



SVOLDER

YEAR-END REPORT, 12 MONTHS

1st September 2015 – 31st August 2016 Report for Q4 2015/2016 begins on page 9.

» The net worth, including reinvested dividend, rose by more than 50% and the Class B share price increased by 59%. Meanwhile the Swedish stock exchange (SIXRX) rose by 6% and the small cap index (CSRX) increased by 25%. »

Managing Director's comments, page 2

SHARE PRICE

173.00

SEK on 16th September 2016

NET WORTH

171

SEK/share on 16th September 2016

RESULTS FOR THE 2015/2016 FINANCIAL YEAR (12 MONTHS)

- » The company posted a result for the period of SEK **739.5** million (SEK 190.4 m), corresponding to SEK **57.80** (SEK 14.90) per share.
- » The net worth increased by **50.9%**, including reinvested dividend, to SEK **170.50** per share.
- » The listed price of the Class B share increased by **58.9%**, including reinvested dividend, to SEK **161.00** per share.
- » The Carnegie Small Cap Return Index (CSRX) rose by **25.0%**.
- » The SIX Return Index (SIXRX) rose by **5.9%**.
- » The closing discount on net worth was **5.6%**.
- » Proposed dividend SEK **2.75** (SEK 2.50) per share.

THE ANNUAL GENERAL MEETING
WILL BE HELD ON 15TH NOVEMBER 2016

MAJOR CONTRIBUTORS TO NET WORTH

The 2015/2016 financial year (12 months)

Positive (+)	Negative (-)
Troax	Bong
Magnolia Bostad	AGES Industri
GARO	

MAJOR CHANGES IN THE EQUITIES PORTFOLIO

The 2015/2016 financial year (12 months)

Bought (+)	Sold (-)
Klövern	Unibet
Scandic Hotels	Proact
GARO	KappAhl

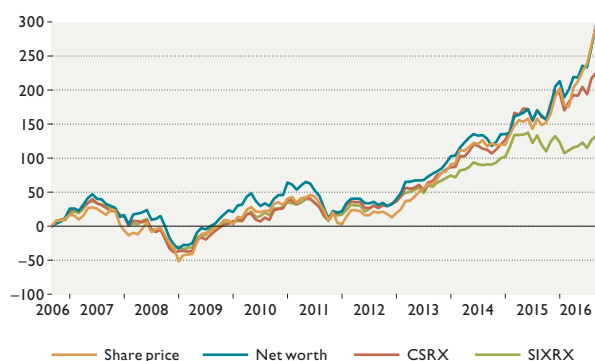
THE MANAGING DIRECTOR'S COMMENTS



DEAR SHAREHOLDER,

Svolder's 2015/2016 financial year has come to an end – and it is the company's 23rd and, in most respects, best year to date. The net worth, including reinvested dividend, rose by more than 50 per cent and the Class B share price increased by 59 per cent. Meanwhile the Swedish stock exchange (SIXRX) rose by 6 per cent and the small cap index (CSRX) increased by 25 per cent. The net worth including paid dividend increased by SEK 740 million, totalling almost SEK 2.2 billion on the closing day. These two figures on their own are new records!

Total return¹⁾ 10 years in % on 31st August 2016



Source: Svolder, Morningstar and SIX

¹⁾ Total return is calculated using comparable methods to reinvestment indices and funds, i.e. assuming that the dividend paid is reinvested at the time of the dividend in underlying types of assets.

SUCCESSFUL STOCK PICKING

Several of Svolder's portfolio companies have distinguished themselves in a particularly positive manner: in particular, investments in several IPOs over the past two years have brought value increases of around SEK 100 million each in 2015/2016 alone. The holdings in Troax, GARO and Magnolia Bostad fall under this category. We believe that

there will be more situations in the future where Svolder can successfully act as an anchor investor in IPOs. At the same time, we should mention that in general valuations for small and medium-sized listed companies have increased dramatically in recent years, which makes it harder to generate similar returns at present.

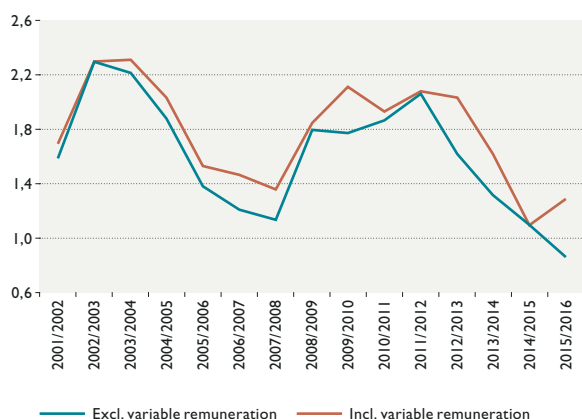
Having said that, several of Svolder's older portfolio companies have performed well during the financial year. These include Saab, Acando, Platzer and XANO, to name a few. Persistence has also paid off in the case of Oriflame, which has once again gained investors' trust by focusing on its growth markets, rather than on the progressively less important problem regions. Convertible shares in envelope producer Bong represent one of the few holdings in the portfolio that is having an adverse effect on net worth. During the voluntary and necessary financial reconstruction that was conducted, banks and convertible holders turned their high-yield loans into shares, albeit at a significant loss.

MANAGEMENT COST RATIO

Svolder's ongoing management cost ratio fell sharply during the financial year. The main reason is the growth in net worth, although the more cash flow-neutral dividend policy and controlled cost development have also been factors. This means that the ongoing cost ratio is currently down to around 0.75 per cent, which is far lower than for small cap funds, for example. A low cost ratio is important, and we are continuing to work on this level too. At the same time, it is also worthwhile to see what added value the active stock management creates over time. Svolder's employees have an incentive programme based on the three-year return in relation to CSRX, with a ceiling for annual payments and an investment requirement in Svolder shares for at least three years. Payments this year raise the cost ratio by around 0.35 percentage points. This should, however, be viewed in relation to higher returns during the financial year of just over 25 percentage points.

