



Interim report.
January–March 2017

“Our business units trended positively and delivered organic EBITA growth of 10 percent in the quarter and posted a total LTM EBITA of SEK 320m.”

Mårten Andersson, CEO

volat1.

Interim report January–March 2017.

Q1 January–March 2017.

- Net sales increased 12.4% to SEK 743.6m (661.3)
- EBITA rose 4.3% to SEK 40.1m (38.4)
- Organic EBITA growth totalled 10.1%
- Net profit after tax increased 59.1% to SEK 27.6m (17.4)
- Earnings per common share after deduction of preference share dividends amounted to SEK 0.15 (0.03)
- The Annual General Meeting will be held on 18 May 2017 at 4:00 p.m. at Nalen in Stockholm.

Key figures.

SEK m	Jan–Mar 2017	Jan–Mar 2016	Full-year 2016	LTM March 2017
Net sales	743.6	661.3	3,206.5	3,288.8
EBITDA	57.3	53.5	385.4	389.2
EBITA	40.1	38.4	318.4	320.1
Organic EBITA growth, %	10.1	-7.6	28.1	29.9
EBITA excl. items affecting comparability ¹⁾	43.0	42.3	352.2	352.9
EBIT	35.5	34.5	301.0	302.0
Net debt/Adjusted EBITDA, ratio	-0.5	2.3	-0.6	-0.5
Adjusted cash conversion, %	87.3	93.3	90.9	87.3
Earnings per common share, SEK	0.15	0.03	2.07	2.03
Equity per common share, SEK	17.85	4.21	17.78	17.85
Return on adjusted equity, %	17.5	30.0	25.1	17.5
No. of common shares outstanding	80,406,571	59,544,502	80,406,571	80,406,571
No. of preference shares outstanding	1,603,774	1,603,774	1,603,774	1,603,774

+10%

Organic
EBITA
growth
Q1 2017

+59%

Net profit after
tax
Q1 2017

1) EBITA excl. items affecting comparability is calculated excluding nonrecurring items, such as listing expenses and earn-out revaluations.

The Volati Group

TORNUM

BÅREBO
NORDIC

Miljöcenter
Ditt naturliga val

THOMEE

habo

**SÖRBØ
INDUSTRIERESLAG**

Kellfri

Corroventa

etikettoprintcom

NaturaMed
PHARMA

BESIKTA
BILPROVNING

me&i
IN IT FOR THE FUN.

Comments from the CEO



Volati continued to progress favourably in the first quarter. Our business units trended positively and delivered organic EBITA growth of around 10% in the quarter and posted a total LTM EBITA of SEK 320m. Net profit after tax rose substantially during the quarter due to the considerable reduction in our financing costs following the new share issue at the end of last year, which explains the sharp rise in earnings per share. As we have described previously, the capital raised also results in an initial decline in the return on equity until we have set the capital to work through new acquisitions.

In the Consumer Business Area, it was particularly pleasing to note the positive effect in the first quarter on Besikta of the acquisition of ClearCar in the spring of 2016, which has significantly exceeded our expectations. The Industry Business Area has declined slightly during the quarter, primarily because of the positive earnings impact for Corroventa in the corresponding year earlier period due to the winter flooding, mainly in the UK. The businesses in the Trading Business Area posted stable results for the quarter in a slightly weaker market.

Evaluating numerous acquisition possibilities

We are continuing to build Volati according to our own approach — to support business units with their development and to search in a structured manner for new companies to complement the Group. We evaluate a considerable number of new companies each year to identify the acquisition category that suits Volati: stable businesses with healthy cash flows that we can acquire at reasonable valuations. Our perception is that the acquisition multiples, particularly for larger companies, remains generally high. In this market, it is important to focus on doing the right things and remaining true to our defined acquisition principles.

For us, this means continuing to do what we have done so successfully for the last 14 years. We continuously evaluate interesting acquisition objects and, to date, we have looked at some 60 companies of which a number are undergoing continued evaluation. We have a proven business model and know that opportunities will arise to acquire good companies at reasonable valuations. However, one of Volati's core principles is that we would rather turn down a good deal than risk making a bad one.

We have historically acquired companies at a weighted-average EV/EBITDA multiple of 5.8. These companies share several qualities: they have proven business models,

leading market positions and strong cash flows. However, they are seldom growth companies, at least not at the time when we acquire them. Yet we have still grown rapidly as a Group by reinvesting cash flows from existing operations in new acquisitions in parallel with succeeding to grow mature companies organically.

Focus on long-term performance

Volati has business units in various industries and markets, and these units' sales and earnings trends are impacted by a number of different factors — from seasonal variations and market activities to investments that we implement today to build robust and profitable operations for tomorrow. This means focusing on control and evaluation of the businesses over time, which is where we have a strong track record. For example, since 2013, Volati has generated an average annual organic growth in net sales of 4% and in EBITA of 14% per year.

Volati creates an environment in which good companies improve over time through a focus on value creation, skilled employees, knowledge sharing and disciplined capital allocation. The development of the vehicle inspection operation Besikta is a typical example of how Volati thinks and works, and how we view the long-term potential of a business. Since the acquisition in 2013, Volati has worked methodically with the new management to build an operation with high quality and a strong brand that is now the second largest company in the Swedish vehicle inspection market.

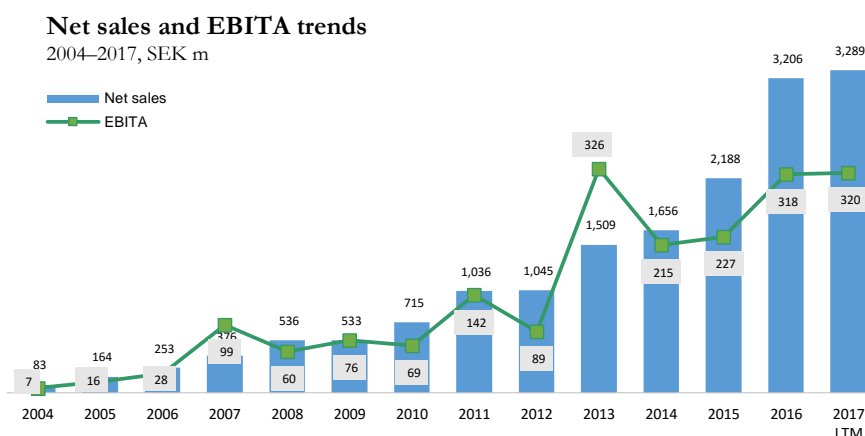
It is fantastic to continue building Volati in 2017 with so many positive preconditions in place. We have stable, profitable businesses that generate healthy cash flows, and with healthy cash funds we look forward to acquiring more good companies at the right prices and at the right moment.

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. Identifying growth potential and improving cash flows is of great importance.

Since 2003, Volati has built an industrial group that, at the end of the first quarter of 2017, comprised some 12 business units with around 40 operating companies that were organised under the three business areas; Trading, Consumer and Industry. Volati has operations in 16 countries and a total of 1,172 employees. The financial trend since the start of operations is presented in the adjacent diagram.



Financial targets

Volati's overriding objective is to generate long-term increases in value by building an industrial group of profitable companies with solid cash flows and the capacity for continuous development. Volati's Board has adopted the following financial targets, which should be evaluated as a whole.

