



Year-end Report
January–December 2020

**“Continuing high growth in the
two largest business areas”**

Mårten Andersson, CEO

This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish original and the translation, the Swedish shall have precedence.

Year-end report January–December 2020

The Consumer business area was closed in Q4 2020 after the operations of the business area were divested. This means that the income statements for 2020 and 2019 in the report have been restated, in accordance with applicable financial reporting standards, and now exclude the Consumer business area. The CEO's review and comments about the business in this report focus on continuing operations unless otherwise stated.

Quarter October–December 2020

- Net sales increased by 18 percent to SEK 1,880 (1,600) million
- Operating profit* (EBITA) for continuing operations increased by 5 percent to SEK 163 (155) million
- Profit after tax increased by SEK 591 million to SEK 754 (163) million
- Earnings per ordinary share, incl. discontinued operations, increased by SEK 7.47 to SEK 9.29 (1.82)
- Decision was taken to close the Consumer Business Area

Period January–December 2020

- Net sales increased by 13 percent to SEK 6,696 (5,938) million
- Operating profit* (EBITA) for continuing operations increased by 26 percent to SEK 488 (388) million
- Profit after tax, incl. discontinued operations, increased by SEK 980 million to SEK 977 (-2) million
- Earnings per ordinary share, incl. discontinued operations, increased by SEK 11.24 to SEK 11.37 (0.13)
- The Board proposes a dividend of SEK 1.20 (0.00) per share and 40 kronor per preference share with quarterly instalments of 10 kronor

Events after the reporting period

An extra dividend, total of 844 million, to ordinary and preference shareholders was adopted at the EGM held on 2 February 2021.

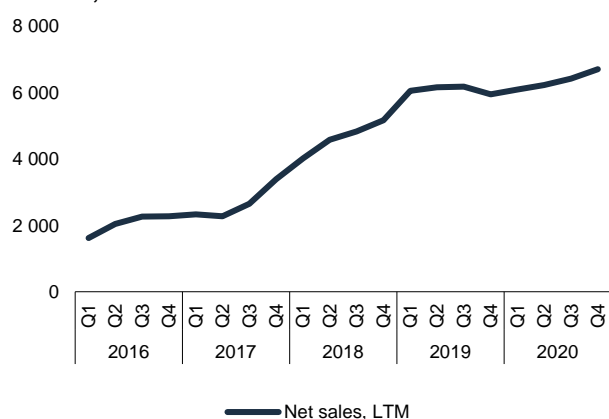
In a press release on 19 February, the Board of Directors announced that it is evaluating a possible distribution and stock exchange listing of Akademibokhandeln.

Summary of results and key figures

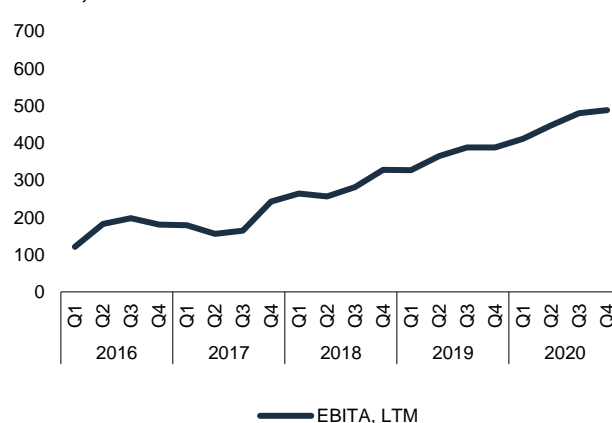
The income statements for the years 2020 and 2019 have been restated to describe continuing operations, excluding discontinued operations unless otherwise indicated. The term discontinued operations refers to the operations of the Consumer Business Area. For additional financial information about the discontinued operations, see note 5.

SEK million	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Net sales	1,880	1,600	6,696	5,938
EBITA*	163	155	488	388
EBIT	148	144	437	345
Profit after tax	754	163	977	-2
Operating cash flow, SEK million*	410	409	623	403
Net debt/adjusted EBITDA, x*	-0.8	1.5	-0.8	1.5
Basic and diluted earnings per ordinary share, SEK	9.29	1.82	11.37	0.13
Return on adjusted equity, %*	51	-4	51	-4

Net sales, SEK million



EBITA*, SEK million



* See note 7 for definitions of alternative performance measures.

Continuing high growth in the two largest business areas

Volati continued to develop strongly during Q4, with earnings growth of more than 50 percent in the Trading business area and 30 percent in Industry. The strong government recommendations to stay away from stores during the Christmas shopping period had a temporary impact on the Akademibokhandeln business area, which meant that its EBITA for the quarter did not reach the previous year's level. In view of this year's very special circumstances, Akademibokhandeln has delivered a good full-year result, confirming its strong position in a growing market. Volati's total EBITA for Q4 increased by 5 percent to SEK 163 million. EBITA for the full year 2020 increased by 26 percent to SEK 488 million.

Trading goes from strength to strength

The Trading business area continued to deliver strong growth in both sales and earnings during Q4. Sales increased by 33 percent and EBITA by 55 percent. The market has remained good and Trading has been able to take advantage of this through its well-known brands and increasingly strong market positions after the excellent acquisitions of Heco and Pisla during the year. Integration of the acquisitions is progressing according to plan, consolidating the business area's position as a leading Nordic supplier of fittings for the hardware and building materials retail sector.

Another good quarter for Industry

The Industry business area delivered another excellent quarter. Sales increased by 21 percent and EBITA increased by 31 percent. All business units are product leaders with strong market positions in their niches. Ettiketto was the highlight of the year. Integration of the year's two acquisitions is progressing better than planned and we are delivering on the synergies we saw before us when we made the acquisitions. Since the acquisition of S:t Eriks, we have worked to ensure good basic earnings and high production efficiency for the business. We have also appointed a highly competent management team. With a strong platform in place, S:t Eriks is now ready to step up the work on add-on acquisitions as a way of accelerating its strategy implementation and increasing its growth rate. This is in line with the Industry business area's focus on developing individual business units to eventually become independent business areas with clear industrial logic. Within the business area, we also see good opportunities to broaden operations to attractive new areas through acquisitions.

66 percent growth for Akademibokhandeln's digital channels – stores hit by new Christmas shopping restrictions

The Akademibokhandeln business area started the quarter with its best October ever. Store visits were back at normal levels and sales in the digital channels remained very high. In other words, Akademibokhandeln was heading for a year of good sales and earnings growth – despite the pandemic having affected trade for most of the year. However, increased restrictions and stronger government recommendations not to



visit physical stores had an impact on store sales during the important Christmas shopping period. In terms of volume, this was offset by strong growth in the digital channels – 66 percent growth in the quarter – which meant that sales increased by 2 percent compared with Q4 2019. The digital channels' sales accounted for a total of 40 percent of sales. However, the shift towards digital channels had a temporary negative impact on profitability, meaning that EBITA fell by 17 percent compared with Q4 2019.

Evaluating whether Akademibokhandeln has better growth opportunities as a separate listed company

The Akademibokhandeln business area has shown highly positive development since Volati's acquisition in 2017. Today, the business is characterised by good profitability and strong growth in the digital channels, which accounted for 44 percent of sales in 2020. Akademibokhandeln has a strong market position through successful digital channels such as the Akademibokhandeln.se and Bokus e-stores and the Bokus Play streaming service, and a nationwide network of profitable stores.