Management cost ratio, %

(Management costs in relation to average net worth)



SMALL COMPANIES OUT-PERFORM LARGE ONES

Shares in small and medium-sized companies have continued to develop far more positively than those in large companies, which are affected by factors like the banks' weaker price development, as well as large companies such as Ericsson and H&M. The smaller companies are more readily responsive to the Swedish economy than the more global players, but this is not to ignore the professional efforts of the smaller companies' management teams, employees and directors in creating value for their shareholders. Meanwhile the valuations for the small and medium-sized companies have gradually increased, which requires continued better profit growth compared to the large companies. In the medium term, this development looks set to continue.

EXCELLENT RETURN IN THE LONG TERM

Svolder works with active stock management, not index management. It is our belief that active stock picking creates value, and we also believe it has proven to be a successful portfolio strategy historically. Looking at different periods over the past 10 years, Svolder has created added value for its shareholders. The strategy is well established and we believe that the conditions for this are also good moving forward, although a fair amount of humility is wise in such a successful climate.

Total return¹⁾ in % on 31st August 2016

	1 year 1/9 2015 – 31/8 2016	3 years 1/9 2013 – 31/8 2016	5 years 1/9 2011 – 31/8 2016	10 years 1/9 2006 – 31/8 2016
Svolder				
Net worth	51	123	211	296
Share price (Class B)	59	144	220	295
Stock market index				
CSRX	25	96	178	225
SIXRX	6	47	103	132

¹⁾ Total return is calculated using comparable methods to reinvestment indices and funds, i.e. assuming that the dividend paid is reinvested at the time of the dividend in underlying types of assets.

SUSTAINABILITY: SOCIETY, ENTERPRISE AND THE ENVIRONMENT IN HARMONY

Much like the UN's Brundtland Report ('Our Common Future'), Svolder views sustainability issues as an interplay between economic, social and environmental factors. They are all dependent on each other to function. A democratic society based on a market economy and well-functioning rule of law are the foundation for developing well-managed companies. These in turn create growth and a tax base for common welfare matters and central social functions, and also lay the foundation for active environmental work. It will not, for example, be North Korea, Zimbabwe or Venezuela that contribute to environmental improvements in the world. A good business environment gives rise to companies that add value for a lower environmental impact. Svolder's holding in GARO, a company that operates in the electrical installation materials sector, is a good case in point. GARO is a Scandinavian market leader in charging stations for electric and hybrid vehicles, and facilitates electrical



installations for various energy sources close to households. Defence and security group Saab also demonstrates an interesting interplay between corporate and social responsibility. When global telecom giant Ericsson is unsure whether it needs 300 well-educated, experienced engineers – surprising in itself with technological development as it is – Saab's wholly owned

consulting company Combitech offers them jobs in Linköping or Gothenburg. Initially with links to Ericsson, but probably moving forward for the increased use of mobile communication solutions in the automotive industry, for instance. This creates employment, a tax base and of course expansion opportunities for the Saab group. Soon Saab may even have more employees in Sweden than Ericsson!

AGM AND SURVEY

Svolder will hold its Annual General Meeting on 15 November 2016, at the IVA Conference Centre in Stockholm. A separate notice to attend will be published in line with formal requirements, while the Annual Report will be sent to all shareholders who have not specifically declined such information. The notice will also include any other programme points in connection with the AGM. Also enclosed with this year-end report is a survey on Svolder's information and communication, and we ask shareholders to please respond by 17 October. Your views are important to us.

Yours faithfully

ULF HEDLUNDH
Managing Director

THE EQUITIES PORTFOLIO

31ST AUGUST 2016

Share	Quantity	Share price (SEK) ¹⁾	Market value (SEK m)	% of net worth	% of the company's capital ²⁾	% of the company's votes ²⁾
Troax	1,745,340	147.25	257.0	11.8	8.7	8.7
Saab	786,125	291.40	229.1	10.5	0.7	0.6
GARO	700,000	198.50	139.0	6.4	7.0	7.0
Nolato	571,680	236.00	134.9	6.2	2.2	1.1
New Wave ⁴⁾	2,581,099	51.50	132.9	6.1	3.8	1.0
Acando ³⁾	6,500,000	19.60	127.4	5.8	6.2	8.0
Klövern Class B	9,669,984	11.61	112.3	5.1	1.1	0.6
Magnolia Bostad	839,000	125.00	104.9	4.8	2.2	2.2
Beijer Alma	400,000	218.00	87.2	4.0	1.3	0.7
Scandic Hotels	1,200,000	72.25	86.7	4.0	1.2	1.2
XANO Industri	370,606	218.00	80.8	3.7	5.2	1.5
Platzer Fastigheter	1,402,000	56.75	79.6	3.6	1.5	0.5
SSAB Class B	3,165,000	20.58	65.1	3.0	0.3	0.1
Boule Diagnostics	480,000	131.75	63.2	2.9	10.2	10.2
Oriflame	218,500	263.90	57.7	2.6	0.4	0.4
Nordic Waterproofing	631,075	88.75	56.0	2.6	0.7	0.6
Elos Medtech	384,832	105.50	40.6	1.9	6.4	2.4
AGES Industri	316,722	98.00	31.0	1.4	4.6	1.3
Orexo	523,492	48.10	25.2	1.2	1.5	1.5
Verisec	229,095	73.00	16.7	0.8	5.7	5.7
Bong	16,661,088	0.87	14.5	0.7	7.9	7.9
Equities portfolio			1,941.8	89.0		
Net debt (-)/net receivable (+)			240.8	11.0		
Total/net worth			2,182.5	100.0		
			170.50	SEK per Svolder share		

All securities holdings come under level 1 of the value hierarchy.