Earnings growth: Volati's target is to reach an adjusted EBITA¹ of SEK 700m by the end of 2019. The target for average annual organic EBITA growth is 5%. In the first quarter of 2017, adjusted EBITA grew 2% (calculated as if we had owned the current company for the entire quarter and the comparative period) and organic EBITA growth was 10% for the same period. The deviation between adjusted EBITA and organic EBITA pertained to ClearCar, which was loss making in the first quarter of 2016, and which was included in adjusted EBITA, while the positive effect of the profitability enhancements following the acquisition contributed to organic growth.

Cash conversion Volati's target is to achieve a cash conversion rate in excess of 85% per year. At the end of the first quarter of 2017, the LTM adjusted cash conversion rate was 87%.

Capital structure: Volati's long-term target is for a net debt ratio of less than three times LTM adjusted EBITDA. At the close of the first quarter, Volati had a net cash reserve and therefore the ratio was negative 0.5.

Dividend policy: Volati's target for common shares is to distribute approximately 10–30% of the net earnings attributable to the Parent Company's shareholders. When assessing dividends, consideration is given to future acquisition potential, development potential in existing companies, the financial position and other factors deemed to be significant by Volati's Board of Directors. Dividends on preference shares are issued at an annual amount of SEK 40.00 per preference share, through quarterly payments of SEK 10.00. The proposed common share dividend is SEK 0.50 per common share, corresponding to 20% of the net profit for the period attributable to the Parent Company's owners.

Return on adjusted equity Volati's long-term target is a return on adjusted equity (calculated as average equity over the last four quarters) in excess of 20%. At the end of the first quarter, the return on adjusted equity was 17% as a result of the new share issue in conjunction with listing in autumn 2016.

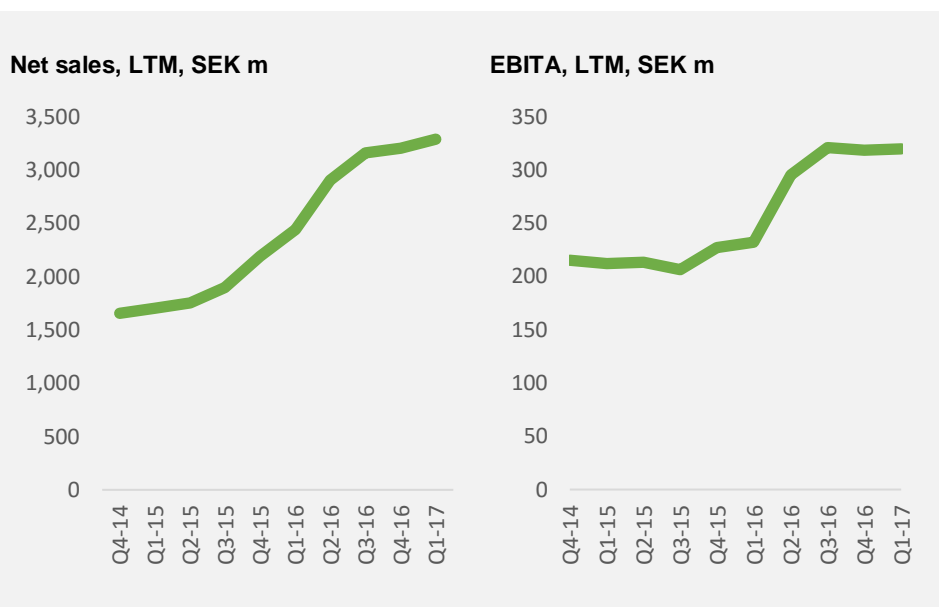
1) Adjusted EBITA — refer to the definition in the note for alternative performance measures on page 24.

Consolidated financial trend.

+12%
Net sales Q1, 2017

Net sales

In the first quarter, consolidated net sales amounted to SEK 743.6m (661.3), corresponding to a year-on-year increase of 12%. The growth was an effect of the acquisitions completed during the previous year as well as from organic growth. Acquired growth amounted to 7.6% and pertained mainly to the acquisitions of Miljöcenter and ClearCar. Organic growth increased sales in the first quarter by 3.7%, which was attributable to organic growth in all business areas. The exchange-rate effect was a positive 1.2%, as a result of the year-on-year strengthening of the NOK against the SEK in the first quarter.



+10%
Organic EBITA growth Q1 2017

Earnings

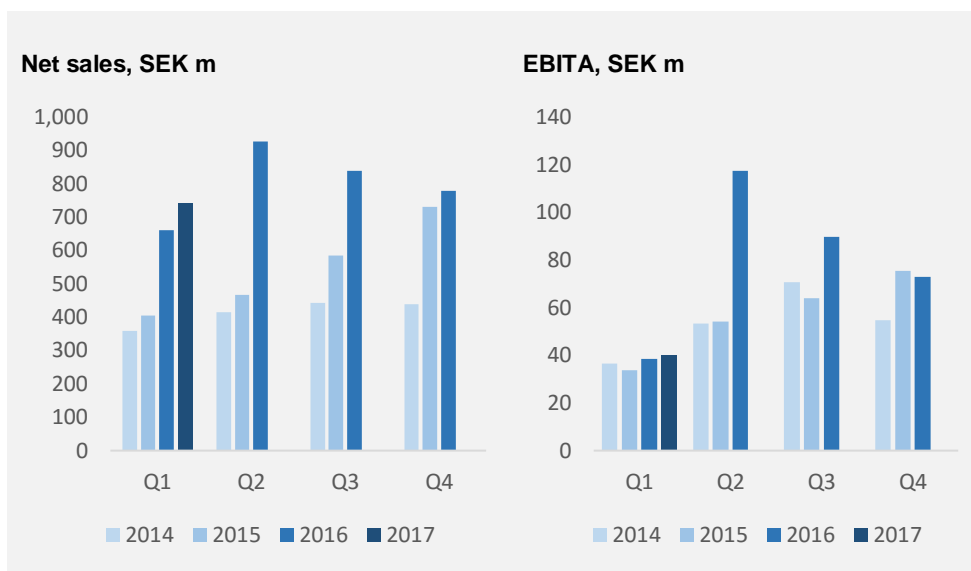
In the first quarter, EBITA amounted to SEK 40.1m (38.4). EBITA excluding items affecting comparability pertaining to the earn-out revaluation for Sörbö and listing expenses was SEK 43.0m (42.3) in the first quarter. Organic EBITA growth was 10.1% and mainly an effect of Besikta's positive trend in the first quarter from increased market shares. The exchange-rate effect was a positive 0.2%.

+59%
Net profit after tax Q1 2017

In the first quarter, net profit after tax increased 59.1% to SEK 27.6m (17.4) as a result of lower financing costs after raising capital at the end of 2016. Net profit after tax attributable to the Parent Company's owners increased to SEK 27.7m (17.5) for the quarter. The minority share of earnings was a negative SEK 0.1m (neg: 0.1). Earnings per common share after deduction of preference share dividends amounted to SEK 0.15 (0.03)

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 second and third quarters the strongest earnings, while the first quarter has the lowest cash flow and earnings. This means that Volati's operations, sales and earnings trends are best monitored on an LTM basis.