Volati sees further good development opportunities for the business area – in particular, good growth opportunities from continuing the successful digital transition initiated a number of years ago. The Board has therefore decided to evaluate whether Akademibokhandeln is better placed to accelerate its growth-oriented work as an independent publicly listed company.

Trading business area renamed Salix Group

We are now establishing a more decentralised governance structure for the Trading business area. The business area currently operates largely as a group, with clear industrial logic and common structures for logistics and administration. The business area will have its own board, which will receive an ownership directive from the Volati Board. This means that the business area's board will have increased powers to decide on, for example, acquisitions, investments, and strategy. It is our assessment that this improves the conditions for a continuing

high growth rate in this fast-growing business area. To clarify the change, the business area will also be renamed Salix Group.

Closure of Consumer business area

At the end of the quarter, we sold NaturaMed Pharma to the Belgian company Vision Healthcare, which also resulted in our closure of the Consumer business area. The first step was taken in November 2019 when Volati changed its ownership of me&i and a further step followed with the sale of Besikta Bilprovning in October 2020. The Consumer business area has generated a very good overall return with a total capital gain of SEK 335 million and a total cash flow, including acquisition and divestment consideration, of SEK 760 million.

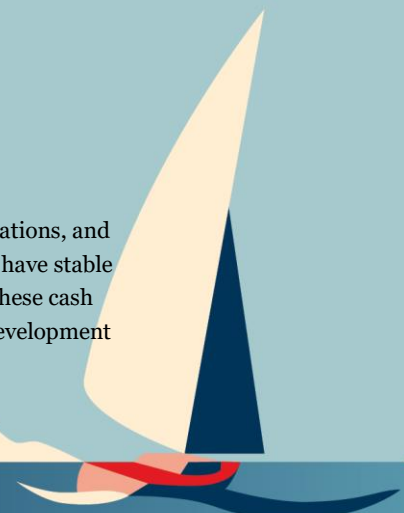
Taking advantage of growth opportunities

In summarising the last quarter of the year, I note that Volati has put a very good year behind it, with high earnings growth and a very strong balance sheet. The changes now being evaluated and implemented are aimed at providing the best possible conditions to take advantage of growth opportunities in all business areas – and in doing so, to continue creating significant value for Volati's shareholders.

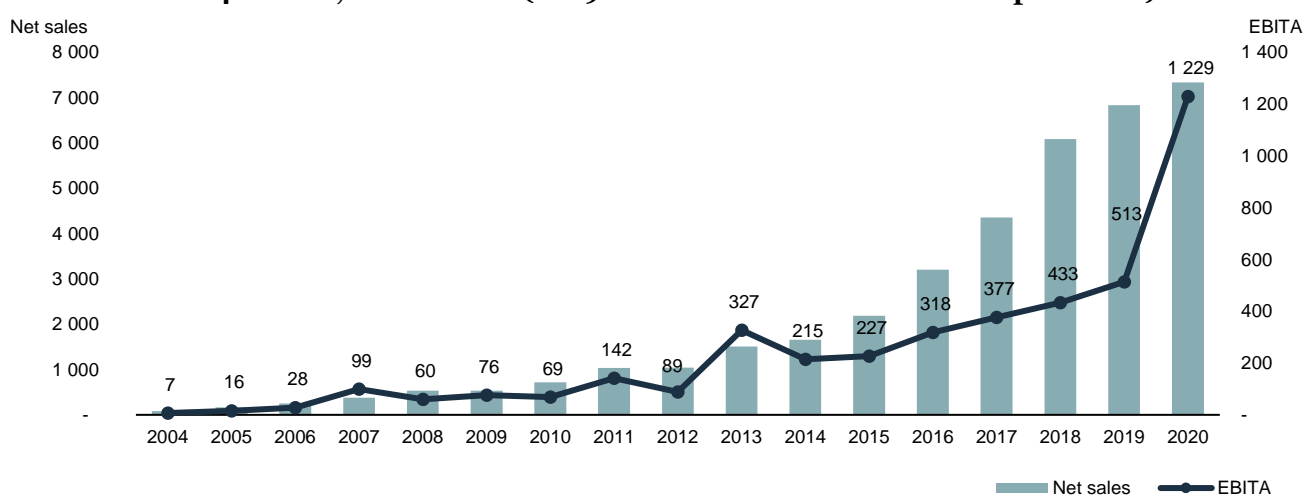
Mårten Andersson, President and CEO

This is Volati

Volati acquires well-managed companies with strong cash flows at reasonable valuations, and develops them with a focus on long-term value creation. Acquiring companies that have stable and sustainable cash flows from the outset creates a stable base for operations. These cash flows are then used for further acquisitions. Through active long-term corporate development efforts, Volati creates favourable conditions for organic growth.



Net sales and EBITA trends 2004 – 2020, SEK million (2019 and 2020 incl. discontinued operations)



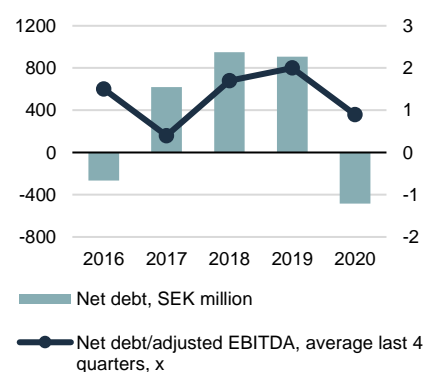
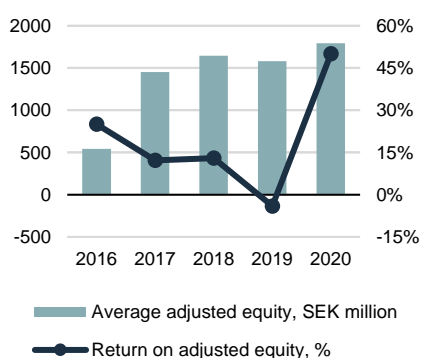
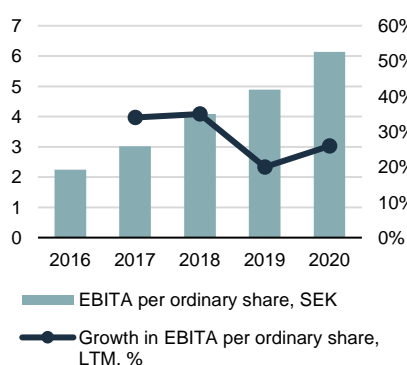
Financial targets

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.

Consolidated financial trend

Net sales

The Group's net sales for Q4 2020 amounted to SEK 1,880 (1,600) million, an increase of 18 percent compared with the same period the previous year.

The increase is mainly attributable to good demand and the effects of add-on acquisitions in the Trading and Industry business areas. The Akademibokhandeln business area showed a slight increase in sales for the quarter compared with the same period the previous year.

Net sales for 2020 amounted to SEK 6,696 (5,938) million, an increase of 13 percent compared with the previous year.

	Oct-Dec 2020	Oct-Dec 2019	Δ %	Jan-Dec 2020	Jan-Dec 2019	Δ %
Net sales, SEK million	1,880	1,600	18	6,696	5,938	13
EBITA*, SEK million	163	155	5	488	388	26
EBIT, SEK million	148	144	3	437	345	27
Profit after tax, SEK million	92	139	-34	257	231	11

* See note 7 for definitions of alternative performance measures

Earnings

EBITA for Q4 increased by 5 percent to SEK 163 (155) million. The positive development was partly attributable to the Trading and Industry business areas, both of which reported improved results compared with the previous year. This was achieved through increased sales, rising margins and the effects of add-on acquisitions. The Akademibokhandeln business area's earnings declined compared with the same period the previous year. This was because increased Covid-19 restrictions resulted in a sales shift from stores to e-commerce where the margin is slightly lower.

