, their contribution to the consolidated income statement would have been: sales of SEK 165.3m for the first nine months of 2016 and SEK 69.7m for Q3 2016; EBITDA of negative SEK 1.2m for the first nine months of 2016 and SEK 5.9m for Q3 2016; EBITA of negative SEK 7.0m for the first nine months of 2016 and SEK 3.6m for Q3 2016; and an operating loss of SEK 7.7m for the first nine months of 2016 and SEK 4.4m for Q3 2016. Goodwill corresponding to SEK 91.1m that arose in connection with the transaction is the result of several factors that cannot be individually quantified. The most important of these are the synergies that Volati expects to achieve when these add-on acquisitions are merged with existing operations. Goodwill is also attributable to the personnel in the acquired companies.

Note 5 Alternative performance measures

The new guidelines from the European Securities and Markets Authority (ESMA) regarding alternative performance measures entered force for the 2016 financial year. Therefore, Volati is publishing an explanation of how these performance measures should be used, definitions and comparisons between the alternative performance measures and reporting in line with IFRS.

The financial reports published by Volati specify the alternative performance measures used, which supplement the metrics defined or specified in the applicable rules for financial reporting, such as revenue, profit or loss and earnings per share. Alternative performance measures 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 alternative performance measures is that they must be used by management to assess financial performance and can thus be considered to give analysts and other stakeholders valuable information. To provide preference shareholders with data regarding the relationship between cash flows from operating activities and the dividends to which preference shareholders are entitled, Volati has chosen to highlight the cash flow/preference dividend ratio since it is deemed important for these shareholders' analysis of Volati.

Volati regularly uses alternative performance measures as a complement to the key metrics that comprise generally accepted accounting policies. The alternative performance measures 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 alternative performance measures is presented separately below.

Non-IFRS APMs and key metrics	Description	Reasoning
Organic growth in net sales	Calculated as net sales, adjusted for total acquired and divested net sales and exchange-rate effects, during the period compared with net sales in the year-earlier period, as if the business unit in question had been owned in the comparative period.	This metric is used by the management to monitor the underlying growth in net sales of existing operations.
Adjusted net sales	This is calculated as net sales for the last 12-month period at the relevant reporting date for the companies included in the Group as of the reporting date, as if the companies had been owned for the past 12 months.	Together with adjusted EBITA, adjusted net sales and adjusted EBITDA provide management and investors with a picture of the size of the operations included in the Group at the reporting date.
EBITDA	Earnings before interest, tax, amortisation, depreciation and impairment.	Together with EBITA, EBITDA provides an image of the profit generated by operating activities.
Adjusted EBITDA	This is calculated as EBITDA L12 for the companies included in the Group at the reporting date, as if the companies had been owned for the last 12-month period and adjusted for transaction-related costs, restructuring costs, remeasurements of earn-outs, capital gains/losses on the sale of operations and other revenue and costs deemed of a non-recurring nature.	Together with adjusted net sales and adjusted EBITA, adjusted EBITDA provides management and investors with a picture of the size of the operations included in the Group at the reporting date.
EBITA	Earnings before interest, tax and acquisition-related amortisations and write-downs.	Together with EBITDA, EBITA provides an image of the profit generated by operating activities.
Adjusted EBITA	This is calculated as adjusted EBITDA less acquisition-related amortisations and write-downs and impairment for the last 12 months for the companies included in the Group at the reporting date, as if the companies had been owned for the last 12-month period.	Together with adjusted net sales and adjusted EBITDA, adjusted EBITA provides management and investors with a picture of the size of the operations included in the Group at the reporting date.
EBITA excl. items affecting comparability	This is calculated as EBITA adjusted for remeasurements of purchase considerations, capital gains/losses on the sale of operations and properties, and other revenue deemed of a non-recurring nature.	This is used by the management to monitor the underlying earnings growth of the Group.
EBITA excl. central costs and items affecting comparability	This is calculated as EBITA adjusted for central costs, remeasurements of purchase considerations, capital gains/losses on the sale of operations and properties, and other revenue and costs deemed of a non-recurring nature.	This is used by the management to monitor the underlying earnings growth of the operations in the Group.
Organic EBITA growth	Calculated as EBITA excluding central costs and items affecting comparability, adjusted for total acquired and divested EBITA and exchange-rate effects, during the period compared with EBITA excluding central costs and items affecting comparability in the year-earlier period, as if the business units in question had been owned in the comparative period.	This is used by the management to monitor the underlying earnings growth of existing operations.
Return on equity	Net income (including share attributable to minority owners) divided by the weighted average of equity (including share attributable to minority owners).	Shows the return generated on the total capital invested by all shareholders in the company.
Return on adjusted equity	Net income (including share attributable to minority owners) less the preference share dividend divided by the weighted average of equity (including share attributable to minority owners) less the preference share capital.	Shows the return generated on the common share capital invested by owners of common shares in the company.
Equity ratio	Equity (including share attributable to minority owners) as a percentage of total assets.	The key metric can be used to assess financial risk.
Cash conversion	Calculated as operating cash flow divided by EBITDA.	Cash conversion is used by the management to monitor how efficiently the company is managing working capital and ongoing investments.
Adjusted cash conversion	Calculated as adjusted operating cash flow divided by EBITDA.	Adjusted cash conversion is used by the management to monitor how efficiently the company is managing working