¹⁾ In calculating the market value (fair value), the bid price for the securities on Nasdaq Stockholm on the closing day has been used.

²⁾ Based on outstanding shares in the portfolio company.

³⁾ Of which 6,000,000 Acando Class B and 500,000 Acando Class A shares.

⁴⁾ The above-mentioned holdings on the closing day 31st August 2016 included 500,000 New Wave loaned shares.

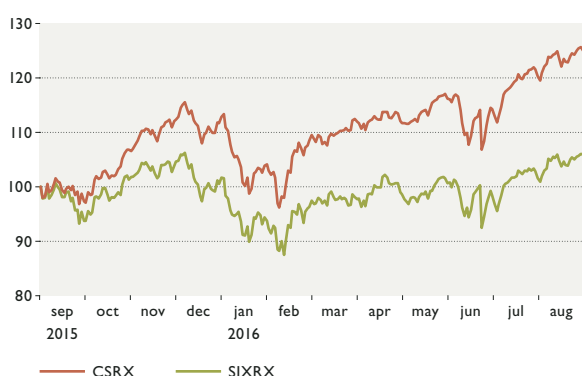
The following is an example of information that can be drawn from the table: Svolder's largest holding is Troax, which has a market value of SEK 257.0 million, corresponding to 11.8 per cent of net worth. A one per cent change in Troax's share price (bid price on the closing day) affects Svolder's net worth by SEK 2.6 million, which equates to SEK 0.20 per Svolder share.

MARKET COMMENTARY

Svolder's 2015/2016 financial year, i.e. 1st September 2015 to 31st August 2016, was a primarily positive one in terms of absolute return. Among international stock exchanges a rise was noted principally in the US, while many European stock exchanges showed a negative return. The MSCI world index did, however, show an increase of 5.6 per cent, measured in Swedish kronor and without adjustment for dividends paid.

The largest companies, and not least the banks, in various European indexes showed far weaker development than the smaller companies. In Sweden this was very clearly in evidence. The OMX30 fell by 1.6 per cent, while the stock market as a whole (SIXRX) rose by 5.9 per cent, and the collective value of small and medium-sized companies (CSRX) increased by a full 25.0 per cent. All of the Swedish indexes mentioned here are adjusted for dividends, as these are reinvested in new stock during index computation.

Index performance (12 months)



The reason for the stronger development among somewhat smaller companies is likely to be attributable to their greater sensitivity to the local Scandinavian markets, and the Swedish market in particular. The Swedish economy has surpassed the forecasts of many analysts, and the result is better than in the majority of Western states. The global economy did show growth during the financial year, but not at a convincing level. The central banks have therefore chosen to continue a highly expansive monetary policy. As well as very low key interest rates, in several cases even negative, the central banks have often been active buyers of government bonds, which has led to lower interest rates than would otherwise have been the case. The effects on growth and inflation have been small, but it is also unclear what the result would have been if the monetary policy had not been so expansive.

Exchange rates for the year as a whole were not particularly dramatic, apart from a fall in the pound sterling after the UK's EU referendum. The Swedish krona weakened

slightly against both the euro and the US dollar, due to the Swedish central bank's (the Riksbank) desire to keep the krona weak and stimulate inflation.

Commodity prices varied dramatically. The price of gold rose by 15 per cent, and zinc by a full 29 per cent. Meanwhile oil prices fell 11 per cent and copper 9 per cent. The changes in value are expressed in USD. There has been high volatility, especially for crude oil and its by-products.

SHARE PRICE TRENDS

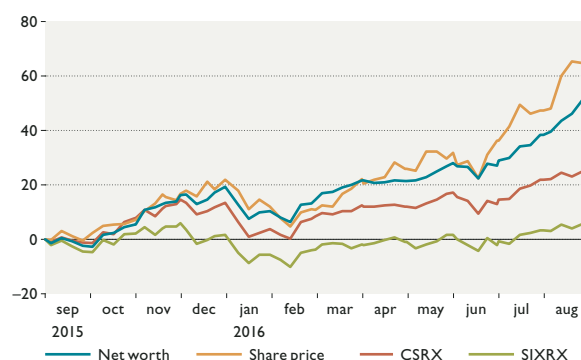
The closing price for Svolder's Class B share was SEK 161.00, which corresponds to an increase during the financial year of 58.9 per cent, including reinvested dividend. The Class B share's value on the closing day represented a discount of 5.6 per cent on its net worth. The Class B share was traded on all trading days during the period, with an average of just over 6,000 shares traded each day of trading on Nasdaq Stockholm.

Trading in Svolder's class A shares was limited and shares were traded on only 63 per cent of trading days, with an average of just under 200 shares each day of trading on Nasdaq Stockholm.

The closing price for Svolder's Class A share was SEK 235.00, which means that the Class A share was valued at a premium of 37.9 per cent in relation to net worth.

Under the terms of Svolder's Articles of Association, Class A shareholders wishing to convert Class A shares into Class B shares may do so by application to Svolder's Board of Directors. No class A shares were converted during the financial year. On the closing day, the total number of shares in Svolder amounted to 12,800,000, of which 622,836 were class A shares and 12,177,164 class B shares. The number of shareholders has increased by approximately 1,000, and amounted to 9,900 according to the most recently published share register on 30 June 2016.

Total return¹⁾ % (12 months)



¹⁾ Total return is calculated using comparable methods to reinvestment indices and funds, i.e. assuming that the dividend paid is reinvested at the time of the dividend in underlying types of assets.