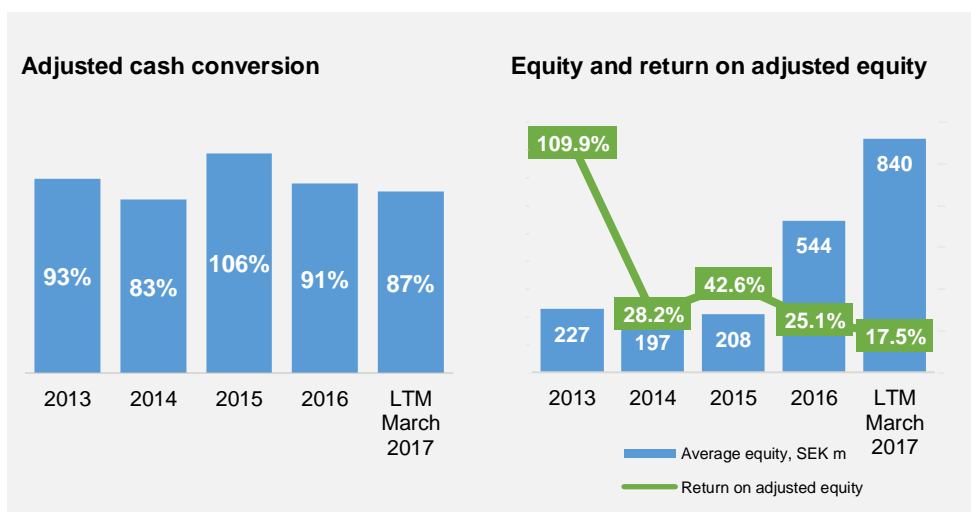


Cash flow

As a result of seasonal effects in most of the businesses, the first quarter is generally the weakest quarter in terms of cash flow for Volati. Cash flows from operating activities before changes in working capital amounted to SEK 41.2m (27.2) in the first quarter. Cash flows were negatively impacted by changes in working capital as a result of seasonal effects and the payment of invoices attributable to the listing in November 2016. Investments in non-current assets in the business units amounted to SEK 10.7m (8.2) and pertained primarily to ongoing investments in machinery and development of products and systems. Total cash flows for the first quarter of 2017 were a negative SEK 83.4m (neg: 39.6).

87%

Adjusted cash conversion, LTM, Q1 2017



70%
Equity ratio
March 2017

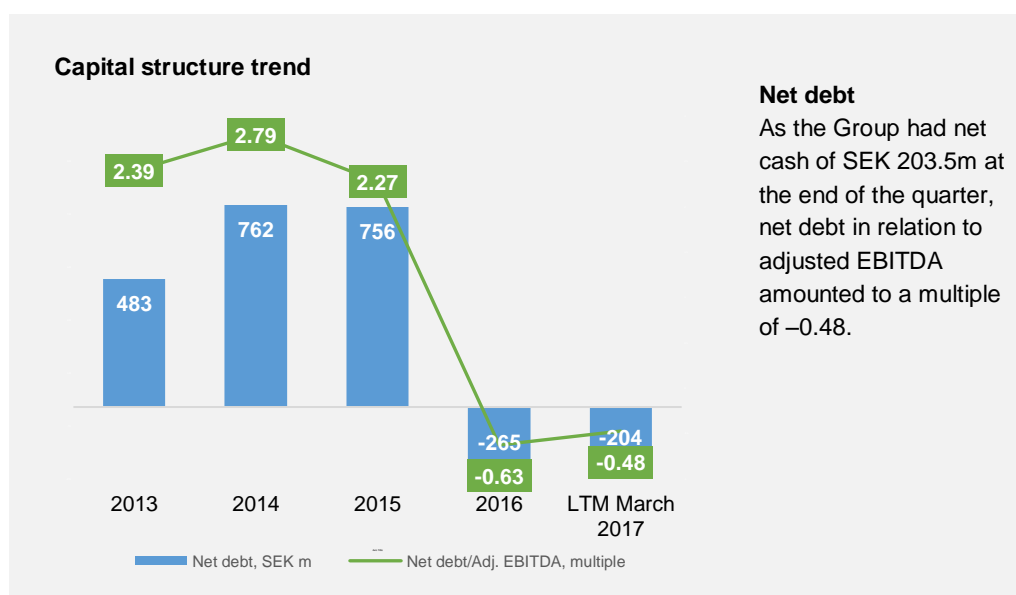
**SEK
204m**
Net cash
Q1 2017

Equity

Total equity for the Group amounted to SEK 2,263.6m (2,257.5) at the end of the period. During the year, equity attributable to the Parent Company's shareholders adjusted for preference share capital increased from SEK 1,411.7m at 31 December 2016 to SEK 1,418.1m at 31 March 2017. The equity ratio remained unchanged at 69.6% compared with the end of 2016. The new issue of common shares completed in November 2016 meant an increase in equity in parallel with a reduction in borrowing. At the end of the first quarter of 2017, the increase in equity meant that the average LTM return on adjusted equity was 17.5% (25.1%).

Net debt

Following the new issue of common shares in November 2016, the external bank financing of SEK 973.8m was settled. At the end of the first quarter of 2017, the Group had net cash of SEK 203.5m compared with a net debt of SEK 264.5m at 31 December 2016. At the end of the quarter, total liabilities amounted to SEK 988.2m compared with SEK 985.7m at 31 December 2016. At the end of the first quarter, interest-bearing liabilities including pension provisions were SEK 104.8m compared with SEK 129.4m at 31 December 2016. At the end of the first quarter, the unutilised portion of the overdraft facility amounted to SEK 200.0m, the unutilised portion of the revolving credit facility was SEK 550.0m, and cash and cash equivalents totalled SEK 285.1m.



Acquisitions during and after the period

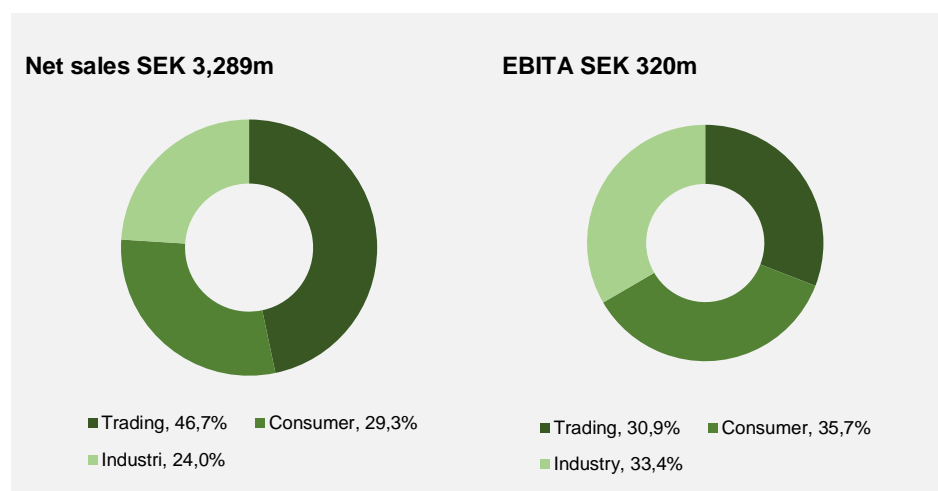
Acquisitions comprise a core element of Volati's strategy for creating long-term value growth and the company continuously evaluates complementary acquisitions and acquisitions in entirely new business areas. In Volati's assessment, risk levels with add-on acquisitions are lower than for acquisitions in new business areas, since in-depth industry know-how and an organisation for receiving the acquired company are already in place. As published in previous financial reports, Ettikettprintcom entered into an asset transfer agreement in 2016 regarding the acquisition of a label printing business. Possession was taken in the first quarter of 2017. The operations in question were Etiketten, which reported sales of SEK 17m for the financial year ending in April 2016. The integration of Etiketten has gone smoothly and is expected to have a certain positive impact on sales and profitability for Ettikettprintcom in 2017.

Volati's business areas.

Volati's 12 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 12-month period from April 2016–March 2017¹



1) The business areas' shares have 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 are calculated exclusive of central costs.