		capital and normalised ongoing investments.
Operating cash flow	Calculated as EBITDA less net investments in and divested tangible and intangible assets, and after adjustment for cash flows from changes in working capital.	The operating cash flow is used by the management to monitor cash flows generated by operating activities.
Adjusted operating cash flow	Calculated as operating cash flow excluding material investments of a non-recurring nature, such as development expenditure related to Besikta Bilprovning's IT system.	The adjusted operating cash flow is used by the management to monitor normalised cash flows generated by operating activities.
Net debt/adjusted EBITDA	Closing net debt in relation to adjusted EBITDA for the period.	The key metric can be used to assess financial risk.

	Jul–Sep 2016	Jul–Sep 2015	Jan– Sep 2016	Jan– Sep 2015	Full- year 2015	Last 12 months
Calculation of organic growth in net sales						
Net sales, SEK m	839.1	584.2	2,426.9	1,456.2	2,187.6	3,158.3
Acquired/divested net sales	-188.0	-144.9	-769.5	-259.1	-455.3	-1,031.6
Currency effects	9.3	3.7	22.1	-1.7	-0.7	-
Comparative figures for preceding years	660.4	443.0	1,679.5	1,195.4	1,731.6	2,126.7
Organic growth in net sales, %	13.0	0.2	15.3	-1.7	4.6	12.2
EBITA excl. central costs and items affecting comparability						
EBITA	89.8	64.0	245.6	151.8	227.3	321.0
Adjustments for items affecting comparability	7.5	-8.5	23.2	-8.5	-8.4	23.3
EBITA excl. items affecting comparability	97.3	55.5	268.8	143.3	218.9	344.3
Adjustment for central costs	11.0	10.8	32.7	25.7	34.2	41.3
EBITA excl. central costs and items affecting comparability	108.3	66.3	301.5	169.0	253.1	385.6
Adjusted net sales						
Net sales R12M	3,158.3	1,895.4	3,158.3	1,895.4	2,187.6	3,158.3
Acquired companies	129.9	936.3	129.9	936.3	672.6	129.9
Divested companies	-	-7.8	-	-7.8	-	-
Adjusted net sales	3,288.2	2,823.9	3,288.2	2,823.9	2,860.2	3,288.2
Adjusted EBITA and EBITDA						
EBITDA R12M	390.0	242.9	390.0	242.9	274.5	390.0
Acquired companies	-3.0	89.2	-3.0	89.2	61.3	-3.0
Divested companies	-	0.3	-	0.3	-	-
Restructuring costs	7.2	-	7.2	-	-	7.2
Integration costs	3.4	-	3.4	-	-	3.4
Transaction costs	1.5	5.5	1.5	5.5	5.5	1.5
Listing costs, common share	3.9	-	3.9	-	-	3.9
One-off remuneration	4.7	-	4.7	-	-	4.7
Earn-out revaluation	-4.0	-8.5	-4.0	-8.5	-8.4	-4.0
Adjusted EBITDA	411.8	329.3	411.8	329.3	332.9	411.8
Depreciation/amortisation	-68.9	-36.4	-68.9	-36.4	-47.2	-68.9
Acquired companies depreciation	-3.2	-6.5	-3.2	-6.5	-5.0	-3.2
Divested companies depreciation	-	0.5	-	0.5	-	-
Adjusted EBITA	339.7	286.9	339.7	286.9	280.7	339.7
Calculation of organic growth in EBITA						
EBITA	89.8	64.0	245.6	151.8	227.3	321.0
Adjustments for items affecting comparability	7.5	-8.5	23.2	-8.5	-8.4	23.3
Adjustment for central costs	11.0	10.8	32.7	25.7	34.2	41.3
EBITA excl. central costs and items affecting comparability	108.3	66.3	301.5	169.0	253.1	385.6
Total acquired/divested EBITA	-18.8	-35.4	-73.3	-54.7	-57.7	-98.5
Currency effects	1.1	0.2	1.5	0.2	-0.9	-
Comparative figures for preceding years	90.5	31.1	229.6	114.2	194.5	287.2
Organic growth in EBITA, %	36.7	-59.7	35.9	-37.0	-20.1	24.4