Source: SIX

Source: SIX

Total return¹⁾ in %

	12 months 1/9 2015 – 31/8 2016	12 months 1/9 2014 – 31/8 2015
Svolder		
Share price (Class B)	58.9	14.3
Net worth	50.9	14.8
Stock market index		
CSRX	25.0	22.6
SIXRX	5.9	15.0

¹⁾ Total return is calculated using comparable methods to reinvestment indices and funds, i.e. assuming that the dividend paid is reinvested at the time of the dividend in underlying types of assets.

CHANGE IN NET WORTH

Svolder's closing net worth was SEK 170.50 per share, which represents an increase during the financial year of 50.9 per cent, including reinvested dividend. This figure is 25.9 percentage points above that of the CSRX comparison index, which rose by 25.0 per cent during the corresponding period. This can be compared with the stock market as a whole (SIXRX), which has increased by 5.9 per cent.

The positive deviation from CSRX is company-specific, and is particularly attributable to the 10 largest contributors in Svolder's equities portfolio, which made a total contribution to net worth of over SEK 600 million.

Net worth trend (12 months) 1st September 2015 – 31st August 2016

	SEK m	SEK/share
Net worth, 31st August 2015	1,475.0	115.20
Equities portfolio		
Opening value	1,408.5	110.00
Purchase of shares	685.2	
Sale of shares	-870.1	
Change in value, equities portfolio	718.1	41.70
Closing value	1,941.8	151.70
Net debt (-)/Net receivable (+)		
Opening value	66.5	5.20
Share dividends received	43.1	
Other operating income	1.5	
Dividend paid	-32.0	
Administrative costs	-23.0	
Net financial items	-0.2	
Sale of shares, net	184.8	13.60
Closing value	240.8	18.80
Net worth 31st August 2016	2,182.5	170.50

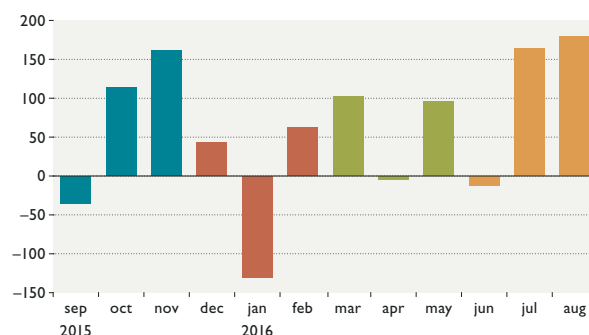
Source: Svolder, SIX and Morningstar

Biggest contributors to changes in net worth 1st September 2015 – 31st August 2016

(Based on net worth of SEK 1,475.0 million or SEK 115.20 SEK/share on 31st August 2015)

	SEK m	SEK/share
Troax	102.5	8.00
Magnolia Bostad	94.6	7.40
GARO	87.9	6.90
Saab	67.4	5.30
Acando	60.3	4.70
Oriflame	56.0	4.40
New Wave	45.1	3.50
Platzer Fastigheter	42.5	3.30
Boule Diagnostics	31.6	2.50
XANO Industri	30.7	2.40
Total, 10 positive	618.5	48.30
Other shares	144.1	11.30
Shares, total	762.7	59.60
Other	-23.2	-1.80
Change in value before dividend	739.5	57.80

Change in net worth in SEK million per month (12 months)

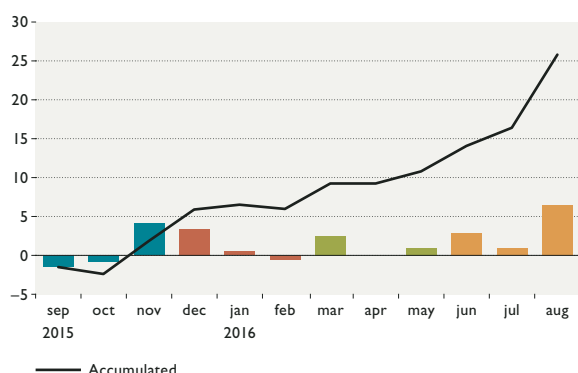


Excluding dividends of SEK 32.0 million (SEK 2.50/share) paid in November 2015.

Svolder's equities portfolio is not an index portfolio: investment decisions are, instead, based on valuation of the individual shares. The portfolio's results in relation to comparison indices may, therefore, differ substantially from one accounting period to another. Share evaluation is complemented by a certain strategic focus on individual sectors based on macroeconomic factors.

Change in net worth relative to CSRX (12 months)

In percentage points per month and accumulated



LIQUIDITY/BORROWING

The equities portfolio was unpledged on the closing day. The net receivable, which also includes the share trading's unliquidated transactions etc., was SEK 240.8 million on the closing day, corresponding to 11.0 per cent of the company's net worth. This can be compared with a net receivable of SEK 66.5 million at the beginning of the financial year.

THE EQUITIES PORTFOLIO

Shares were acquired for a gross amount of SEK 685.2 million during the financial year. Shares to the value of SEK 870.1 million (gross) were sold during the corresponding period, and net sales consequently amounted to SEK 184.8 million. A dividend of SEK 32.0 million was paid to shareholders in November 2015 for the 2014/2015 financial year. The number of holdings in the equities portfolio on the closing day totalled 21, which was two holdings more than on the closing day last year (31st August 2015).

Major net purchases for the equities portfolio (12 months) 1st September 2015 – 31st August 2016

Share	Quantity	SEK m	SEK/share ¹⁾
Klövern Class B	9,669,984	92.6	9.60
Scandic Hotels	1,200,000	73.7	63.20
GARO	700,000	51.1	73.00
Nordic Waterproofing	631,075	44.0	69.70
Boule Diagnostics	480,000	32.0	74.80

¹⁾ The purchase price per share is arrived at on the basis of the aggregate purchase price for all shares of the same class acquired during the period.

Comments on the majority of purchases and sales have been continuously reported in Svolder's interim reports. Transactions, along with the prevailing investment philosophy, will be presented in detail in the forthcoming Annual Report which will be distributed at the beginning of November.

