

Press release  
31 March 2020

## Update on the coronavirus impact

**As the impact on society of the coronavirus is by no means clear, Volati is issuing a general update. As of 30 March 2020, it is Volati's assessment that overall disruptions to the business have had a limited effect on the Group's earnings and cash flow.**

Given the exceptional developments in the world, it is Volati's assessment that the risk of future negative effects has increased but the extent of the potential impact on the Company cannot be predicted. In readiness for any future negative deviations, Volati has spent about three weeks working systematically on measures to protect health and safety, strengthen liquidity and safeguard profitability in the Group's operations. There are also plans for how the business units should act if the situation worsens.

Volati is protecting the health and safety of its employees, customers and suppliers, and focusing on measures to limit the spread of the virus in society. To ensure this, we have taken several precautionary measures for our employees. These include changed working procedures, reduced access to our factories and warehouses and asking our office employees to work from home.

As reported in the year-end report and annual report for 2019, Volati had a strong financial position at the end of the year, with net debt of 1.5x EBITDA and cash & cash equivalents of SEK 447 million. Since the beginning of the year, Volati has extended its overdraft facility and revolving credit facility, bringing the Group a total of SEK 400 million in unutilised overdraft credit and cash & cash equivalents. As previously communicated, the Board of Directors has proposed to the Annual General Meeting that no dividend be paid to ordinary shareholders.

A current status assessment of the impact on the Group's business units is set out below.

### **Trading Business Area**

The business area has not noted any weakening of demand so far. Some disruptions to deliveries from China have been noted and future deliveries from India could potentially be affected by the country's lockdown. The weakening of the krona could potentially have a negative impact on the business area.

### **Industry Business Area**

The business area as a whole has not noted any weakening of demand so far. Individual production facilities have had minor disruptions as a result of sickness absence. Individual business units have experienced certain delivery disruptions which could affect ongoing projects. The weakening of the krona could potentially have a positive impact on the business area.

### **Akademibokhandeln Business Area**

The business area experienced normal demand up to mid-March and has noted gradually declining store sales since then. Store sales in recent days have been about 35 percent lower than normal for the period. Akademibokhandeln has initiated short-time work allowance for employees and entered into discussions with landlords about rent reductions. The business area has noted a certain increase in sales in its online channels in the last few days.

### **Consumer Business Area**

The business area as a whole has not noted any appreciable weakening of demand so far.

**For further information, please contact:**

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**About Volati**

*Volati is a Swedish industrial group, formed in 2003, organised in four business areas: Trading, Consumer, Akademibokhandeln and Industry. Volati mainly acquires reasonably valued companies with proven business models, leading market positions and strong cash flows and develops them with a focus on long-term value creation. The strategy is to build on the companies' identity and entrepreneurial spirit, adding leadership, expertise, processes and financial resources. Volati has operations in 16 countries, over 2,000 employees and annual sales of approximately SEK 7 billion. Volati's ordinary shares and preference shares are listed on Nasdaq Stockholm. Further information is available at [www.volati.se](http://www.volati.se).*