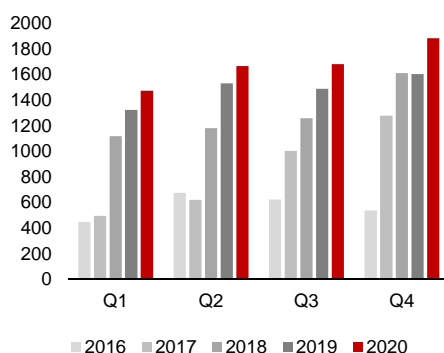
EBITA for continuing operations increased by 26 percent to SEK 488 (388) million. EBITA, including discontinued operations, increased by 140 percent to SEK 1,229 (513) million.

Profit after tax, including discontinued operations, increased by SEK 591 million to 754 (163) million in Q4 and by SEK 980 million to SEK 977 (-2) million for the full year 2020.

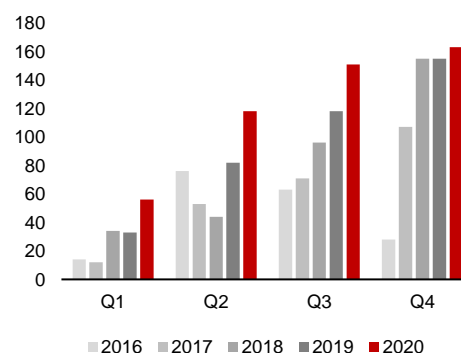
+26%

EBITA per ordinary share, full year 2020

Net sales, SEK million



EBITA, SEK million



Seasonal variations

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

Cash flow

Operating cash flow for Q4 2020 amounted to SEK 410 (409) million. Operating cash flow for the full year 2020 amounted to SEK 623 (403) million.

Cash flow from operating activities for Q4 amounted to SEK 523 (544) million. Cash flow from operating activities for the full year 2020 was SEK 956 million, compared with SEK 759 million for 2019. Investments in non-current assets during Q4 amounted to SEK 24 (39) million and were primarily business investments in the form of IT systems, and ongoing investments in machinery and equipment. Cash flow from divestments of Group companies during Q4 2020 amounted to SEK 1,086 million and repayments of borrowings amounted to SEK 925 million.

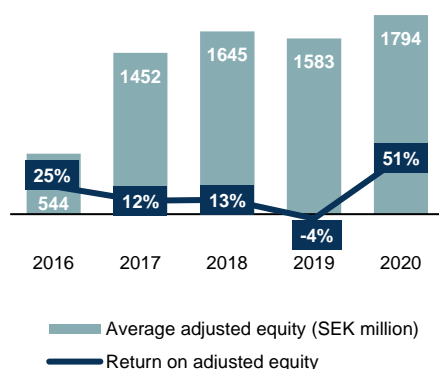
623
SEK
million

Operating cash flow,
LTM Q4 2020

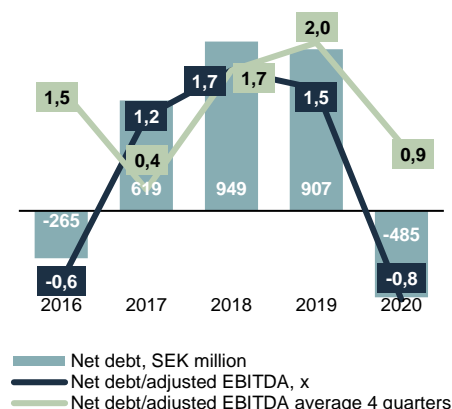
Equity

The Group's equity at the end of the period amounted to SEK 3,235 (2,360) million. The increase is mainly attributable to the period's earnings and capital gains on the sale of business units. The equity ratio was 50 percent on 31 December 2020, compared with 38 percent on 31 December 2019. The return on adjusted equity was 51 (-4) percent.

Equity and return on adjusted equity



Capital structure trend



Net debt

The Group had a net cash position of SEK 485 million at the end of 2020, compared with net debt of SEK 907 million on 31 December 2019. Net debt/adjusted EBITDA was -0.8x at the end of the quarter, compared with 1.4x in the previous quarter. Net debt/adjusted EBITDA as an average over the last four quarters is 0.9x, compared with 2.0x on 31 December 2019. Total liabilities amounted to SEK 3,270 (3,796) million on 31 December 2020. Interest-bearing liabilities, including pension obligations and lease liabilities, were SEK 1,375 (2,094) million at the end of the period.

0.9x

Net debt/
adjusted EBITDA,
average 4 quarters

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 acquisitions and acquisitions in new business areas. It is Volati's assessment that there is a lower risk level for add-on acquisitions and acquisitions of business units than for acquisitions in new business areas, as in-depth industrial know-how and a recipient organisation are already in place in the acquiring company.

In October, the operations of Besikta Bilprovning i Sverige Holding AB were divested and in December, Volati Life Group including NaturaMed Pharma ("NMP") was divested, see also note 5.

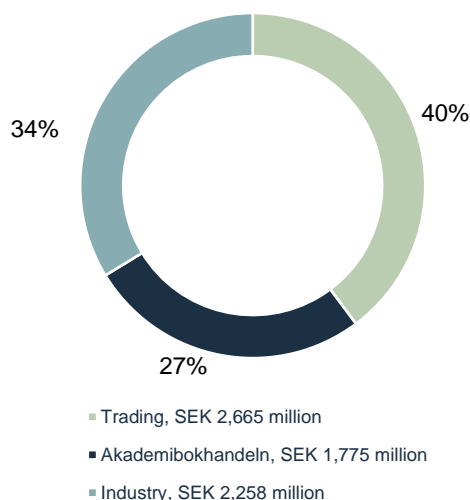
After the transactions were completed, the Board decided to close the Consumer business area.

Volati's business areas

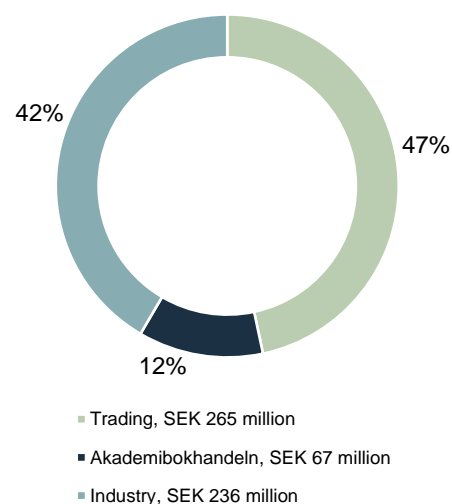
Volati's net sales and earnings by business area

The diagrams relate to the 12-month period 1 January to 31 December 2020. Acquired operations are included in the relevant business area from the acquisition closing date and their proportion is calculated net of central costs and items affecting comparability.

Net sales by business area



EBITA by business area



Trading

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales, SEK million	687	518	2,665	2,138
EBITA, SEK million*	62	40	265	178
EBITA margin, %*	9	8	10	8
EBIT, SEK million	56	37	251	167
ROCE excl. goodwill, %*	38	28	38	28
ROCE incl. goodwill, %*	17	12	17	12

* See note 7 for definitions of alternative performance measures.

