



SVOLDER

INTERIM REPORT 3 2018/2019

» *A strong quarter,
in terms of both share
price and net worth* »

The Managing Director's comments, page 2

SEK PER SHARE ON
14TH JUNE 2019

SHARE PRICE
116.80

NET WORTH
127

Current reporting period

3 months: 1st March–31st May 2019

- The company posted a result for the period of SEK **212.3** million (188.4 m), corresponding to SEK **8.30** (7.40) per share
- The net worth increased **7.4%** to SEK **120.30** per share
- The listed price of the Class B share increased by **17.8%** to SEK **115.40** per share
- The Carnegie Small Cap Return Index rose by **4.8%**
- The closing discount on net worth was **4.1%**

Current reporting period (3 months)

MAJOR CONTRIBUTORS TO NET WORTH

+ Positive	Negative –
GARO	Scandic Hotels
ITAB	Saab
Acando	

Result for the interim period

9 months: 1st September 2018–31 May 2019

- The company posted a result for the period of SEK **16.7** million (162.9 m), corresponding to SEK **0.70** (6.40) per share
- The net worth increased by **0.9%**, including reinvested dividend
- The listed price of the Class B share increased by **12.8%**, including reinvested dividend
- The Carnegie Small Cap Return Index increased by **3.2%**

MAJOR CHANGES IN THE EQUITIES PORTFOLIO

+ Bought	Sold –
Nordic Waterproofing	Acando
Saab	Troax
New Wave	

Dear Shareholder,

Yet another quarter in Svolder's 26-year history has passed. It has been a strong quarter, in terms of both share price and net worth. It is particularly pleasing to see the 18 per cent growth in the price of the Class B share, on a largely unchanged Stockholm Stock Exchange. The so-called discount to net worth in Svolder thereby decreased and stood at 4 per cent on the closing day. The southern Swedish electrical product company GARO in particular contributed to the portfolio's positive performance, and became the portfolio's largest holding in terms of value. GARO's employees therefore deserve a big bouquet of flowers when, in a few days' time, they celebrate the 80th anniversary of the business that started up in a garage, and quickly became the listed company known as Gårö

» Just imagine if Swedish pension savers had the opportunity to choose investment companies instead of different funds within the framework of the Swedish Pensions Agency. »

Elektriska.

Svolder's net worth of SEK 120 per share on the closing day almost equals the all-time high for an interim report.

The price of the Class B share is following a similar trend. This is pleasing to see, and I consider it proof that Svolder's active management approach is working well. As usual, the performance of the company and share is reported using index comparisons in the graph below. As a result, Svolder's long-term assessment and ambition – that the stock market should beat interest-based investments, the small cap market should outperform the wider Swedish stock market and finally Svolder's share price and net worth should develop even better – still stand.



Source: Morningstar, Svolder and Infront

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.

INVESTMENT COMPANIES

In the previous interim report I struck a blow for investments in Swedish investment companies. Their management ability clearly surpasses the Swedish stock exchange (SIXRX), and in the majority of cases the small cap market too measured as CSRX (i.e. companies with a market value of up to around SEK 55 billion). In a time frame of three to ten years, the total return for shares in Bure, Latour and Svolder come top. Just imagine if Swedish pension savers had the opportunity to choose investment companies instead of different funds within the framework of the Swedish Pensions Agency.



WHERE IS THE STOCK EXCHANGE HEADED?

We usually emphasise that Svolder's strength primarily lies in its portfolio selection rather than its market timing. In general, however, we think that the stock exchanges tend to overreact in both a positive and negative direction, and our shareholders feel secure in the knowledge that as an asset management organisation, we often take a more neutral stance than the short-term, current stock market trend. Furthermore, Svolder has a strategy over time of more or less fully investing in shares in listed, Swedish small and medium-sized companies. By this we mean that cash and bank balances or borrowing should usually account for no more than plus/minus 10 per cent of the net worth. This still ensures considerable flexibility as such a value interval spans more than half a billion kronor.

We still consider the risks in the short to medium-term perspective to be on the down side. Weaker economies combined with great uncertainty regarding the USA's trading ambitions vis-à-vis the rest of the world, Brexit and a lack of collaboration within the EU are the main reasons. In contrast to this, there are low interest rates, few investment alternatives to shares, and a continued belief that the global economy will grow over the next few years, if at a slower rate than before. As regards geopolitical disputes,

investors have begun to view the effects as negative. In the event of surprises, which is not improbable among today's populistic politicians with roots in most ideologies, there could even be a relief rally.

WARNING SIGNS IN SILICON VALLEY

For those of us who experienced the turn of the millennium and the moulding of public opinion then about 'the new economy', there are already many warning signs. *Dagens Industri* reporter Andreas Cervenka quite rightly describes many interesting stock exchange phenomena in his frequent columns from Silicon Valley. For example, since 2009 the market values of the five biggest IT companies (Apple, Amazon, Facebook, Google and Microsoft) have increased five-fold to around USD 4,000 billion. The upturn in the stock exchange fuels investors' appetite for risk, and the willingness to also invest in so-called 'loss factories,' such as Uber, Lyft, Pinterest, Slack and Airbnb, is deeply concerning. Online taxi company Uber recently published a quarterly result of minus one billion US dollars, which was still better than expected. The company is valued on the Nasdaq at USD 70 billion, 'only' 10 per cent below its initial share price. This is, however, nothing compared with its competitor Lyft, which on quarterly sales of just under USD 800 million lost just under USD 1.1 billion.