Trading

The Trading Business Area comprises six 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. 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.

First-quarter net sales amounted to SEK 339.4m (295.8) and EBITA rose to SEK 13.9m (12.8). The majority of the business units increased their profitability year-on-year and earnings were also positively impacted by the acquisition of Miljöcenter. The integration of the acquired business units is continuing as planned.

	Jan–Mar 2017	Jan–Mar 2016	LTM	Full-year 2016
Net sales, SEK m	339.4	295.8	1,536.3	1,492.7
Organic net sales growth, %	3.3	39.8	3.9	15.5
EBITDA, SEK m	16.4	15.4	132.7	131.6
EBITA, SEK m	13.9	12.8	122.4	121.3
Organic EBITA growth, %	-3.9	neg.	0.7	-1.6
EBITA margin, %	4.1	4.3	8.0	8.1
EBIT, SEK m	12.5	11.6	116.9	115.9
ROCE excl. goodwill, %	36.2	26.5	36.2	41.1



Consumer

The Consumer Business Area has 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, digitalisation and e-commerce. The business area manager is responsible for coordinating Volati's central support function and for supporting acquisition processes.

First-quarter net sales amounted to SEK 249.1m (216.4) and EBITA rose to SEK 28.0m (24.5). The increase was mainly attributable to operations at Besikta, which were positively impacted during the quarter by the stations acquired in 2016 through ClearCar.

	Jan–Mar 2017	Jan–Mar 2016	LTM	Full-year 2016
Net sales, SEK m	249.1	216.4	964.9	932.2
Organic net sales growth, %	4.0	-3.4	2.1	3.7
EBITDA, SEK m	35.9	30.5	173.0	167.7
EBITA, SEK m	28.0	24.5	141.1	137.6
Organic EBITA growth, %	34.9	-19.2	14.2	20.0
EBITA margin, %	11.2	11.3	14.6	14.8
EBIT, SEK m	25.3	22.1	130.2	127.0
ROCE excl. goodwill, %	199.6	196.5	199.6	196.1



Industry

The Industry Business Area comprises three business units with a total of 18 operating companies in 14 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 manufacture and HR. The business area manager is responsible for coordinating Volati's central support function and for supporting acquisition processes.

First-quarter net sales amounted to SEK 155.1m (149.5) and EBITA rose to SEK 11.9m (15.0). The decrease in EBITA mainly pertained to lower sales for Corroventa where, unlike the first quarter of 2016, no major flooding occurred in Europe, which led to lower equipment leasing volumes. Ettikettoprintcom's profitability continued to trend favourably in the first quarter of 2017.

	Jan–Mar 2017	Jan–Mar 2016	LTM	Full-year 2016
Net sales, SEK m	155.1	149.5	787.8	782.2
Organic net sales growth, %	4.0	9.3	2.9	11.6
EBITDA, SEK m	18.5	21.3	158.1	161.0
EBITA, SEK m	11.9	15.0	132.0	135.1
Organic EBITA growth, %	-18.4	55.1	15.0	56.3
EBITA margin, %	7.7	10.0	16.8	17.3
EBIT, SEK m	11.5	14.7	130.6	133.8
ROCE excl. goodwill, %	77.2	54.1	77.2	79.1

Head office

Head Office comprises the central costs in the Parent Company Volati AB and associated operations including the acquisition costs or other non-operational items arising in the Group. In the first quarter, Head Office posted an EBITA of negative SEK 13.7m (neg: 13.9). During the first quarter, costs of SEK 2.9m (3.9) were charged to earnings and pertained primarily to earn-out revaluations and the listing of the common and preference shares on Nasdaq Stockholm.

Other information.

Share capital

Volati has two classes of shares, common shares and preference shares, which have been listed on Nasdaq Stockholm under the symbols VOLO and VOLO PEF respectively since 30 November 2016. At the end of the first quarter, the number of shareholders was 6,053.

The number of common shares outstanding was 80,406,571 and the number of preference shares outstanding was 1,603,774 at the end of the first quarter. The share capital amounted to SEK 10.3m at 31 March 2017. In addition, Volati has issued 4,174,570 warrants to senior executives, which carry entitlement to subscription for 834,914 common shares.

2017 Annual General Meeting

Volati AB's 2017 AGM will be held on 18 May 2017 at 4:00 p.m. at Nalen (the Stacken auditorium), David Bagares Gata 17, Stockholm. The doors to the auditorium will open at 3:45 p.m. Shareholders who wish to participate in the AGM should be registered in the shareholders' register maintained by Euroclear Sweden AB as of Friday, 12 May 2017, and notify their intent to attend to the company by Friday, 12 May 2017. Notice of attendance can be given by telephone +46 (0)8-21 68 40 on weekdays between 9:00 a.m. and 4:00 p.m., by e-mail to bolagsstamma@volati.se or through the company's website, www.volati.se.

Related-party transactions

No material transactions with related parties took place aside from those presented in the 2016 Annual Report. All related-party transactions were carried out at market rates. No other material transactions with related parties took place in the first quarter.

Events after the close of the reporting period.

No significant events took place after the end of the reporting period.

Financial calendar

- | | |
|---|------------------|
| • Annual General Meeting 2017 | 18 May 2017 |
| • Interim report January–June 2017 | 17 August 2017 |
| • Interim report January–September 2017 | 9 November 2017 |
| • Year-end report 2017 | 22 February 2018 |

Dividends 2017

The Board proposes a dividend to holders of common shares of SEK 40.2m, corresponding to SEK 0.50 per common share and a dividend of SEK 64.2m to holders of preference shares, corresponding to SEK 40.00 per preference share. The preference share dividend is payable at SEK 10.00 per preference share each quarter until the 2018 AGM.

Shareholder structure at 31 March 2017

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	80,406,571	1.0	80,406,571	99.80%	98.04%
Preference Shares	1,603,774	0.1	160,377	0.20%	1.96%
Total	82,010,345		80,566,948	100.00%	100.0%

Shareholders by country

	Number	Share of votes
Sweden	5,921	96.49%
Other countries	132	3.51%
Total	6,053	100.0%

Number of shareholders

Number of shares	Number of shareholders
1–500	5,223
501–1,000	354
1,001–10,000	384
10,001–	92
Total	6,053

Shareholder structure 1)

Name	Number of shares		Share of	
	Common shares	Preference shares	Share capital	Votes
Karl Perlhagen	34,440,000	204,174 ²⁾	42.24%	42.77%
Patrik Wahlén	19,046,954	10,129	23.24%	23.64%
Handelsbanken Fonder	3,826,860	-	4.67%	4.75%
Didner & Gerge Fonder Aktiebolag	3,817,154	-	4.65%	4.74%
The Fourth Swedish National Pension Fund (AP4)	3,468,275	-	4.23%	4.30%
Mårten Andersson	2,511,532	1,887	3.06%	3.12%
Mattias Björk	2,166,705	1,887	2.64%	2.69%
Mats Andersson	1,379,311	-	1.68%	1.71%
Danske Capital Sverige AB	628,116	-	0.77%	0.78%
Nordnet Pensionsförsäkring	567,899	49,773	0.75%	0.71%
Catella Fondförvaltning	554,951	-	0.68%	0.69%
Didner & Gerge Small and Micro cap Fond	500,000	-	0.61%	0.62%
SEB S.A. Client asset ucits	438,472	74,996	0.63%	0.55%
SEB Life International	400,000	-	0.49%	0.50%
JPMEL STOCKHOLM BRANCH	400,000	-	0.49%	0.50%
Total, 15 largest shareholders	74,146,229	342,846	90.83%	92.07%
Other shareholders	6,260,342	1,260,928	9.17%	7.93%
Total	80,406,571	1,603,774	100.00%	100.00%

- 1) The shareholder structure is based on information from Euroclear Sweden as of 31 March 2017.
- 2) Includes ownership indirectly through companies.