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

The business area's sales for Q4 increased by 33 percent compared with the corresponding period the previous year, while EBITA for the same period increased by 55 percent. The trend is driven by the do-it-yourself market, which continues to be very strong, with increased demand for products in the consumer-driven operations in building materials, hardware retail and garden centres. Operations targeting the building and wood industry, and small-scale agriculture also experienced good demand during the quarter. Earnings were also strengthened by an improved cost level. The process of integrating and developing Pisla OY, which was acquired in September, is progressing according to plan. The acquisition strengthens and complements the business area's existing offering in fittings and household products for the building materials and specialist retail sector, while increasing the presence in the Nordic markets. The business area sees further opportunities for acquisitions in most of its operations.

Akademibokhandeln

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales, SEK million	606	595	1,775	1,793
EBITA, SEK million*	71	86	67	76
EBITA margin, %*	12	14	4	4
EBIT, SEK million	65	80	43	53
ROCE excl. goodwill, %*	26	26	26	26
ROCE incl. goodwill, %*	7	8	7	8

* See note 7 for definitions of alternative performance measures

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

The business area's sales increased compared with the same period the previous year, while earnings showed a decline due to a strong channel shift from stores, which have a stronger margin, to e-commerce. Sales in October were very strong for both stores and e-commerce, while December, which is normally a very strong month for store sales, was adversely affected by the increased restrictions communicated as a result of the increasing spread of Covid-19. At the same time, the restrictions led to a sharp increase in the business area's e-commerce channels. The digital channels' increase in sales for the quarter compared with the same period the previous year was about 66 percent. About 40 percent of the business area's total revenue for the quarter came from the digital channels, compared with 25 percent in the previous year. During the quarter, the business area continued to work continuously to balance the reduced number of customers in the physical stores with adjustments in staffing. This enabled them to partly succeed in reducing the negative consequences of fewer visitors to the stores.

Industry

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales, SEK million	588	487	2,258	2,008
EBITA, SEK million*	64	49	236	179
EBITA margin, %*	11	10	10	9
EBIT, SEK million	60	47	224	171
ROCE excl. goodwill, %*	29	21	29	21
ROCE incl. goodwill, %*	18	14	18	14

* See note 7 for definitions of alternative performance measures

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

The operations of the business area continued to develop positively during the quarter, with sales growth of 21 percent and an increase in earnings of 31 percent compared with the same period the previous year. Good demand for the business units' products increased sales during the quarter. The fact that both earnings and the margin improved from the same period the previous year is due to a combination of high demand and good cost control.

The process of integrating the acquisitions of Beneli AB and Märkas AB into the Ettiketto business unit was successful during the quarter and synergies will contribute to increased earnings for Ettiketto in the coming years. The acquisitions are part of Ettiketto's strategy to continue growth and become a stronger comprehensive supplier of label solutions. The business area sees further opportunities for acquisitions in most of its operations.

Head Office

Head Office comprises the central costs in the Parent Company Volati AB and associated operations. EBITA for the quarter was SEK -14 (-18) million.

Other information

Share capital

Volati has two classes of shares, ordinary shares and preference shares, which are listed on Nasdaq Stockholm under the tickers VOLO and VOLO PREF. The number of shareholders at the end of Q4 was 7,840.

The number of ordinary shares was 79,406,571 and the number of preference shares was 1,603,774 at the end of December 2020. Share capital amounted to SEK 10 million at 31 December 2020.

Nomination Committee

The Nomination Committee for the 2021 Annual General Meeting was appointed during October and the three largest shareholders are represented. The Committee consists of Carin Wahlén (chair) representing Patrik Wahlén, Karl Perlhagen representing himself and Jannis Kitsakis representing Fjärde AP-fonden.

2021 Annual General Meeting

Volati AB's 2021 AGM will be held on 28 April 2021. Shareholders who wish to have business dealt with at the AGM should submit a written request to bolagsstamma@volati.se or to Volati AB (publ), attn: CFO, Engelbrektsplan 1, SE-114 34 Stockholm, Sweden. To guarantee inclusion of the business in the notice of the AGM, the request must have been received no later than 10 March 2021. Further information on how and when to provide notification of attendance will be published well in advance of the Meeting.

The 2020 annual report for Volati AB (publ) will be published on Volati's website no later than 28 March 2021 and copies will be sent out on request.

Dividend

In view of Volati's strong financial position and good cash flows in 2020, the Board proposes a dividend of SEK 1.20 (0.00) per ordinary share to ordinary shareholders (total SEK 95 million) and a dividend of SEK 40 per preference share to preference shareholders, to be paid quarterly, in accordance with the articles of association (total SEK 64 million). The ordinary share dividend corresponds to 10.0 percent of net profit attributable to owners of the Parent for the 2020 financial year.

Related-party transactions

No significant related-party transactions of any other nature have occurred in addition to what is stated in the annual report for 2019. All related-party transactions have been conducted at market conditions.

Events after the end of the reporting period

The EGM held on 2 February adopted an extra dividend of SEK 10.00 per ordinary share and a preference share dividend of SEK 30.80 per preference share, which includes an outstanding amount of SEK 20.80.

In a press release on 19 February, the Board of Directors announced that it is evaluating a possible distribution and stock exchange listing of Akademibokhandeln.

Financial calendar

Year-end Report 2020:	19 February 2021
Interim Report January–March 2021:	27 April 2021
2021 Annual General Meeting:	28 April 2021
Interim Report January–June 2021:	16 July 2021
Interim Report January–September 2021:	22 October 2021
Year-end Report 2021:	11 February 2022

Declaration by the Board

The Board of Directors and the CEO hereby certify that this interim report provides a fair overview of the Parent Company's and the Group's operations, financial position and performance and describes material risks and uncertainties faced by the Parent Company and Group companies.

Volati AB (publ)

The Board of Directors and CEO
Stockholm, 19 February 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

Mårten Andersson

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 (MAR). The information was submitted for publication, through the agency of the contact persons set out below, at 07.45 CET on 19 February 2021.

Conference call

CEO Mårten Andersson and CFO Andreas Stenbäck will present the interim report in a conference call on 19 February at 09.00. The presentation will be conducted in Swedish.