	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full-year 2015	Last 12 months
Earnings per common share before dilution						
Net profit attributable to Parent Company's owners	49.5	33.2	151.6	57.3	92.7	187.0
Deduction for preference share dividend	16.0	16.0	48.1	21.4	37.4	64.2
Net profit attributable to Parent Company's owners, adjusted for preference dividend						
	33.4	17.1	103.5	35.9	55.2	122.8
Avg. No. of common shares	59,544,502	40,400,000	58,147,093	40,400,000	40,400,000	53,722,475
Earnings per common share, SEK	0.56	0.42	1.78	0.89	1.37	2.29
Earnings per common share after dilution						
Net profit attributable to Parent Company's owners, adjusted for preference dividend	33.4	17.1	103.5	35.9	55.2	122.8
Avg. No. of common shares after dilution	59,955,001	40,400,000	58,505,156	40,400,000	40,400,000	53,991,268
Earnings per common share after dilution, SEK	0.56	0.42	1.77	0.89	1.37	2.28
Equity per common share						
Closing equity including share attributable to non-controlling interests	1,061.9	1,062.6	1,061.9	1,062.6	1,050.9	1,061.9
Preference share capital	828.1	828.8	828.1	828.8	828.1	828.1
Closing equity including share attributable to non-controlling interests after adjustment of preference share capital	233.8	233.8	233.8	233.8	222.8	233.8
No. of common shares at the end of the period	59,544,502	40,400,000	59,544,502	40,400,000	40,400,000	59,544,502
Equity per common share, SEK	3.93	5.79	3.93	5.79	5.51	3.93
Calculation of return on equity						
(A) Net profit, R12M, including non-controlling interests	199.9	49.5	199.9	49.5	125.9	199.9
Adjustment for preference share dividends, including accrued but as yet unpaid dividends	-64.2	-21.4	-64.2	-21.4	-37.4	-64.2
(B) Net profit, adjusted	135.7	28.1	135.7	28.1	88.5	135.7
Total opening equity	1,062.6	230.5	1,062.6	230.5	199.4	1,062.6
Total closing equity	1,061.9	1,062.6	1,061.9	1,062.6	1,050.9	1,061.9
(C) Average total equity	1,062.3	646.6	1,062.3	646.6	625.1	1,062.3
Opening equity attributable to common share owners and non-controlling interests	233.8	230.5	233.8	230.5	199.4	233.8
Closing equity attributable to common share owners and non-controlling interests	233.8	233.8	233.8	233.8	222.8	233.8
(D) Average adjusted equity	233.8	232.2	233.8	232.2	211.1	233.8
(A/C) Return on total equity, %	18.8	7.7	18.8	7.7	20.1	18.8
(B/D) Return on adjusted equity, %	58.0	12.1	58.0	12.1	41.9	58.0
Calculation of equity ratio						
Equity including share attributable to non-controlling interests	1,061.9	1,062.6	1,061.9	1,062.6	1,050.9	1,061.9
Total assets	3,195.5	2,894.0	3,195.5	2,894.0	2,825.8	3,195.5
Equity ratio, %	33.2	36.7	33.2	36.7	37.2	33.2