The Board of Directors and the CEO hereby certify that this 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, 11 May 2017

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 has not been subject to review by the company's auditors.

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 at 7:45 a.m., 11 May 2017.

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Financial statements.

Consolidated income statement

SEK m	Jan–Mar 2017	Jan–Mar 2016	LTM	Full-year 2016
Operating revenue				
Net sales	743.6	661.3	3,288.8	3,206.5
Operating costs				
Raw materials and supplies	-344.1	-309.9	-1,560.1	-1,526.0
Other external costs	-137.2	-119.2	-533.9	-515.8
Personnel costs	-202.1	-173.3	-799.7	-771.0
Other operating revenue	0.8	0.7	3.8	3.7
Other operating costs	-3.7	-6.0	-9.6	-11.9
EBITDA	57.3	53.5	389.2	385.4
Depreciation	-17.2	-15.1	-69.1	-67.0
EBITA	40.1	38.4	320.1	318.4
Acquisition-related amortisations and write-downs	-4.5	-3.9	-18.0	-17.4
EBIT	35.5	34.5	302.0	301.0
Financial income and costs				
Financial income	3.3	4.2	18.1	19.0
Financial costs	-6.2	-14.6	-57.8	-66.3
Profit before tax	32.7	24.1	262.3	253.8
Tax	-5.0	-6.8	-51.6	-53.3
Net profit	27.6	17.4	210.7	200.5
Attributable to:				
Parent Company's owners	27.7	17.5	206.5	196.2
Non-controlling interests	-0.1	-0.1	4.3	4.3
Earnings per common share, SEK	0.15	0.03	2.03	2.07
Earnings per common share after dilution, SEK	0.14	0.03	2.02	2.06
No. of common shares	80,406,571	59,544,502	80,406,571	80,406,571
No. of common shares after full dilution	81,241,485	60,379,416	81,241,485	81,241,485
Avg. No. of common shares	80,406,571	55,336,919	69,946,958	63,753,873
Avg. No. of common shares after dilution	80,857,109	55,988,335	70,397,497	64,197,604
No. of preference shares	1,603,774	1,603,774	1,603,774	1,603,774
Preference share dividend, SEK	10.00	10.00	40.00	40.00

Consolidated statement of comprehensive income

SEK m	Jan–Mar 2017	Jan–Mar 2016	LTM	Jan–Dec 2016
Net profit	27.6	17.4	210.7	200.5
Other comprehensive income				
Remeasurement of net pension obligations	-	-	-0.7	-0.7
Deferred tax pertaining to net pension obligations	-	-	0.2	0.2
Translation differences for the period	-13.2	9.3	26.5	49.1
Other comprehensive income for the period	-13.2	9.3	26.0	48.5
Total comprehensive income for the period	14.4	26.7	236.7	249.0
Total comprehensive income for the period attributable to:				
Parent Company's owners	14.7	26.5	232.2	244.0
Non-controlling interests	-0.3	0.2	4.5	5.0

Key figures²

	Jan–Mar 2017	Jan–Mar 2016	LTM	Full-year 2016
Net sales, SEK m	743.6	661.3	3,288.8	3,206.5
Net sales growth, %	12.4	63.4	34.6	46.6
Organic growth in net sales, %	3.7	5.4	8.9	9.7
EBITDA, SEK m	57.3	53.5	389.2	385.4
Adjusted EBITDA, SEK m	60.5	57.5	427.0	420.9
EBITA, SEK m	40.1	38.4	320.1	318.4
EBITA margin, %	5.4	5.8	9.7	9.9
EBITA growth, %	4.3	14.5	37.9	40.1
Adjusted EBITA, SEK m	43.3	42.3	357.7	352.4
EBITA excl. central costs and items affecting comparability, SEK m	53.8	52.3	395.5	394.0
Organic EBITA growth, %	10.1	-7.6	29.9	28.1
EBIT, SEK m	35.5	34.5	302.0	301.0
Earnings per common share before dilution, SEK ¹⁾	0.15	0.03	2.03	2.07
Earnings per common share after dilution, SEK ¹⁾	0.14	0.03	2.02	2.06
Equity per common share, SEK	17.85	4.21	17.85	17.78
Return on equity, %	12.6	12.6	12.6	14.6
Return on adjusted equity, %	17.5	30.0	17.5	25.1
Equity ratio, %	69.6	37.7	69.6	69.6
Cash conversion, %	81.4	84.3	81.4	89.1
Adjusted cash conversion, %	87.3	93.3	87.3	90.9
Operating cash flow, SEK m	-24.6	2.3	316.6	343.5
Adjusted operating cash flow, SEK m	-6.2	4.3	339.9	350.4
Net debt/EBITDA, ratio	-0.5	2.3	-0.5	-0.6
No. of employees	1,172	1,025	1,172	1,164
No. of common shares outstanding	80,406,571	59,544,502	80,406,571	80,406,571
No. of common shares outstanding after dilution	81,241,485	60,379,416	81,241,485	81,241,485
Weighted Avg. No. of common shares outstanding	80,406,571	55,336,919	69,946,958	63,753,873
Weighted Avg. No. of common shares outstanding after dilution	80,857,109	55,988,335	70,397,497	64,197,604
No. of preference shares outstanding	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	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
Operating revenue										
Net sales	743.6	779.5	839.1	926.5	661.3	731.4	584.2	467.3	404.7	439.2
Operating costs										
Raw materials and supplies	-344.1	-350.6	-414.7	-450.8	-309.9	-353.8	-282.2	-167.5	-129.7	-144.7
Other external costs	-137.2	-132.0	-129.3	-135.4	-119.2	-105.6	-99.5	-105.4	-102.6	-95.2
Personnel costs	-202.1	-200.9	-188.6	-208.2	-173.3	-176.9	-136.8	-137.6	-130.8	-135.7
Other operating revenue	0.8	-1.9	2.3	2.7	0.7	1.7	10.8	5.7	0.2	0.6
Other operating costs	-3.7	-3.9	-2.0	-0.1	-6.0	-2.1	-1.1	0.0	-0.1	-1.1
EBITDA	57.3	90.2	106.9	134.8	53.5	94.7	75.5	62.6	41.7	63.1
Depreciation	-17.2	-17.4	-17.1	-17.4	-15.1	-19.3	-11.4	-8.4	-8.1	-8.5
EBITA	40.1	72.8	89.8	117.4	38.4	75.4	64.0	54.2	33.6	54.6
Acquisition-related amortisations and write-downs	-4.5	-4.5	-4.6	-4.5	-3.9	-3.8	-3.4	-2.9	-2.9	-4.6
Goodwill impairment	-	-	-	-	-	-	-	-	-	-52.5
EBIT	35.5	68.3	85.2	112.9	34.5	71.6	60.7	51.3	30.7	-2.5
Financial income and costs										
Financial income	3.3	3.4	4.8	6.5	4.2	6.6	6.3	8.5	1.1	-4.2
Financial costs	-6.2	-16.5	-18.3	-16.8	-14.6	-22.5	-18.4	-19.7	-15.0	-39.1
Profit/loss before tax	32.7	55.2	71.8	102.6	24.1	55.7	48.6	40.2	16.8	-45.8
Tax	-5.0	-9.8	-20.5	-16.3	-6.8	-10.9	-9.0	-9.3	-6.2	14.2
Net profit/loss	27.6	45.5	51.3	86.4	17.4	44.8	39.6	30.9	10.6	-31.6
Attributable to:										
Parent Company's owners	27.7	44.7	49.5	84.6	17.5	35.4	33.2	21.3	2.8	-27.5
Non-controlling interests	-0.1	0.8	1.8	1.8	-0.1	9.4	6.4	9.6	7.8	-4.2