Phone number to access the conference call: +46 8-566 42 704

For a webcast of the conference go to: <https://tv.streamfabriken.com/volati-q4-2020>

For more information, please contact:

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Andreas Stenbäck, CFO Volati AB, +46 70-889 09 60 andreas.stenback@volati.se

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Financial Statements

Condensed consolidated income statement

SEK million	Oct–Dec 2020	Oct–Dec 2019	Full year 2020	Full year 2019
Operating income				
Net sales	1,880	1,600	6,696	5,938
Operating expenses				
Raw materials and supplies	-1,121	-942	-4,182	-3,672
Other external costs	-139	-119	-452	-431
Personnel expenses	-368	-310	-1,239	-1,150
Other operating income and expenses	-5	5	-7	26
EBITDA	248	234	815	711
Depreciation	-84	-79	-328	-323
EBITA	163	155	488	388
Acquisition-related amortisation	-15	-11	-50	-43
EBIT	148	144	437	345
Finance income and costs				
Finance income and costs	-27	-23	-97	-80
Profit before tax	121	121	340	265
Tax	-29	18	-77	-21
Profit from continuing operations	92	139	257	231
Profit from discontinued operations	661	24	714	-247
Net profit	754	163	977	-2
Attributable to:				
Owners of the Parent	753	160	967	74
Non-controlling interests	0	3	10	-77
Earnings per ordinary share, continuing operations, SEK				
Earnings per ordinary share, SEK	0.95	1.53	2.37	2.37
Diluted earnings per ordinary share, SEK	0.95	1.53	2.37	2.17
Earnings per ordinary share				
Earnings per ordinary share, SEK	9.29	1.82	11.37	0.13
Diluted earnings per ordinary share, SEK	9.29	1.82	11.37	0.13
No. of ordinary shares	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	79,721,639
Average no. of ordinary shares after dilution	79,406,571	79,406,571	79,406,571	79,721,639
No. of preference shares	1,603,774	1,603,774	1,603,774	1,603,774
Preference share dividend, SEK	-*	10.00	20.00	40.00

* In accordance with a resolution by the AGM on 25 June 2020, no preference share dividend was paid on 8 August and 11 November 2020.

Consolidated statement of comprehensive income

SEK million	Oct–Dec 2020	Oct–Dec 2019	Full year 2020	Full year 2019
Net profit	754	163	977	-2
Items that may be reclassified subsequently to profit or loss	7	-18	7	-18
Reversal of translation differences attributable to divested operations				
Translation differences for the period	19	-17	-18	11
Total	26	-35	-12	-8
Total comprehensive income for the period	780	128	966	-10
Owners of the Parent	778	125	955	66
Non-controlling interests	2	3	11	-77
Total comprehensive income for the period attributable to owners of the Parent has arisen from:				
Continuing operations	90	131	235	242
Discontinued operations	688	-6	721	-175

Condensed consolidated statement of financial position

SEK million	31 Dec 2020	31 Dec 2019
ASSETS		
Non-current assets		
Intangible assets	2,413	2,853
Property, plant and equipment	299	336
Right-of-use assets	772	832
Financial assets	7	7
Deferred tax assets	35	58
Total non-current assets	3,526	4,086
Current assets		
Inventories	969	865
Trade receivables	698	574
Other current receivables	153	183
Cash and cash equivalents	1,160	447
Total current assets	2,979	2,070
Total assets	6,506	6,156
EQUITY AND LIABILITIES		
Equity		
Equity attributable to owners of the Parent	3,219	2,351
Non-controlling interests	16	9
Total equity	3,235	2,360
Liabilities		
Non-current interest-bearing liabilities	605	599
Non-current lease liabilities	556	579
Other non-current liabilities and provisions	164	60
Deferred tax	282	290
Total non-current liabilities	1,606	1,531
Current interest-bearing liabilities	0	689
Current lease liabilities	214	225
Trade payables	711	706
Other current liabilities	739	646
Total current liabilities	1,664	2,266
Total liabilities	3,270	3,796
Total equity and liabilities	6,506	6,156

Condensed consolidated cash flow statement*

SEK million	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Operating activities				
Profit before tax including discontinued operations	787	149	1,073	34
Adjustment for other non-cash items	-485	119	-75	818
Interest paid and received, excl. leases	-8	-11	-33	-38
Lease interest paid	-10	-11	-45	-46
Income tax paid	18	24	-26	-40
Cash flow from operating activities before changes in working capital	302	271	895	728
Cash flow from changes in working capital				
Change in inventories	11	63	65	27
Change in operating receivables	204	185	-37	30
Change in operating liabilities	7	25	32	-26
Cash flow from changes in working capital	222	274	61	31
Cash flow from operating activities	523	544	956	759
Investing activities				
Net investments in property, plant & equipment and intangible assets	-22	-38	-59	-96
Acquisitions and disposals	1,081	-62	827	-127
Net investments in financial assets	0	0	0	-2
Cash flow from investing activities	1,059	-100	769	-225
Financing activities				
Dividend	0	-16	-32	-144
Share and warrant buybacks	0	0		-58
New borrowings and repayment of borrowings, excl. leases	-925	-114	-764	123
Repayment of lease liabilities	-60	-63	-242	-241
Other financing activities	0	23	36	-11
Cash flow from financing activities	-985	-170	-1,002	-331
Cash flow for the period	597	274	722	203
Cash & cash equivalents at beginning of period	566	175	447	241
Exchange differences	-4	-2	-10	3
Cash & cash equivalents at end of period	1,160	447	1,160	447

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

Consolidated statement of changes in equity

SEK million	Share capital	Other paid-in capital	Other reserves	Retained earnings including net profit	Non-controlling interests	Total equity
Closing balance, 31 Dec 2018	10	1,995	34	520	7	2,567
Net profit	-	-	-	74	-77	-2
Other comprehensive income	-	-	-8	-	0	-8
Comprehensive income for the period	-	-	-8	74	-77	-10
Dividend	-	-	-	-144	-	-144
Share buy-back	-	-	-	-45	-	-45
Warrant buyback	-	-	-	-13	-	-13
Shareholder contributions	-	-	-	-8	8	0
Remeasurement of NCI	-	-	-	14	-7	6
Divestment of operations	-	-	-	-79	79	0
Other owner transactions	-	-	-	0	-2	-1
Closing balance, 31 Dec 2019	10	1,995	26	320	9	2,360

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	-	-	-	967	10	977
Other comprehensive income	-	-	-12	-	0	-12
Comprehensive income for the period	-	-	-12	967	11	966
Remeasurement of non-controlling interests	-	-	-	-79	-10	-90
Other owner transactions	-	-	-	-7	7	-1
Closing balance, 31 Dec 2020	10	1,995	14	1,200	16	3,235

Key figures²⁾

	Oct–Dec 2020	Oct–Dec 2019	Full year 2020	Full year 2019
Net sales, SEK million	1,880	1,600	6,696	5,938
Net sales growth, %	18	-1	13	15
EBITDA, SEK million	248	234	815	711
EBITA, SEK million	163	155	488	388
EBITA margin, %	9	10	7	7
EBITA growth, %	5	0	26	18
EBITA growth per ordinary share, %	5	2	26	20
EBIT, SEK million	148	144	437	345
Profit after tax, SEK million	754	163	977	-2
Basic earnings per ordinary share				
Basic earnings per ordinary share, SEK ¹⁾	9.29	1.82	11.37	0.13
Return on equity, %	37	0	37	0
Return on adjusted equity, %	51	-4	51	-4
Equity ratio, %	50	38	50	38
Cash conversion, LTM, %	107	83	107	83
Operating cash flow	410	409	623	403
Net debt/EBITDA, x	-0.8	1.5	-0.8	1.5
Net debt/EBITDA average four quarters, x	0.9	2.0	0.9	2.0
No. of employees	1,974	2,304	1,974	2,304
Ordinary shares outstanding	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	79,721,639
Preference shares outstanding	1,603,774	1,603,774	1,603,774	1,603,774

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

²⁾ All performance measures, apart from net sales, EBIT, profit after tax and earnings per share, are non-IFRS performance measures – see also Alternative performance measures below.

Notes to consolidated financial statements

Note 1 Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The accounting policies are consistent with those applied by the Group in the 2019 annual report.

In connection with the Covid-19 pandemic, Volati has applied for and received support for reductions in social security contributions, sick pay and rent, and for short-time work allowance, reported as a government grant in accordance with IAS 20. The support has been phased out in its entirety and minor support in the form of short-time work allowance received after August 2020 will be repaid to Tillväxtverket (the Swedish Agency for Economic and Regional Growth) in accordance with current regulations.