	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full-year	Last 12
Calculation of operating cash flow and cash conversion	2016	2015	2016	2015	2015	months
(A) EBITDA	106.9	75.5	295.2	179.8	274.5	390.0
Change in working capital	-31.8	37.0	-67.4	9.9	51.4	-25.8
Net investments in tangible and intangible fixed assets	-6.2	-12.7	-23.7	-54.2	-67.2	-36.7
(B) Operating cash flow	68.9	99.8	204.2	135.4	258.8	327.5
Adjustment for net investments relating to Besikta						
Bilprovning's IT system	2.4	7.1	6.2	27.9	31.1	9.5
(C) Adjusted operating cash flow	71.3	106.9	210.4	163.3	289.9	337.0
(B/A) Cash conversion, %	64.4	132.2	69.2	75.4	94.3	84.0
(C/A) Adjusted cash conversion, %	66.7	141.6	71.3	90.8	105.6	86.4

	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full-year	Last 12
Calculation of net debt	2016	2015	2016	2015	2015	months
Net debt						
Cash and cash equivalents	-160.4	-162.7	-160.4	-162.7	-200.4	-160.4
Current interest-bearing securities	-	-0.7	-	-0.7	-	-
Pension provisions	2.1	77.7	2.1	77.7	1.8	2.1
Non-current interest-bearing liabilities	1,028.1	940.4	1,028.1	940.4	908.1	1,028.1
Current interest-bearing liabilities	70.6	84.4	70.6	84.4	132.6	70.6
Unrealised derivative contracts	1.4	5.2	1.4	5.2	4.1	1.4
Pension assets	-1.4	-1.1	-1.4	-1.1	-1.1	-1.4
Adjustment for shareholder loans	-95.2	-87.6	-95.2	-87.6	-88.9	-95.2
Net debt	845.1	855.5	845.1	855.5	756.2	845.1
Adjusted EBITDA	411.8	329.3	411.8	329.3	332.9	411.8
Net debt/adjusted EBITDA, ratio	2.1	2.6	2.1	2.6	2.3	2.1

Parent Company Volati AB (publ)

The Parent Company Volati AB acts as a holding company and Volati's management have been employed by the Parent Company as of 2016. Since the Group's external borrowings are not recognised in the Parent Company, this company mostly recognises interest income on internal receivables. From January 2016, the Parent Company has been charged with the majority of the Group's head office costs.

Parent Company income statement

SEK m	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Last 12 months	Full-year 2015
Operating revenue	0.4	2.8	8.2	9.3	11.2	12.3
Operating costs	-23.5	-5.8	-45.7	-16.4	-52.0	-22.7
Operating loss	-23.1	-3.0	-37.5	-7.1	-40.8	-10.4
Profit from financial investments	16.7	16.9	83.5	29.8	96.8	43.1
Profit/loss after financial items	-6.5	13.9	46.0	22.7	56.0	32.7
Net profit/loss	-5.1	10.7	44.2	18.8	52.0	26.6

Parent Company statement of financial position

SEK m	30 Sep 2016	31 Dec 2015
Non-current assets	782.0	388.7
Current assets	935.7	905.1
Total assets	1,717.7	1,293.7
Equity	1,644.9	1,238.9
Untaxed reserves	12.4	12.4
Non-current liabilities	-	-
Current liabilities	60.4	42.4
Total equity and liabilities	1,717.7	1,293.7

Auditor's Report of Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of Volati AB as of 30 September 2016 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information 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 Report 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, ISA, 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 with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 7 November 2016

Öhrlings PricewaterhouseCoopers AB

Niklas Renström
Authorized Public Accountant