

Press release
17 May 2017

Volati acquires Akademibokhandeln and Bokus

Volati AB is acquiring Akademibokhandeln Holding AB — Sweden's leading book retailer with a successful omnichannel strategy and the online retailer Bokus — at an estimated enterprise value of around SEK 760 million. In 2016, the company had net sales of around SEK 1.8 billion and an EBITDA of SEK 125 million. The acquisition is expected to positively impact Volati's earnings in 2017. Akademibokhandeln will comprise a new, fourth business area at Volati.

Akademibokhandeln is the market leading book retailer in Sweden with a market share of about 35% of consumer book retailing and has a strong offering for all product and delivery formats. With 108 stores nationwide, 80 under its own management and 28 run as franchises, together with online sales under the Akademibokhandeln and Bokus brands, the company operates modern and profitable sales channels focused on consumers, companies and public sector operations. With its vision of conveying "the joy of reading to everyone, every day" Akademibokhandeln also wants to be a hub for culture and a meeting place for literature. For 2016, the Akademibokhandeln Group's net sales amounted to SEK 1.8 billion and EBITDA to SEK 125 million.

"We are extremely pleased and proud to be able to acquire Akademibokhandeln — which is, in my view, a typical acquisition for Volati. The book retailer is a well-run and profitable Group with strong cash flows and an extremely well-established market position. At the same time, Akademibokhandeln and Bokus are among the strongest consumer brands in Sweden with large customer bases. Akademibokhandeln has a growing customer club that currently comprises more than 1.3 million members. Together with the management, we will nurture these customer relations by continuing to develop the company's offering through all channels," says Mårten Andersson, Volati's CEO.

Volati has signed an agreement to acquire the shares in Akademibokhandeln Holding AB from Accent Equity 2012 (71.7%), J.P. Killberg Bokhandelsaktiebolag (11.1%), Stiftelsen Bokförlaget Natur & Kultur (11.1%) and Krasse & Co AB (1.0%). The management will remain as shareholders, with holdings amounting to around 5.2% of the shares in Akademibokhandeln Holding AB. The acquisition will take place at an estimated enterprise value (EV) of about SEK 760 million payable on completion and will be financed through Volati's available cash funds and existing credit facilities. The purchase consideration for 100% of the shares amounts to SEK 263 million. The acquisition is being carried out at an EV/EBITDA multiple based of 6.1. Due to the acquisition, an expense of around SEK 10 million will be charged to Volati's third-quarter earnings for transaction costs primarily pertaining to Volati's financial advisor Keystone MCF.

Akademibokhandeln Holding AB has issued a SEK 500m secured bond, which was listed on Nasdaq Stockholm in May 2017. The bond extends for four years and carries an interest rate of STIBOR 3M + 6.0% and the outstanding bonds are redeemable by the company at 103% of face value from March 2019. As long as the bond loan is outstanding, restrictions exist governing how Volati can partake in cash flows from Akademibokhandeln's operations.

The acquisition is expected to have a positive impact on Volati's earnings for 2017 and will contribute to increasing the return on equity. Akademibokhandeln is subject to significant seasonal variations with strong earnings in the fourth quarter of the year and weaker earnings in the first three quarters of the year. The company's cash flows from operating activities amounted to SEK 94 million for 2016.

Akademibokhandeln will comprise a new, fourth business area at Volati alongside Trading, Consumer and Industry.

Volati's strategy is to acquire operations at reasonable valuations with proven business models and leading market positions with stable cash flows that contribute to financing further acquisitions. Since January 2016, the Group has completed five acquisitions in addition to the ongoing acquisition of Akademibokhandeln. On completion of the acquisition of Akademibokhandeln, Volati's leverage measured as its net debt to EBITDA ratio will be 1.0, which is well inside the company's target of a maximum ratio of 3.0. This means Volati is able to make further acquisitions of new business units and complementary business operations.

"Over the last few years, Akademibokhandeln has undergone major operational changes and has deservedly developed to capture the possibilities that transitional changes in the sector entail. Today, the company has well-trimmed operations that, with Volati's support, can continue to be developed for the long term. In the current acquisition market, we consider the valuation reasonable for the company given its market position and financial profile," continues Mårten Andersson.

"We have built a business that now has an extremely strong offering in all the channels through which our customers want to purchase books and stationery. We look forward to being part of the Volati Group and having Volati as a long-term owner that I believe can contribute key know-how and support in developing operations moving forward," comments Maria Hamrefors, Akademibokhandeln's CEO.

"In our time as owner, the management has strengthened Akademibokhandeln's offering, position and profitability in a highly professional manner. We view Volati as a competent market participant that will be a good, long-term owner for the company," says Martin Tisell, Chairman at Akademibokhandeln and Partner at Accent Equity Partners AB, investment advisors to Accent Equity 2012.

Completion is planned for July 2017. The change of ownership will not mean any changes for the around 500 employees or the franchise holders who operate 28 of the stores. The acquisition is conditional on approval from the Swedish Competition Authority.

Media and investor conference call 17 May at 10.00 a.m.

Volati invites the media and investors to attend a presentation by conference call on Wednesday 17 May 2017 at 10:00 a.m. (CET). Volati's CEO Mårten Andersson will present the acquisition and answer questions. The presentation will be held in Swedish.

- Call in on +46 8 5664 2664. Please notify of your participation and ring in good time.
- The audio webcast link [can be found here](#).

Media and investor meeting at the Akademibokhandeln store, Mäster Samuelsgatan 28, 23 May at 09.00 a.m.

Welcome to meet Akademibokhandeln's CEO Maria Hamrefors and Volati's CEO Mårten Andersson who will present the acquisition and Akademibokhandeln's operations, and answer questions.

For further information, please contact:

Mårten Andersson, CEO of Volati AB, +46 (0)72-735 42 84, marten.andersson@volati.se
Mattias Björk, CFO Volati AB, +46 (0)70-610 80 89, mattias.bjork@volati.se

Volati AB (publ), Engelbrektsplan 1, SE-114 34 Stockholm, Sweden
Tel: +46 (0)8-21 68 40, e-mail: info@volati.se, Corp. Reg. No. 556555-4317

This information is such that Volati AB is obliged to disclose under the EU Market Abuse Regulation (MAR). The information was submitted for publication, through the agency of the contact persons set out above, at 08.00 a.m. (CET) on 17 May 2017.

About Volati

Volati is a Swedish industrial group formed in 2003, comprising some 40 operating companies divided into 12 business units organised in three business areas: Trading, Consumer and Industry. Volati primarily 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. The strategy is to build on the identity and entrepreneurial spirit of the companies, adding leadership, expertise, processes and financial resources. Volati has operations in 16 countries, with a total of about 1,200 employees and annual sales of approximately SEK 3.2 billion. Volati's common share and preference share are listed on Nasdaq Stockholm. Further information is available at www.volati.se.