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 2019 Annual Report. The Company has not found reason to change its assessment regarding risks related to Covid-19 compared with the risks reported in the 2019 annual report.

Note 3 Segment reporting

At the end of Q4, Volati consisted of three business areas: Trading, Industry and Akademibokhandeln.

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

	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Net sales, SEK million				
Trading	687	518	2,665	2,138
Industry	588	487	2,258	2,008
Akademibokhandeln	606	595	1,775	1,793
Internal eliminations	-1	0	-2	-2
Total net sales	1,880	1,600	6,696	5,938

Sales between segments are immaterial.

	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
EBITA, SEK million				
Trading	62	40	265	178
Industry	64	49	236	179
Akademibokhandeln	71	86	67	76
Items affecting comparability	-20	-1	-29	15
Central costs	-14	-18	-51	-59
Total EBITA	163	155	488	388
Acquisition-related amortisation	-15	-11	-50	-43
Goodwill impairment	0	0	0	0
Net financial items	-27	-23	-97	-80
Profit before tax from continuing operations	121	121	340	265

	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
EBIT, SEK million				
Trading	56	37	251	167
Industry	60	47	224	171
Akademibokhandeln	65	80	43	53
Items affecting comparability*	-19	-1	-29	15
Central costs	-14	-18	-51	-60
Total EBIT	148	144	437	345

* from June 2020, transaction costs are reported in items affecting comparability and not in central costs. Historical figures have not been corrected.

Note 4 Business acquisitions

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

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

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

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

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

The Group's earnings were affected by transaction costs of SEK 6 million for the above acquisitions. Goodwill of SEK 26 million arising from the transactions is supported by several factors, largely attributable to the acquired companies' synergies, employees and market shares. The impact of the acquisitions on the Volati Group's balance sheet is set out below.

Impact of acquisitions on balance sheet (SEK million)

Intangible assets	92
Property, plant and equipment	132
Financial receivables	0
Deferred tax asset	4
Inventories	183
Trade receivables	104
Other receivables	9
Cash and cash equivalents	46
Deferred tax liabilities	-24
Non-current interest-bearing liabilities	-71
Current interest-bearing liabilities	-21
Current liabilities	-158
Net assets	297
Goodwill	26
Purchase price for shares	324
Purchase price for shares	-324
Deferred variable consideration	23
Deferred fixed consideration	10
Cash & cash equivalents in the acquired company at the acquisition date	46
Impact on the Group's cash & cash equivalents on acquisition date	-245
Settlement of fixed consideration	-8
Effect on the Group's cash & cash equivalents, 31 Dec 2020	-253

Impact of acquisitions on balance sheet (SEK million)	Net sales		EBITDA		EBITA		EBIT	
	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec
Trading	105	325	3	28	-1	20	-1	18
Industry	84	113	7	13	4	8	2	4
Volati Group	189	439	10	41	3	28	1	23

If the acquisitions had been consolidated with effect from 1 January 2020, their contribution to the Group's income statement, excluding transaction costs, for the period January-December 2020 would have been as follows: sales SEK 804 million, EBITDA SEK 78 million, EBITA SEK 51 million and operating profit SEK 42 million.

Note 5 Discontinued operations

On 21 December, Volati sold all shares in Volati Life AB including NaturaMed Pharma (“NMP”) to the Belgian company Vision Healthcare. The transaction took place at a price of SEK 77 million and generated a capital loss of SEK 97 million, including transaction costs of SEK 1 million. NMP has been a small business that has had little in common with Volati’s other business units and has shown weak growth since its acquisition in 2014, which is why Volati has decided to sell the company in order to focus on other business areas with greater potential.

On 11 November, the entire holding in the Besikta Bilprovning i Sverige Holding AB (“Besikta Bilprovning”) business unit was sold to the Spanish company Applus. The transaction took place at a price of SEK 1,072 million and generated a capital gain of SEK 744 million, including transaction costs of SEK 11 million. Besikta Bilprovning has shown excellent development since the acquisition in 2013 and the sale creates additional scope for development as Applus has international industry experience, technical expertise and financial capacity to enable growth. At the same time, the sale strengthens Volati’s financial position, which creates opportunities for Volati to grow through additional investments in existing businesses and through new platform acquisitions.

The Consumer business area included me&i AB until 7 November 2019, when Volati’s ownership in the company was converted into preference shares.

Following the divestment of NMP, no operations remain in the Consumer business area and the Board has therefore decided to close the business area. As a result, the operations of the Consumer business area have been classified as discontinued operations in accordance with IFRS 5.

The income statement and cash flow information presented below refers to the period up to the divestment date for the discontinued operations. The income statement for the discontinued operations for the years 2019 and 2020 is presented below. Sales for the discontinued operations in 2020 amounted to SEK 641 (895) million and EBITA was SEK 95 (112) million. EBITA for 2019 includes an impairment loss of SEK 324 million on intangible assets. The income statement and cash flow information presented below refers to the period up to the divestment date for the discontinued operations.

Profit/loss attributable to discontinued operations	Q4 2020	Q4 2019	Full year 2020	Full year 2019
Net sales	81	201	641	895
Operating expenses	-55	-156	-485	-709
EBITDA	26	45	156	186
Depreciation	-6	-19	-61	-74
EBITA	19	26	95	112
Acquisition-related amortisation	0	-3	-1	-339
EBIT	19	24	94	-227
Finance income and costs	-1	-8	-8	-16
Profit before tax	18	16	86	-243
Tax for the period	-4	-4	-19	-16
Profit/loss from discontinued operations	14	12	67	-259
Gain/loss on sale of operation	647	12	647	12
Total profit/loss attributable to discontinued operations	661	24	714	-247
Attributable to:				
Owners of the Parent	662	22	715	-163
Non-controlling interests	-1	1	-1	-84
Earnings per ordinary share attributable to owners of the Parent	8.14	0.08	8.20	-2.84

Cash flow from discontinued operations	Q4 2020	Q4 2019	Full year 2020	Full year 2019
Cash flow from operating activities	15	53	131	179
Cash flow from investing activities	1,086	-15	1,078	-29
Cash flow from financing activities	-6	-10	-42	-39
Total cash flow from discontinued operations	1,094	28	1,167	111

Investing activities for the full year 2020 and Q4 2020 include a positive cash flow of SEK 1,086 million attributable to the divestment of Besikta and NMP.