Consolidated statement of financial position

SEK m	31 Mar 2017	31 Mar 2016	31 Dec 2016
ASSETS			
Non-current assets			
Intangible assets	1,826.7	1,697.0	1,840.3
Tangible fixed assets	186.0	175.4	191.0
Financial fixed assets	7.9	10.7	7.9
Deferred tax assets	43.4	32.9	42.1
Total non-current assets	2,064.0	1,916.0	2,081.2
Current assets			
Inventories	413.0	369.2	386.7
Accounts receivable	384.0	322.8	301.7
Tax assets	34.7	25.7	10.4
Other current assets	15.2	18.6	18.1
Prepaid expenses and accrued income	55.9	46.1	74.4
Cash and cash equivalents	285.1	162.1	370.7
Total current assets	1,187.8	944.4	1,162.0
Total assets	3,251.9	2,860.4	3,243.2
EQUITY AND LIABILITIES			
Equity			
Share capital	10.3	7.6	10.3
Other capital contributions	1,994.8	828.1	1,994.8
Other reserves	21.4	-13.9	34.4
Retained earnings including net profit	219.8	248.6	200.3
Non-controlling interests	17.4	8.5	17.7
Total equity	2,263.6	1,079.0	2,257.5
Liabilities			
Non-current interest-bearing liabilities	51.2	1,012.0	54.0
Non-current non-interest-bearing liabilities	79.2	60.5	80.0
Pension provisions	2.5	2.0	2.5
Contingent liabilities	5.3	5.0	6.4
Deferred tax liabilities	122.3	111.6	123.7
Total non-current liabilities	260.5	1,191.2	266.6
Current interest-bearing liabilities	51.1	22.4	73.0
Deferred income	84.1	68.5	56.3
Accounts payable	238.4	216.9	267.4
Tax liabilities	46.6	28.6	34.6
Derivatives		3.3	
Accrued expenses and deferred income	176.8	154.8	176.3
Other current liabilities	130.7	95.7	111.6
Total current liabilities	727.7	590.2	719.1
Total liabilities	988.2	1,781.4	985.7
Total equity and liabilities	3,251.9	2,860.4	3,243.2

Consolidated cash-flow statement

SEK m	Jan–Mar 2017	Jan–Mar 2016	LTM	Full-year 2016
Operating activities				
Profit after financial items	32.7	24.1	262.3	253.8
Adjustments for non-cash items, etc.	27.3	31.3	117.6	121.6
Interest paid	-0.9	-9.3	-30.8	-39.2
Interest received	0.2	0.2	0.5	0.5
Income tax paid	-18.1	-19.2	-40.4	-41.5
Cash flows from operating activities before changes in working capital	41.2	27.2	309.2	295.2
Cash flows from changes in working capital				
Change in inventories	-27.9	-41.0	-15.7	-28.8
Change in operating receivables	-62.2	-25.4	-38.0	-1.1
Change in operating liabilities	18.4	22.9	15.5	20.0
Cash flows from changes in working capital	-71.7	-43.5	-38.2	-10.0
Cash flows from operating activities	-30.5	-16.3	271.0	285.2
Investing activities				
Investments in tangible and intangible assets	-10.7	-8.2	-36.0	-33.4
Divested tangible and intangible assets	0.6	0.4	1.6	1.4
Investments in subsidiaries	-	-2.5	-258.9	-261.4
Investments in financial assets	-	-	-0.2	-0.2
Divested financial assets	0.1	9.7	0.4	10.0
Cash flow from investing activities	-10.1	-0.7	-293.0	-283.6
Financing activities				
Dividend paid on preference share	-16.0	-16.0	-64.2	-64.2
Dividend paid on common share	-	-	-24.5	-24.5
New share issue	-	1.0	1175.8	1,176.8
Shareholders' contributions	-	0.5	23.8	24.3
Change in borrowings	-26.8	-8.1	-972.2	-953.5
Cash flow from financing activities	-42.8	-22.7	138.8	158.9
Cash flow for the period	-83.4	-39.6	116.7	160.5
Opening cash and cash equivalents	370.7	200.4	162.1	200.4
Exchange-rate differences in cash and cash equivalents	-2.2	1.3	6.2	9.8
Closing cash and cash equivalents	285.1	162.1	285.1	370.7

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 2016	5.3	828.1	-13.9	150.3	81.1	1,050.9
Net profit	-	-	-	17.5	-0.1	17.4
Other comprehensive income	-	-	-	9.1	0.3	9.3
Comprehensive income for the period	-	-	-	26.5	0.2	26.7
Non-cash issue	2.4	-	-	69.2	-71.6	-0.1
Warrants issue	-	-	-	1.0	-	1.0
Remeasurement of non-controlling interests	-	-	-	1.6	-1.6	0.0
Other transactions with owners	-	-	-	-	0.5	0.5
Closing balance 31 March 2016	7.6	828.1	-13.9	248.6	8.5	1,105.7

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
Net profit	-	-	-	196.2	4.3	200.5
Other comprehensive income	-	-	48.3	-0.5	0.7	48.5
Total comprehensive income	-	-	48.3	195.7	5.0	249.0
Dividends	-	-	-	-88.6	-	-88.6
Quotient value, issued common shares	2.6	1,166.7	-	-	-	1,169.3
Non-cash issue ¹⁾	2.4	-	-	69.0	-71.6	-0.2
Warrants issue	-	-	-	1.0	-	1.0
Shareholders' contributions	-	-	-	19.4	4.4	23.8
Remeasurement of non-controlling interests	-	-	-	-104.7	-1.6	-106.3
Other transactions with owners	-	-	-	-41.8	0.4	-41.3
Closing balance 31 Dec 2016	10.3	1,994.8	34.4	200.3	17.7	2,257.5

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

SEK m	Share capital	Other capital contributions	Other reserves	Retained earnings incl. net income	Non-controlling interests	Total equity
Opening balance 1 Jan 2017	10.3	1,994.8	34.4	200.3	17.7	2,257.5
Net profit	-	-	-	27.7	-0.1	27.6
Other comprehensive income	-	-	-13.0	-	-0.2	-13.2
Comprehensive income for the period	-	-	-13.0	27.7	-0.3	14.4
Quotient value, issued common shares	-	-	-	-0.3	-	-0.3
Remeasurement of non-controlling interests	-	-	-	-	-	-
Other transactions with owners	-	-	-	-8.0	-	-8.0
Closing balance 31 March 2017	10.3	1,994.8	21.4	219.8	17.4	2,263.6

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 2016 Annual Report. IFRS 15 — *Revenue from Contracts with Customers* comes into force on 1 January 2018. As of 31 March 2017, no quantitative estimates had been carried out, however Volati's assessment is that IFRS 15 will not have any material impact on the Group's accounts. 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 1–13 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 2016 Annual Report.

Note 3 Segment reporting

Volati is an industrial group comprising 12 business units, organised into three business areas: Trading, Industry and Consumer.