Lending of shares

During the current reporting period, Svolder has lent shares to a limited extent with a Swedish bank as the counterparty. On the closing day, share lending amounted to 1.2 per cent of net worth. Income from share lending for the financial year amounts to SEK 0.5 million and is reported as other operating income. The share lending has taken place against securities mainly in large cap companies listed on Nasdaq Stockholm, equating to approximately 105 per cent of the loaned shares' market value.

Major net sales from the equities portfolio (12 months) 1st September 2015 – 31st August 2016

Share	Quantity	SEK m	SEK/share ¹⁾
Unibet	1,000,000	99.5	99.50
Proact	720,800	93.4	126.70
KappAhl	1,560,000	53.6	34.40
Nolato	166,620	46.6	239.70
Platzer Fastigheter	996,520	42.7	42.80

¹⁾ The sales proceeds per share are arrived at on the basis of the aggregate market value for all shares of the same class sold during the period.

THE PARENT COMPANY

The results for the Group and the Parent Company correspond in full. The Parent Company balance sheet is the same as for the Group with the exception of the Parent Company's holdings in subsidiaries, worth SEK 0.1 million, and a current liability of SEK 0.1 million. The Parent Company and the Group have an overdraft facility totalling SEK 200 million.

RISKS AND UNCERTAINTY FACTORS

The identified risks and uncertainties for the Group and the Parent Company are presented on page 53 and in note 17 on page 65 of the 2014/2015 Annual Report. The market risk (the equities portfolio's price risk) is adjudged to be the most significant of the risks listed. No significant changes are deemed to have occurred subsequently.

DIVIDEND

The Board will propose a share dividend of SEK 2.75 (2.50) per share for the 2015/2016 financial year at the 2016 Annual General Meeting, which equates to SEK 35.2 million (32.0 m). The proposal equates to 1.6 per cent of the closing net worth and a yield of 1.7 per cent based on the share price on the closing day. The proposal is based on Svolder's dividend policy. The following considerations have been made for the proposal:

Dividend received	SEK 43.1 m
Interest from convertibles received	SEK 1.5 m
'Normalised' dividend	SEK 3.5 m
Adjustment for liquidity	SEK 3.1 m
Extra dividends	SEK -0.6 m
Ongoing management costs ¹⁾	SEK -15.7 m
Total	SEK 34.9 m
	(SEK 2.70/share)
Board of Directors' proposal	SEK 2.75/share

¹⁾ Excluding variable remuneration relating to Svolder's long-term incentive programme.

The aim is to achieve a dividend level based on normalised dividends from a fully invested equities portfolio, with deductions for management costs excluding possible variable remuneration. The dividend level should, therefore, have the necessary conditions to rise in line with the portfolio companies' increased dividend capacity.

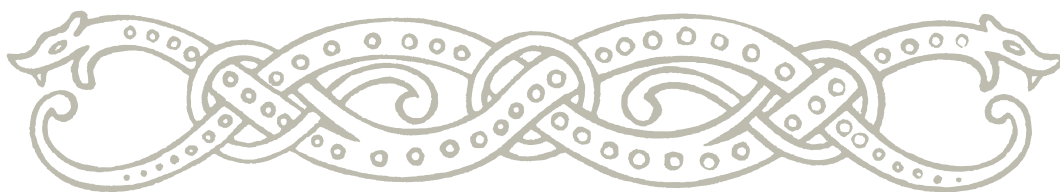
EVENTS AFTER THE REPORTING PERIOD

The net worth on 16th September was SEK 171 per share and the listed price was SEK 173.

AGM AND FINANCIAL REPORTING

The Annual General Meeting will be held on Tuesday 15th November 2016 in Stockholm. The notice to attend will be announced with a press release on around 14th October, a presentation on Svolder's website, an advertisement in Dagens Industri and information in the upcoming Annual Report.

The Annual Report will be distributed at the beginning of November to all shareholders, except for any who have requested not to receive corporate stock market information, whether to the company or via their depository bank. The interim report for the period 1st September – 30th November 2016 will be published on 13th December 2016.



REPORT FOR Q4

Current reporting period: 1st June – 31st August 2016 (3 months)



RESULT FOR CURRENT REPORTING PERIOD (3 MONTHS)

- » The company posted a result for the period of SEK **331.9** million (SEK –53.5 m), corresponding to SEK **25.90** (SEK –4.20) per share.
- » The net worth increased by **17.9%** to SEK **170.50** per share.
- » The listed price of the class B share increased by **20.6%** to SEK **161.00** per share.
- » The Carnegie Small Cap Return Index increased by **6.7%**.

MAJOR CONTRIBUTORS TO NET WORTH

Current reporting period (3 months)

Positive (+)	Negative (–)
Troax	AGES Industri
GARO	
Magnolia Bostad	

MAJOR CHANGES IN THE EQUITIES PORTFOLIO

Current reporting period (3 months)

Bought (+)	Sold (–)
Nordic Waterproof.	Nobina
Klövern	Oriflame
SSAB	Magnolia Bostad

MARKET COMMENTARY

The current reporting period, 1st June – 31st August 2016, was a strong stock exchange period, albeit volatile. The Swedish stock exchange (SIXRX) rose by 4.3 per cent, while slightly smaller companies (CSRX) showed growth of a full 6.7 per cent. The majority of the world's stock exchanges increased during the same period, and the MSCI world index noted a rise of 2.7 per cent measured in USD. US listed companies were the main positive drivers, while their European equivalents burdened the figures somewhat. The UK referendum on EU membership dominated events during June, after which the effects gradually subsided.

