

Press Release

23 March 2022

Volati update: war in Ukraine and strike in Finland affecting the first quarter but less impact on the full year

Volati's first priority is our employees and their families. Tornum, a business unit in the Industry business area, has 9 employees in Ukraine, most of whom remain there in relative safety with their families, while others have left the country and are now being cared for by Tornum employees in neighbouring countries. We are doing everything we can to ensure the safety of our employees and their families.

Tornum had planned for deliveries to Ukraine and Russia totalling SEK 40 million in the first quarter, which will now be postponed. Together with impairment losses of SEK 9 million on assets in the affected countries, the negative impact on earnings for the quarter is estimated at approximately SEK 25 million. Project sales involve large fluctuations between quarters and this year large deliveries were planned for March. Tornum's total annual sales in Ukraine and Russia have varied between SEK 31 million and SEK 67 million in the past five years.

The company has taken steps to reduce the impact by redirecting products produced for Ukraine and Russia to customers in other countries as far as possible. Tornum has also started an initiative to secure new volumes intended for other countries and to reduce costs. The company therefore expects the impact to be less negative for the rest of the year.

Ettiketto Group, a business unit in the Industry business area, has been hit by a shortage of materials due to an ongoing strike at the paper manufacturer UPM in Finland, which is affecting the entire European label industry. This has had an estimated negative effect of SEK 25 million on Ettiketto Group's sales for the first quarter, with a negative earnings effect of approximately SEK 10 million for the quarter.

Ettiketto Group has a good order intake and expects temporarily higher volumes than normal once material supply has normalised. The company has also taken action by reviewing Ettiketto Group's costs, in particular in terms of reducing temporary staff and consultants and adapting the permanent workforce.

The above amounts, which are based on management's estimate, are preliminary and unaudited. The final amounts will be disclosed in the interim report to be published on 26 April 2022. Volati is issuing this information now in order to fulfil the requirements of the EU Market Abuse Regulation (MAR).

This information is information that Volati AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, at 18.30 CET on 23 March 2022.

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About Volati

Volati is a Swedish industrial group, founded in 2003, consisting of the business areas Salix Group and Industry. Volati mainly acquires companies with proven business models, leading market positions and strong cash flows at reasonable valuations and develops them with a focus on long-term value creation. The strategy is to build on the companies' identity and entrepreneurial spirit, adding leadership, expertise, processes and financial resources. Volati has operations in 18 countries, approximately 1,800 employees and annual sales of just over SEK 6 billion. Volati's ordinary shares and preference shares are listed on Nasdaq Stockholm. Further information is available at www.volati.se.