	Jan–Mar 2017	Jan–Mar 2016	LTM	Full-year 2016
Net sales, SEK m				
Trading	339.4	295.8	1,536.3	1,492.7
Industry	155.1	149.5	787.8	782.2
Consumer	249.1	216.4	964.9	932.2
Internal eliminations	0.0	-0.5	-0.3	-0.7
Total net sales	743.6	661.3	3,288.8	3,206.5

	Jan–Mar 2017	Jan–Mar 2016	LTM	Full-year 2016
EBITDA, SEK m				
Trading	16.4	15.4	132.7	131.6
Industry	18.5	21.3	158.1	161.0
Consumer	35.9	30.5	173.0	167.7
Items affecting comparability	-2.9	-3.9	-32.8	-33.8
Central costs	-10.6	-9.7	-41.9	-41.1
Total EBITDA	57.3	53.5	389.2	385.4

	Jan–Mar 2017	Jan–Mar 2016	LTM	Full-year 2016
EBITA, SEK m				
Trading	13.9	12.8	122.4	121.3
Industry	11.9	15.0	132.0	135.1
Consumer	28.0	24.5	141.1	137.6
Items affecting comparability	-2.9	-3.9	-32.8	-33.8
Central costs	-10.8	-9.9	-42.7	-41.8
Total EBITA	40.1	38.4	320.1	318.4
Acquisition-related amortisations and write-downs	-4.5	-3.9	-18.1	-17.4
Net financial items	-2.9	-10.4	-39.7	-47.2
Profit before tax	32.7	24.1	262.3	253.8

EBIT, SEK m	Jan–Mar 2017	Jan–Mar 2016	LTM	Full-year 2016
Trading	12.5	11.6	116.9	115.9
Industry	11.5	14.7	130.6	133.8
Consumer	25.3	22.1	130.2	127.0
Items affecting comparability	-2.9	-3.9	-32.8	-33.8
Central costs	-10.8	-9.9	-42.8	-42.0
Total EBIT	35.5	34.5	302.0	301.0

Note 4 Business and company acquisitions

In the first quarter of 2017, possession was taken of label printing assets that were acquired in the fourth quarter of 2016 through an asset transfer. Possession is not assessed as having any material impact on the Group's profit or loss or balance sheet.

Note 5 Alternative performance measures

The new guidelines from the European Securities and Markets Authority (ESMA) regarding alternative performance measures entered force from and including 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.

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 currency 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 net sales growth in 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 for the relevant comparative period for the companies included in the Group at the reporting date, as if the companies had been owned for the relevant comparative 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 relevant comparative period for the companies included in the Group at the reporting date, as if the companies had been owned for the relevant comparative 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 currency 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.

Non-IFRS APMs and key metrics	Description	Reasoning
Return on equity	Net profit (including share attributable to non-controlling interests) divided by the weighted average of equity (including share attributable to non-controlling interests).	Shows the return generated on the total capital invested by all shareholders in the company.
Return on adjusted equity	Net profit (including share attributable to non-controlling interests) less the preference share dividend divided by the weighted average of equity for the last four quarters (including share attributable to non-controlling interests) less the preference share capital.	Shows the return generated on the common share capital invested by owners of common shares in the company.
Return on capital employed (ROCE)	Earnings before interest, tax and acquisition-related amortisations and write-downs excluding items affecting comparability for the last 12-month period in relation to average capital employed for the last 12-month period.	Shows the returns generated by the business area and the Group on capital employed without taking into consideration acquisition-related intangible assets with an indefinite useful life.
Return on capital employed including goodwill (ROCE incl. GW)	Earnings before interest, tax and acquisition-related amortisations and write-downs excluding items affecting comparability for the last 12-month period in relation to average capital employed including goodwill and other intangible assets with indefinite useful life for the last 12-month period.	Shows the returns generated by the business area and the Group on capital employed.
Equity ratio	Equity (including share attributable to non-controlling interests) as a percentage of total assets.	The key metric can be used to assess financial risk.
Cash conversion	Calculated as LTM 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 LTM 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 and listing costs.	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.

The calculation of alternative performance measures is presented separately below.

	Jan–Mar 2017	Jan–Mar 2016	LTM	Full-year 2016
<u>Calculation of organic growth in net sales</u>				
Net sales	743.6	661.3	3,288.8	3,206.5
Acquired/divested net sales	-50.3	-243.5	-626.4	-817.5
Currency effects	-7.7	8.7		11.4
Comparative figures for preceding years	685.6	426.5	2,662.3	2,400.4
Organic growth in net sales, %	3.7	5.4	8.9	9.7
<u>EBITA excl. central costs and items affecting comparability</u>				
EBITA	40.1	38.4	320.1	318.4
Adjustments for items affecting comparability	2.9	3.9	32.8	33.8
EBITA excl. items affecting comparability	43.0	42.3	352.9	352.2
Adjustment for central costs	10.8	9.9	42.7	41.8
EBITA excl. central costs and items affecting comparability	53.8	52.3	395.5	394.0
<u>Adjusted net sales</u>				
Net sales L12M	3,288.8	2,444.2	3,288.8	3,206.5
Acquired companies	27.8	428.3	27.8	81.6
Adjusted net sales	3,316.6	2,872.4	3,316.6	3,288.0
<u>Adjusted EBITA and EBITDA</u>				
EBITDA	57.3	53.5	389.2	385.4
Acquired companies	-	-	3.2	0.2
Restructuring costs	-	-	6.9	6.9
Integration costs	-	-	3.4	3.4
Transaction costs	0.3	-	1.8	1.5
Listing costs, common share	0.8	-	10.6	9.9
One-off remuneration	-	-	5.4	5.4
Earn-out revaluation	2.2	3.9	6.4	8.2
Adjusted EBITDA	60.5	57.5	427.0	420.9
Depreciation	-17.2	-15.1	-69.1	-67.0
Acquired companies depreciation	-	-	-0.1	-1.5
Adjusted EBITA	43.3	42.3	357.7	352.4
<u>Calculation of organic growth in EBITA</u>				
EBITA	40.1	38.4	320.1	318.4
Adjustments for items affecting comparability	2.9	3.9	32.8	33.8
Adjustment for central costs	10.8	9.9	42.7	41.8
EBITA excl. central costs and items affecting comparability	53.8	52.3	395.5	394.0
Total acquired/divested EBITA	3.8	-16.3	-49.7	-70.6
Currency effects	-0.1	0.3		0.8
Comparative figures for preceding years	57.6	36.2	345.9	324.3
Organic growth in EBITA, %	10.1	-7.6	29.9	28.1