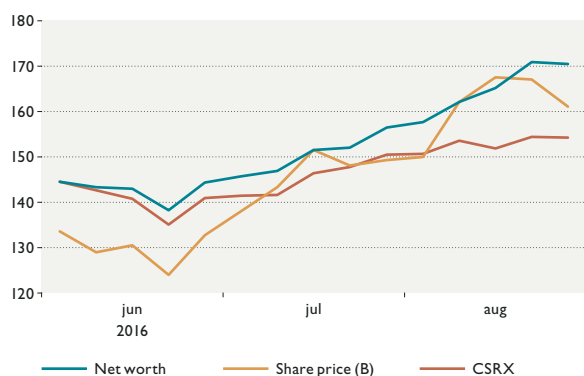
The economic situation remains relatively weak, but most countries are still showing economic growth. Indicators and actual macroeconomic figures were generally quite strong during the start of the summer, although these have weakened more recently. It may, however, be wise to interpret monthly economic statistics with caution.

The Swedish krona weakened during the summer, and both the USD and the EUR have risen by almost 3 per cent. The Riksbank's very loose monetary policy, with negative key interest rates and bond buy-backs, has had the intended effect on SEK exchange rates. A less strict financial policy and revised fiscal stability targets have probably also affected financial players' views of the Swedish currency. In the Sweden's National Institute of Economic Research's analyses, Swedish households are pessimistic about the future, while companies are relatively optimistic. This is especially true in the construction sector.

Commodity prices showed extremely varied trends during the three-month period. Higher volatility, concerns about terror and greater political uncertainty in many central countries have led gold prices to rise by around 8 per cent. In the meantime oil prices have fallen by just over 5 per cent, while industrial metals vary, with a weak price trend for copper but a very strong one for zinc.

Government bond interest rates remain low in light of the expansive monetary policy pursued by central banks. It should, however, be noted that government bond interest rates in parts of Europe and in the US and Japan have risen during the current reporting period.

Svolder (SEK/share) and CSRX (3 months)



Total return¹⁾ in %

	3 months 1/6 2016 – 31/8 2016	12 months 1/9 2015 – 31/8 2016
Svolder		
Share price (Class B)	20.6	58.9
Net worth	17.9	50.9
Stock market index		
CSRX	6.7	25.0
SIXRX	4.3	5.9

¹⁾ Total return is calculated using comparable methods to reinvestment indices and funds, i.e. assuming that the dividend paid is reinvested at the time of the dividend in underlying types of assets.

CHANGE IN NET WORTH

Svolder's closing net worth was SEK 170.50 per share, which represents an increase during the current reporting period of 17.9 per cent. This figure is up 11.2 percentage points on that of the CSRX comparison index, which increased by 6.7 per cent during the corresponding period.

Net worth trend (3 months) 1st June – 31st August 2016

	SEK m	SEK/share
Net worth, 31st May 2016	1,850.6	144.60
Equities portfolio		
Opening value	1,644.1	128.40
Purchase of shares	158.8	
Sale of shares	-200.5	
Change in value, equities portfolio	339.3	23.30
Closing value	1,941.8	151.70
Net debt (-)/Net receivable (+)		
Opening value	206.5	16.10
Share dividends received	3.4	
Other operating income	0.2	
Administrative costs	-11.0	
Net financial items	-0.1	
Sale of shares, net	41.7	2.70
Closing value	240.8	18.80
Net worth 31st August 2016	2,182.5	170.50

Source: Svolder and SIX

Biggest contributors to changes in net worth 1st June – 31st August 2016

(Based on net worth of SEK 1,850.6 million or SEK 144.60 SEK/share on 31st May 2016)

	SEK m	SEK/share
Troax	60.2	4.70
GARO	36.1	2.80
Magnolia Bostad	32.2	2.50
New Wave	30.5	2.40
Boule Diagnostics	24.1	1.90
Acando	18.8	1.50
Oriflame	18.6	1.50
Platzer Fastigheter	18.1	1.40
Klövern Class B	16.9	1.30
Scandic Hotels	14.1	1.10
Total, 10 positive	269.5	21.10
Other shares	73.5	5.70
Shares, total	343.0	26.80
Other	-11.0	-0.90
Change in value	331.9	25.90

Perimeter protection company **Troax** reported a strong order intake and sales during the first half of 2016. Its operating profit and operating margin did, however, fall from high levels. Two of the factors behind this decrease were extra costs for commissioning a new lacquering line, and planned marketing initiatives primarily in North America. The investment in the new lacquering line is expected to bring positive effects as capacity utilisation increases. The initiatives in North America afford some interesting growth opportunities. The share price developed strongly during the summer, and the holding was by far the largest contributor to net worth during the current reporting period.

Electrical product company **GARO** reported a strong second quarter. All of its product areas enjoyed positive development, with particularly strong growth in the EV Chargers product area (solutions for charging electric vehicles). Geographically speaking, Sweden and Ireland enjoyed the strongest development. The share price has developed very positively since the public listing in mid-March, and the holding was the second largest contributor to net worth during the current reporting period. Svolder acted as an anchor investor in connection with the IPO.

The housing development company **Magnolia Bostad** has continued to increase its project portfolio, which encompassed over 9,000 homes at the end of June 2016. The company's share price has developed strongly, and the holding in the company is a major contributor to net worth. Svolder expects positive development moving forward in line with increased awareness of the company and its business model, a growing project portfolio, and in the longer term a change of listing to the Nasdaq Stockholm exchange. Svolder took advantage of the strong share price development to reduce its holding slightly.

LIQUIDITY/BORROWING

The equities portfolio was unpledged on the closing day. The net receivable, which also includes the share trading's unliquidated transactions etc., was SEK 240.8 million on the closing day, corresponding to 11.0 per cent of the company's net worth. This can be compared with a net debt of SEK 206.5 million at the beginning of the current reporting period.

EQUITIES PORTFOLIO

Shares to the value of SEK 158.8 million (gross) were acquired during the current reporting period. Shares to the value of SEK 200.5 million (gross) were sold during the corresponding period, and net sales consequently amounted to SEK 41.7 million.