Impact of discontinued operations on the Group's balance sheet on the divestment date and at the end of the previous year:

	2020	2019
Intangible assets	472	501
Property, plant and equipment	35	37
Right-of-use assets	143	121
Other non-current assets	4	7
Current operating assets	51	53
Cash and cash equivalents	52	178
Total assets	757	895
Deferred tax liabilities	20	23
Non-current interest-bearing liabilities		2
Non-current lease liabilities	92	69
Current lease liabilities	47	45
Current operating liabilities	133	142
Total liabilities	292	281
Net assets	465	615

Note 6 Financial Instruments

Financial instruments: carrying amounts and fair values by measurement category

	31 Dec 2020			31 Dec 2019		
	IFRS 9 category ¹⁾	Carrying amount	Fair value	IFRS 9 category ¹⁾	Carrying amount	Fair value
Financial assets						
Other shares and interests	2	5	5	2	4	4
Other non-current financial assets	1.2	2	2	1.2	2	2
Derivatives held for trading	2	-	-	2	-	-
Trade receivables	1	698	698	1	574	574
Cash and cash equivalents	1	1,160	1,160	1	447	447
Financial liabilities						
Bonds	4	600	604	4	600	613
Loans from credit institutions	4	4	4	4	601	601
Derivatives held for trading	5	0	0	5	0	0
Trade payables	4	711	711	4	706	706
Additional consideration	5	26	26	5	6	6
Put options	6	145	145	6	56	56
Other current liabilities	4	-	-	4	32	32

1) applicable IFRS 9 categories

- 1= Financial assets at amortised cost
- 2= Financial assets at fair value through profit or loss
- 3= Financial assets at fair value through OCI
- 4= Financial liabilities at amortised cost
- 5= Financial liabilities at fair value through profit or loss
- 6= Financial liabilities at fair value through equity

For a description of what is included in the various items and the measurement method, see note 22 of the 2019 annual report.

Financial instruments measured at fair value

	31 Dec 2020				31 Dec 2019			
	Carrying amounts	Quoted prices Level 1	Observable inputs Level 2	Unobservable inputs Level 3	Carrying amounts	Quoted prices Level 1	Observable inputs Level 2	Unobservable inputs Level 3
Financial assets								
Other shares and interests	5	-	-	5	4	-	-	4
Derivatives	-	-	-	-	-	-	-	-
Financial liabilities								
Derivatives	0	0	-	-	0	0	-	-
Put options	145	-	-	145	56	-	-	56
Additional consideration ¹⁾	26	-	-	26	6	-	-	6

¹⁾ Additional consideration is often contingent on the financial performance of the acquired business over a specific period and is measured on the basis of management's best estimate. Discounting to present value is applied for large amounts or long durations.

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

The following table sets out definitions for Volati's key figures. The calculation of APMs is presented separately below.

Non-IFRS APMs and key metrics	Description	Reason for use
EBITDA	Earnings before interest, taxes, depreciation and amortisation.	Together with EBITA, EBITDA provides a view of the profit generated by operating activities.
Adjusted EBITDA	Calculated as EBITDA, excl. IFRS 16 adjustments, for the last 12 months for the companies included in the Group at the reporting date, as if they had been owned for the last 12 months, and adjusted for transaction-related costs, restructuring costs, remeasurement of additional consideration, capital gains/losses on the sale of operations and other income and expenses considered to be non-recurring.	Adjusted EBITDA provides management and investors with a view of the size of the operations included in the Group at the reporting date, as it does not include items not directly attributable to day-to-day operations. Also used in our covenant calculations for the bank.
EBITA	Earnings before interest, taxes and amortisation.	Together with EBITDA, EBITA provides a view of the profit generated by operating activities.
EBITA excl. items affecting comparability	Calculated as EBITA, adjusted for transaction-related costs, restructuring costs, remeasurement of additional consideration, capital gains/losses on the sale of operations and properties, and other income and expenses considered to be non-recurring.	Used by management to monitor the underlying earnings growth for the Group.
EBITA growth per ordinary share	Calculated as EBITA divided by the number of ordinary shares outstanding at the end of the period compared with the same period the previous year.	Used to illustrate earnings per ordinary share generated by operating activities.
Organic EBITA growth	Calculated as EBITA excluding items affecting comparability for the period, adjusted for total acquired and divested EBITA and currency effects, compared with EBITA excluding items affecting comparability for the same period the previous year, as if the relevant business unit had been owned for the same length of time in the comparative period as the length of time it has been legally consolidated in the current period.	Used by management to monitor the underlying earnings growth for existing operations.
Return on equity	Net profit (including share attributable to non-controlling interests) divided by average equity for the last four quarters (including share attributable to non-controlling interests) less the preference share capital.	Shows the return generated on the total capital invested in the Company by shareholders.
Return on adjusted equity	Net profit (including share attributable to non-controlling interests) less the preference share dividend by average equity for the last four quarters (including share attributable to non-controlling interests) less the preference share capital.	Shows the underlying return generated on ordinary share capital invested in the Company by owners of ordinary shares.
Return on capital employed (ROCE excl. GW)	EBITA excluding items affecting comparability for the last 12 months divided by average capital employed for the last 12 months.	Shows the return on capital employed generated by each business area and the Group without taking into consideration acquisition-related intangible assets with indefinite useful lives.

Non-IFRS APMs and key metrics	Description	Reason for use
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.
Operating cash flow	Calculated as EBITDA, excl. IFRS 16, adjusted for non-cash items, less the difference between investments in/divestments of property, plant & equipment and intangible assets, after adjustment for cash flow from changes in working capital, excl. IFRS 16.	Operating cash flow is used by management to monitor cash flow generated by operating activities.
Net debt/Adjusted EBITDA	Net debt, excl. IFRS 16 adjustments, at the end of the period in relation to adjusted EBITDA for the period,	The metric can be used to assess financial risk.
Net debt/Adjusted EBITDA average 4 quarters	Net debt, excl. IFRS 16 adjustments, at the end of the period in relation to adjusted EBITDA for the period, expressed as an average over the four most recent quarters.	The metric can be used to assess financial risk.

Calculations of alternative performance measures are presented separately below.

	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Adjusted EBITDA, LTM				
EBITDA, LTM	815	909	815	909
Reversal of IFRS 16 effect	-236	-282	-236	-282
Acquired and divested companies	28	1	28	1
Items affecting comparability*	29	-23	29	-23
Adjusted EBITDA, LTM	637	604	637	604

*Items affecting comparability refer to transaction-related costs, restructuring costs, remeasurement of additional consideration, capital gains/losses on the sale of operations and properties, and other income and expenses considered to be non-recurring.

Calculation of organic EBITA growth, %

EBITA	163	155	488	388
Reversal of IFRS 16 effect		-7		-18
Adjustment for items affecting comparability	20	2	29	-11
EBITA excl. items affecting comparability	183	150	517	358
Total acquired/divested EBITA	0	-7	-29	-25
Currency effects	4	0	2	0
Comparative figure for previous year	186	143	491	333
Organic EBITA growth, %	18	0	30	4

Calculation of EBITA growth per ordinary share, %

EBITA	163	155	488	388
No. of ordinary shares outstanding at end of period	79,406,571	79,406,571	79,406,571	79,406,571
EBITA per ordinary share, SEK	2.05	1.95	6.14	4.89
EBITA per ordinary share for same period in previous year	1.95	1.92	4.89	4.09
EBITA growth per ordinary share, %	5	2	26	20

	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Basic earnings per ordinary share, SEK				
Net profit attributable to owners of the Parent	753	160	967	74
Deduction for preference share dividend	16	16	64	64
Net profit attributable to owners of the Parent, adjusted for preference share dividend	737	144	903	10
Average no. of ordinary shares	79,406,571	79,406,571	79,406,571	79,721,639
Earnings per ordinary share, SEK	9.29	1.82	11.37	0.13

Basic earnings per ordinary share, continuing operations, SEK

Net profit attributable to owners of the Parent				
Less profit from non-controlling interests	1	2	11	8
Deduction for preference share dividend	16	16	64	64
Net profit attributable to owners of the Parent, adjusted for preference share dividend	75	122	188	173
Average no. of ordinary shares	79,406,571	79,406,571	79,406,571	79,721,639
Earnings per ordinary share, SEK	0.95	1.53	2.37	2.17