	Jan–Mar 2017	Jan–Mar 2016	LTM	Full-year 2016
<u>Earnings per common share before dilution</u>				
Net profit attributable to Parent Company's owners	27.7	17.5	206.5	196.2
Deduction for preference share dividend	16.0	16.0	64.2	64.2
Net profit attributable to Parent Company's owners, adjusted for preference dividend	11.7	1.4	142.3	132.1
Avg. No. of common shares	80,406,571	55,336,919	69,946,958	63,753,873
Earnings per common share, SEK	0.15	0.03	2.03	2.07
<u>Earnings per common share after dilution</u>				
Net profit attributable to Parent Company's owners adjusted for preference share dividend	11.7	1.4	142.3	132.1
Avg. No. of common shares after dilution	80,857,109	55,988,335	70,397,497	64,197,604
Earnings per common share after dilution, SEK	0.14	0.03	2.02	2.06
<u>Equity per common share</u>				
Closing equity including share attributable to non-controlling interests	2,263.6	1,079.0	2,263.6	2,257.5
Preference share capital	828.1	828.1	828.1	828.1
Closing equity including share attributable to non-controlling interests after adjustment of preference share capital	1,435.5	250.9	1,435.5	1,429.4
No. of common shares at the end of the period	80,406,571	59,544,502	80,406,571	80,406,571
Equity per common share, SEK	17.85	4.21	17.85	17.78
<u>Calculation of return on equity</u>				
(A) Net profit, LTM, including non-controlling interests	210.7	132.7	210.7	200.5
Adjustment for preference share dividends, including accrued but as yet unpaid dividends	-64.2	-64.2	-64.2	-64.2
(B) Net profit, adjusted	146.6	68.5	146.6	136.3
(C) Average total equity	1,668.0	1,056.7	1,668.0	1,371.8
(D) Average adjusted equity	839.9	228.2	839.9	543.7
(A/C) Return on total equity, %	12.6	12.6	12.6	14.6
(B/D) Return on adjusted equity, %	17.5	30.0	17.5	25.1
<u>Calculation of equity ratio</u>				
Equity including share attributable to non-controlling interests	2,263.6	1,079.0	2,263.6	2,257.5
Total assets	3,251.9	2,860.4	3,251.9	3,243.2
Equity ratio, %	69.6	37.7	69.6	69.6

Calculation of operating cash flow and cash conversion	Jan–Mar 2017	Jan–Mar 2016	LTM	Full-year 2016	Apr 2015–Mar 2016
(A) EBITDA	57.3	53.5	389.2	385.4	286.3
Change in working capital	-71.7	-43.5	-38.2	-10.0	12.1
Net investments in tangible and intangible fixed assets	-10.1	-7.8	-34.3	-32.0	-56.9
(B) Operating cash flow	-24.6	2.3	316.6	343.5	241.5
Adjustment for net investments relating to Besikta Bilproving's IT system	0.4	2.0	5.3	6.9	25.6
Adjustment for issue costs	18.0	-	18.0	-	-
(C) Adjusted operating cash flow	-6.2	4.3	339.9	350.4	267.1
(B/A) Cash conversion, %	-42.9	4.2	81.4	89.1	84.3
(C/A) Adjusted cash conversion, %	-10.8	8.0	87.3	90.9	93.3

Calculation of net debt	Jan–Mar 2017	Jan–Mar 2016	LTM	Full-year 2016
Net debt				
Cash and cash equivalents	-285.1	-162.1	-285.1	-370.7
Pension provisions	2.5	2.0	2.5	2.5
Non-current interest-bearing liabilities	51.2	1,012.0	51.2	54.0
Current interest-bearing liabilities	51.1	22.4	51.1	73.0
Unrealised derivative contracts	-	3.3	-	-
Pension assets	-1.5	-1.4	-1.5	-1.5
Adjustment for shareholder loans	-21.7	-95.3	-21.7	-21.7
Net debt	-203.5	780.9	-203.5	-264.5
Adjusted EBITDA	427.0	332.8	427.0	420.9
Net debt/adjusted EBITDA, ratio	-0.5	2.3	-0.5	-0.6

ROCE %, as per 31 March 2017	Trading	Industry	Consumer	Central costs	Volati Group
1) EBITA LTM	122.4	132.0	141.1	-42.7	352.9

Capital employed at 31 December 2016					
Intangible assets	689.8	544.8	877.3		1826.7
Adjustment for goodwill, patent/technology, brands	-687.1	-518.2	-795.2		-1714.7
Tangible fixed assets	43.9	75.0	47.4		186.0
Inventories	282.9	98.2	31.9		413.0
Accounts receivable	226.2	120.7	37.2		384.0
Other current assets	0.8	10.2	3.6		15.2
Prepaid expenses and accrued income	19.1	15.1	18.7		55.9
Deferred income	-0.7	-61.7	-21.8		-84.1
Accounts payable	-138.9	-62.8	-33.5		-238.4
Accrued expenses and deferred income	-58.4	-36.5	-65.8		-176.8
Other current liabilities	-37.4	-17.0	-36.2		-130.7
Adjustment for non-working-capital-related current liabilities	-	-	1.3		23.8
Adjusted for preference share dividend	-	-	-		16.0
Capital employed at 31 March 2017	340.2	167.7	64.9	2.9	575.8
Adjustment for LTM average capital employed	-1.8	3.3	5.8		5.9

2) LTM average capital employed	338.4	171.0	70.7	581.8
ROCE 1)/2), %	36.2	77.2	199.6	60.7
3) LTM average capital employed incl. goodwill and other intangible assets with an indefinite useful life	962.3	393.5	827.2	2,191.3
ROCE incl. goodwill 1)/3), %	12.7	33.5	17.1	16.1

ROCE %, as per 31 March 2016	Trading	Industry	Consumer	Central costs	Volati Group
1) EBITA LTM	63.3	91.9	111.1	-38.6	227.7
Capital employed at 31 March 2016					
Intangible assets	599.4	545.0	838.6		1,697.0
Adjustment for goodwill, patent/technology, brands	-597.1	-513.8	-747.4		-1,572.2
Tangible fixed assets	59.9	82.2	30.4		175.4
Inventories	252.5	85.7	31.0		369.2
Accounts receivable	196.2	90.8	36.4		322.8
Other current assets	1.3	12.3	3.5		18.6
Prepaid expenses and accrued income	19.0	6.0	18.5		46.1
Adjustment for non-working-capital-related current assets	-	-	-		-1.1
Deferred income	-0.2	-42.7	-25.5		-68.5
Accounts payable	-122.1	-56.3	-38.0		-216.9
Accrued expenses and deferred income	-54.8	-34.7	-58.6		-154.8
Other current liabilities	-24.1	-12.9	-30.4		-95.7
Adjustment for non-working-capital-related current liabilities	-	-	-		12.9
Adjusted for preference share dividend	-	-	-		16.0
Capital employed at 31 March 2016	329.9	161.6	58.4	-1.2	548.7
Adjustment for LTM average capital employed	-91.1	8.3	-1.8	-	-85.7

2) LTM average capital employed	238.8	169.9	56.5	462.9
ROCE 1)/2), %	26.5	54.1	196.5	49.2
3) LTM average capital employed incl. goodwill and other intangible assets with an indefinite useful life	635.1	391.8	775.2	1,835.7
ROCE incl. goodwill 1)/3), %	10.0	23.5	14.3	12.4

Parent Company Volati AB (publ)

The Parent Company Volati AB acts as a holding company and Volati's management are employed within the Parent Company.

Parent Company income statement

SEK m	Jan–Mar 2017	Jan–Mar 2016	LTM	Full-year 2016
Operating revenue	2.8	4.0	9.6	10.8
Operating costs	-13.1	-10.3	-59.0	-56.2
Operating loss	-10.3	-6.4	-49.4	-45.5
Profit from financial investments	20.8	17.7	92.2	89.1
Profit after financial items	10.6	11.3	42.9	43.6
Net profit	8.1	8.8	75.5	76.2

Parent Company statement of financial position

SEK m	31 Mar 2017	31 Mar 2016
Non-current assets	782.0	782.1
Current assets	3,427.3	3,641.1
Total assets	4,209.3	4,423.1
Equity	2,856.5	2,846.2
Untaxed reserves	12.5	12.5
Non-current liabilities	-	-
Current liabilities	1,340.4	1,564.4
Total equity and liabilities	4,209.3	4,423.1