During the three-month period **Nordic Waterproofing** was added as a new holding and all shares in **Nobina** were sold. On the closing day, the portfolio thus comprised 21 holdings.

Major net purchases for the equities portfolio (3 months) 1st June – 31st August 2016

Share	Quantity	SEK m	SEK/share ¹⁾
Nordic Waterproofing	631,075	44.0	69.70
Klövern Class B	3,769,984	37.1	10.00
SSAB Class B	1,665,000	19.1	11.50
Nolato	71,788	15.0	208.50

¹⁾ The purchase price per share is arrived at on the basis of the aggregate purchase price for all shares of the same class acquired during the period.

In June, Svolder took part in the IPO of waterproofing company **Nordic Waterproofing Group** (NWG). Svolder subsequently more than doubled its holding at the introductory rate of SEK 71 per share. The company's well-established business model, strong market positions, healthy finances and established corporate management were particularly valued by Svolder. NWG offers roof waterproofing products and solutions in Northern Europe. In Finland and Denmark the company also offers installation services. Finland is NWG's biggest market, followed by Denmark and Sweden. The share price has risen since the IPO, partly thanks to the company's strong Q2 report.

In the latter part of the financial year, Svolder has acquired shares in real estate company **Klövern**. The share had previously shown weaker development than several other listed real estate companies. The holding has been increased during the current reporting period. Klövern has a good cash flow, strong exposure to Swedish growth centres and a high dividend ratio. At the same time it has relatively high indebtedness, which concerns foreign investors particularly and makes the share rather volatile. Svolder believes that, in spite of this and good value growth since acquiring the shares, Klövern's valuation remains unjustifiably low, especially compared to the industry as a whole.

During the quarter, Svolder took part in a new share issue in steel company **SSAB**. This strengthened the company's balance sheet, and it now has a new long-term financing agreement with a bank consortium. The Q2 interim report was far above analysts' expectations, and the prospects appear considerably more positive than 2015, which was a tough year for the steel industry. Despite the strong recovery of the share price during 2016, the valuation appears to remain attractive.

Major net sales from the equities portfolio (3 months) 1st June – 31st August 2016

Share	Quantity	SEK m	SEK/share ¹⁾
Nobina	1,308,517	57.2	43.70
Oriflame	171,500	37.4	218.10
Magnolia Bostad	268,557	27.2	101.40
Acando	1,421,000	26.1	18.00

¹⁾ The sales proceeds per share are arrived at on the basis of the aggregate market value for all shares of the same class sold during the period.

Bus company **Nobina** was listed on Nasdaq Stockholm in 2015. Svolder met the corporate management and made its analysis prior to the IPO, but chose not to participate for reasons of valuation. The share price initially showed a weak development on the stock exchange, and when the price fell below the introductory price Svolder began investing in Nobina. Just over a year later, the company has comfortably met its targets and paid out its first dividend as a listed company. The share has developed very well recently and now appears to be fully valued, which is why Svolder has gradually sold all of its shares in the company.

The share price of cosmetics company **Oriflame** has developed very well in 2016 and the company was a major contributor to Svolder's net worth. The company's last three interim reports have confirmed the trend with continued strong growth, chiefly in the Asia & Turkey region. At the same time the former problem area of CIS (primarily Russia and Ukraine) stabilised. All in all, the development in the group's various regions means a more geographically balanced exposure to risk. The operating margin has developed positively, despite continued negative currency effects. The balance sheet has strengthened considerably and the annual general meeting in May decided to resume the payment of dividends. Svolder has reduced its holding as the share price and valuation have risen.

LENDING OF SHARES

During the current reporting period, Svolder has lent shares to a limited extent with a Swedish bank as the counterparty. On the closing day, share lending amounted to 1.2 per cent of net worth. Income from share lending for the three-month period amounts to SEK 0.2 million and is reported as other operating income. The share lending has taken place against securities mainly in large cap companies listed on Nasdaq Stockholm, equating to approximately 105 per cent of the loaned shares' market value.

THE PARENT COMPANY

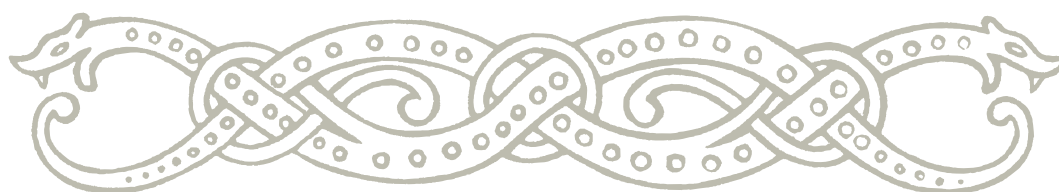
The results for the Group and the Parent Company correspond in full. The Parent Company balance sheet is the same as for the Group with the exception of the Parent Company's holdings in subsidiaries, worth SEK 0.1 million, and a current liability of SEK 0.1 million. The Parent Company and the Group have an overdraft facility totalling SEK 200 million.