Diluted earnings per ordinary share, continuing operations, SEK

Net profit attributable to owners of the Parent, adjusted for preference dividend	75	122	188	173
Average no. of ordinary shares after dilution	79,406,571	79,406,571	79,406,571	79,721,639
Diluted earnings per ordinary share, SEK	0.95	1.53	2.37	2.16

Calculation of return on equity

(A) Net profit, LTM, including non-controlling interests	977	-2	977	-2
Adjustment for preference share dividends, including dividends accrued but not yet paid	-64	-64	-64	-64
(B) Net profit, adjusted	913	-67	913	-67
(C) Average total equity	2,622	2,411	2,622	2,411
(D) Average adjusted equity	1,794	1,583	1,794	1,583
(A/C) Return on total equity, %	37	0	37	0
(B/D) Return on adjusted equity, %	51	-4	51	-4

Calculation of equity ratio, %

Equity including non-controlling interests	3,235	2,360	3,235	2,360
Total assets	6,506	6,156	6,506	6,156
Equity ratio, %	50	38	50	38

Calculation of operating cash flow and cash conversion, %

EBITDA	248	234	815	711
Reversal of IFRS 16 effect	-65	-47	-236	-223
(A) EBITDA excl. IFRS 16 effect	183	187	580	488
(B) adjustment for non-cash items	15	-15	17	-35
Change in working capital*	235	261	77	18
Net investments in property, plant & equipment and intangible assets	-22	-24	-51	-68
(C) Operating cash flow	410	409	623	403
(C/A) Cash conversion, %	224	219	107	83

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

Calculation of Net debt/adjusted EBITDA, LTM, x	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Net debt				
Cash & cash equivalents and other interest-bearing assets	-1,162	-449	-1,162	-449
Non-current interest-bearing liabilities	655	646	655	646
Current interest-bearing liabilities	21	711	21	711
Net debt	-485	907	-485	907
Adjusted EBITDA	637	604	637	604
Net debt/adjusted EBITDA, x	-0.8	1.5	-0.8	1.5

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

Current quarter	-0.8	1.5	-0.8	1.5
Previous quarter	1.4	2.2	1.4	2.2
Previous quarter -1	1.3	2.4	1.3	2.4
Previous quarter -2	1.9	2.1	1.9	2.1
Average last four quarters, x	0.9	2.0	0.9	2.0

ROCE %, 31 December 2020	Trading	Industry	Akademi- bokhandeln	Central costs	Volati Group
1) EBITA, LTM	265	236	67	-51	517
Capital employed, 31 December 2020					
Intangible assets	1,016	581	817		2,413
Adjustment for goodwill, patent/technology, brands	-1,010	-561	-755		-2,326
Property, plant and equipment	45	214	25		299
Right-of-use assets	196	298	274		772
Operating receivables	880	673	257	0	1,811
Operating liabilities	-473	-449	-413	0	-1,343
Capital employed, 31 December 2020	654	755	206		1,627
Adjustment for average capital employed, LTM	44	68	50	0	165
2) Average capital employed, LTM	698	823	256		1,792
ROCE excl. GW 1)/2), %	38	29	26		29
3) Average capital employed, LTM, incl. goodwill and other intangible assets with indefinite useful lives	1,604	1,285	906		3,813
ROCE incl. goodwill 1)/3), %	17	18	7		14

ROCE %, 31 December 2019	Trading	Industry	Akademi- bokhandeln	Central costs	Volati Group
1) EBITA, LTM	178	179	76	-59	373
Capital employed, 31 December 2020					
Intangible assets	977	538	836		2,352
Adjustment for goodwill, patent/technology, brands	-973	-520	-774		,-2267
Property, plant and equipment	31	223	30		300
Right-of-use assets	189	302	213		712
Operating receivables	674	620	262		1,560
Operating liabilities	-301	-403	-413		-1,128
Capital employed, 31 December 2020	597	760	155		1,527
Adjustment for average capital employed, LTM	49	96	138	0	282
2) Average capital employed, LTM	646	856	293		1,809
ROCE excl. GW 1)/2), %	28	21	26		21
3) Average capital employed, LTM, incl. goodwill and other intangible assets with indefinite useful lives	1,507	1,305	943		3,782
ROCE incl. goodwill 1)/3), %	12	14	8		10

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	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Net sales	4	11	22	24
Operating expenses	-14	-14	-54	-59
Operating profit ¹⁾	-10	-3	-32	-35
Profit/loss from financial investments	32	-62	308	501
Profit after financial items	22	-66	276	465
Appropriations	30	39	30	39
Tax for the period	20	13	0	0
Net profit	72	-14	306	504

Comprehensive income for the period, Parent Company

Comprehensive income for the period	72	-14	306	504
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Parent Company condensed statement of financial position

SEK million	31 Dec 2020	31 Dec 2019
Non-current assets	2,127	2,029
Current assets	3,777	5,807
Total assets	5,904	7,836
Equity	3,852	3,547
Untaxed reserves	49	48
Pension obligations	2	1
Non-current liabilities	620	618
Current liabilities	1,382	3,622
Total equity and liabilities	5,904	7,836

Quarterly overview

SEK million	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Operating income								
Net sales	1,880	1,679	1,664	1,472	1,600	1,487	1,529	1,322
Operating expenses								
Raw materials and supplies	-1,121	-1,066	-1,076	-920	-942	-940	-960	-829
Other external costs	-139	-97	-100	-116	-119	-96	-105	-111
Personnel expenses	-368	-281	-291	-298	-310	-261	-302	-276
Other operating income and expenses	-5	-1	0	-2	5	11	2	7
Capital gain/loss on sale of Group company	-	-	-	-	-	-	-	-
EBITDA	248	233	198	136	234	200	164	113
Depreciation	-84	-82	-81	-80	-79	-82	-82	-80
EBITA	163	151	118	56	155	118	82	33
Acquisition-related amortisation	-15	-13	-11	-11	-11	-11	-11	-10
EBIT	148	138	107	45	144	108	71	22
Finance income and costs								
Finance income and costs	-27	-23	-20	-27	-23	-14	-22	-21
Profit before tax	121	115	87	17	121	94	49	1
Tax	-29	-25	-19	-4	18	-16	-21	-1
Profit from continuing operations	92	90	67	13	139	77	28	0
Net profit from discontinued operations	661	7	45	1	24	-302	32	-1
Net profit	754	97	112	14	163	-225	60	-1
Attributable to:								
Owners of the Parent	753	95	111	14	160	-206	58	-1
Non-controlling interests	0	2	2	-1	3	-19	3	0
Net sales, SEK million	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Trading	687	675	712	590	518	535	589	496
Industry	588	578	654	438	487	536	612	373
Akademibokhandeln	606	427	298	444	595	416	328	453
Internal eliminations	-1	0	0	-1	0	0	0	0
Total net sales	1,880	1,679	1,664	1,472	1,600	1,487	1,529	1,322
EBITA, SEK million								
Trading	62	79	86	38	40	50	59	29
Industry	64	64	77	31	49	51	63	15
Akademibokhandeln	71	25	-26	-3	86	18	-24	-3
Items affecting comparability	-20	-5	-7	3	-1	13	-1	5
Central costs	-14	-12	-12	-14	-18	-13	-15	-14
Total EBITA	163	151	118	56	155	118	82	33