STOCKHOLM, 23RD SEPTEMBER 2016
SVOLDER AB (PUBL)

THE BOARD OF DIRECTORS

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This Interim Report has not been subject to examination by the company's auditors.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	3 months 1/6 2016 – 31/8 2016	3 months 1/6 2015 – 31/8 2015	12 months 1/9 2015 – 31/8 2016	12 months 1/9 2014 – 31/8 2015
Management operations				
Dividend income	3.4	-	43.1	38.8
Administrative costs	-11.0	-3.5	-23.0	-15.3
Earnings from securities	339.3	-50.9	718.1	162.8
Other operating income	0.2	0.9	1.5	4.2
Operating profit	332.0	-53.5	739.7	190.6
Profit on financial investments				
Financial income	0.0	-	0.0	0.0
Financial expenses	-0.1	-0.1	-0.2	-0.2
Profit after financial items	331.9	-53.5	739.5	190.4
Tax	-	-	-	-
Profit for the period	331.9	-53.5	739.5	190.4
Other comprehensive income	-	-	-	-
Comprehensive income for the period	331.9	-53.5	739.5	190.4
Earnings per share, SEK	25.90	-4.20	57.80	14.90

CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	3 months 1/6 2016 – 31/8 2016	3 months 1/6 2015 – 31/8 2015	12 months 1/9 2015 – 31/8 2016	12 months 1/9 2014 – 31/8 2015
Cash flow from operating activities before changes in working capital				
	-0.8	-2.9	28.8	24.2
Changes in working capital				
Increase (+)/decrease (-) in current liabilities	-0.1	0.0	0.0	0.0
Cash flow from operating activities	-0.9	-2.9	28.8	24.2
Investing activities				
Purchase of securities	-166.1	-85.1	-687.3	-405.6
Sales of securities	202.1	55.7	871.6	454.3
Investment in machinery and equipment	-	-	-0.1	-
Cash flow from investing activities	36.0	-29.4	184.2	48.7
Financing activities				
Dividend paid	-	-	-32.0	-28.8
Cash flow from financing activities	0.0	0.0	-32.0	-28.8
Increase (+)/decrease (-) in liquid assets	35.1	-32.3	181.0	44.0
Liquid assets at beginning of period	214.6	101.0	68.7	24.7
Liquid assets at end of period	249.7	68.7	249.7	68.7

CONSOLIDATED KEY RATIOS PER SHARE

(SEK m)	3 months 1/6 2016 – 31/8 2016	3 months 1/6 2015 – 31/8 2015	12 months 1/9 2015 – 31/8 2016	12 months 1/9 2014 – 31/8 2015
Change in net worth, SEK	25.90	-4.20	55.30	12.60
Dividend paid during the period, SEK	-	-	2.50	2.25
Number of shares, million	12.8	12.8	12.8	12.8

Amounts per share have been rounded off to the nearest SEK 0.1 throughout the Interim Report, except for share prices and dividends.

The company has no ongoing programmes of financial instruments that entail any dilution in the number of shares. The number of outstanding shares equals 12,800,000.

CONSOLIDATED BALANCE SHEET

	Assets				
(SEK m)	31/8 2016	31/5 2016	31/8 2015	31/5 2015	31/8 2014
Non-current assets					
<i>Property, plant and equipment</i>					
Equipment	0.1	0.2	0.1	0.1	0.2
<i>Financial assets</i>					
Securities holdings	1,941.8	1,644.1	1,408.5	1,431.4	1,291.9
Current assets					
Current receivables	0.3	0.5	0.8	3.5	12.8
Cash and bank balances	249.7	214.6	68.7	101.0	24.7
Total assets	2,191.9	1,859.4	1,478.2	1,536.0	1,329.5

Shareholders' equity and liabilities

(SEK m)	31/8 2016	31/5 2016	31/8 2015	31/5 2015	31/8 2014
Shareholders' equity	2,182.5	1,850.6	1,475.0	1,528.5	1,313.4
Liabilities					
Current liabilities	9.4	8.8	3.1	7.5	16.1
Total liabilities and shareholders' equity	2,191.9	1,859.4	1,478.2	1,536.0	1,329.5

CHANGES IN SHAREHOLDERS' EQUITY

(SEK m)	3 months 1/6 2016 – 31/8 2016	3 months 1/6 2015 – 31/8 2015	12 months 1/9 2015 – 31/8 2016	12 months 1/9 2014 – 31/8 2015
Opening balance	1,850.6	1,528.5	1,475.0	1,313.4
Dividend paid	-	-	-32.0	-28.8
Comprehensive income for the period	331.9	-53.5	739.5	190.4
Closing balance	2,182.5	1,475.0	2,182.5	1,475.0

CONSOLIDATED KEY RATIOS PER SHARE

(SEK m)	31/8 2016	31/5 2016	31/8 2015	31/5 2015	31/8 2014
Net worth per share, SEK	170.50	144.60	115.20	119.40	102.60
Share price (Class B), SEK	161.00	133.50	103.50	107.50	92.75
Net worth, premium (+)/discount (-), %	-6	-8	-10	-10	-10
Liquidity (+)/Borrowing (-), %	11	11	5	6	2
Equity/assets ratio, %	100	100	100	100	100
Number of shares, million	12.8	12.8	12.8	12.8	12.8

Definitions as in the Annual Report for 2014/2015. Amounts per share have been rounded off to the nearest SEK 0.1 throughout the Interim Report, except for share prices and dividends. The company has no ongoing programmes of financial instruments that entail any dilution in the number of shares. The number of outstanding shares equals 12,800,000.

ACCOUNTING PRINCIPLES

This Interim Report has been prepared in accordance with IAS 34, Interim Reporting.

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU and in accordance with Sweden's Annual Accounts Act. The Parent Company accounts follow Sweden's Annual Accounts Act and Swedish Financial Reporting Board recommendation RFR 2.

Otherwise the same accounting principles and bases for assessment have been used as in the most recent Annual Report.

VISIT SVOLDER.SE



Prioritaire **A**

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SVOLDER IS A DEDICATED INVESTMENT TRUST THAT INVESTS PRIMARILY IN THE SHARES OF SMALL AND MEDIUM-SIZED LISTED SWEDISH COMPANIES. THE COMPANY'S SHARES ARE LISTED ON NASDAQ STOCKHOLM AB. SVOLDER'S NET WORTH IS PUBLISHED WEEKLY AND APPEARS ON THE COMPANY'S WEBSITE AT WWW.SVOLDER.SE



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