Cervenka also refers to a study by research firm Pitchbook on IPOs in 2018. Companies that are in the red had risen by 120 per cent on average since listing, while companies with plus figures had fallen by 57 per cent. One predominant investor in this type of company is Japanese Softbank, which

has a market value in the region of USD 100 billion. It is easy to get carried away during an upturn, but what happens when normal economic realities bite? In Sweden, there has virtually been an explosion in the number of new companies listed outside of the Nasdaq's main list in recent years. A great many of these companies have very weak cash flows and balance sheets, as well as unestablished business models. As a result they are highly dependent on strong stock exchanges and venture capitalists with plenty of liquid assets to finance their continued expansion. As for Svolder, in recent years we have taken a cautious approach to taking part in Swedish IPOs, with the exception of LIME Technologies.

All things considered, it could be a volatile summer for the stock exchanges.

It's better to be an optimist than a pessimist. The stock exchange is rising for more months than it is falling, but as one experienced investor put it: "Share markets go up the stairs, but come down in the lift".

Yours faithfully

ULF HEDLUNDH
Managing Director

THE EQUITIES PORTFOLIO

31ST MAY 2019

Share	Number	Share price (SEK) ¹⁾	Market value (SEK m)	% of net worth	% of the company's capital ²⁾	% of the company's votes ²⁾
GARO	1,495,000	268.50	401.4	13.0	15.0	15.0
Troax	1,044,000	285.00	297.5	9.7	5.2	5.2
Platzer Fastigheter	3,300,000	79.80	263.3	8.5	2.8	1.1
Nordic Waterproofing	2,787,307	77.60	216.3	7.0	11.6	11.6
New Wave Group	3,125,400	62.20	194.4	6.3	4.6	1.2
Beijer Electronics	3,349,466	51.20	171.5	5.6	11.6	11.6
FM Mattsson Mora	1,790,111	89.60	160.4	5.2	13.3	5.7
Scandic Hotels	2,090,000	76.15	159.2	5.2	2.0	2.0
ITAB Shop Concept	5,815,359	27.00	157.0	5.1	5.7	1.9
Saab	580,000	269.30	156.2	5.1	0.4	0.4
XANO Industri	560,000	234.50	131.3	4.3	4.0	1.2
Boule Diagnostics	2,118,797	59.10	125.2	4.1	10.9	10.9
Klövern Class B	8,200,000	14.04	115.1	3.7	0.9	0.5
Elos Medtech	928,044	90.00	83.5	2.7	11.5	5.2
Serneke Group	1,253,941	45.65	57.2	1.9	5.4	1.8
Magnolia Bostad	1,661,161	30.35	50.4	1.6	4.4	4.4
AGES Industri	583,000	68.50	39.9	1.3	8.3	2.5
Verisec	250,095	87.20	21.8	0.7	5.2	5.2
Lime	140,000	115.00	16.1	0.5	1.1	1.1
Bong	16,161,716	0.80	13.0	0.4	7.7	7.7
Elanders	88,831	80.60	7.2	0.2	0.3	0.2
Equities portfolio			2,838.0	92.1		
Net debt (-)/net receivable (+)			242.8	7.9		
Total/net worth			3,080.8	100.0		
					120.30 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.

The following information, for example, can be obtained from the table. Svolder's largest holding is GARO, which has a market value of SEK 401.4 million, corresponding to 13.0 per cent of net worth. A one-per-cent change in GARO's share price (bid price on the closing day) would affect Svolder's net worth by SEK 4.0 million, which equates to SEK 0.20 per Svolder share.

INTERIM REPORT 3

CURRENT REPORTING PERIOD: 1ST MARCH – 31ST MAY 2019

MARKET COMMENTARY

The current reporting period began cautiously, strengthening markedly in April to finish on a weak note. Leading indices, measured in Swedish kronor, were largely unchanged during the three-month period. The share prices of Swedish small and medium-sized companies (CSRX) outperformed in particular those of the large companies (OMX30). CSRX rose 4.8 per cent, almost four percentage points above the overall Swedish stock market (SIXRX).

Geopolitical events, such as Brexit and protectionist threats from the US president, began to influence investors' confidence in the future in a way that differed greatly from previous patterns that were characterised by shrugs. Weaker economic signals also made a bigger impact, which was particularly apparent in raw material prices and the interest rates of the most important government bonds. For example, the price of oil fell 7 per cent while the prices of industrial metals, such as zinc and copper, fell by around 10 per cent in a negative trend over the quarter. At the same time, the interest rate for US government bonds (5 year) fell by over 60 interest rate points, and the rate for German government bonds decreased by a further 25 interest rate points. The interest rates for Swedish government bonds also fell in line with European bonds.

The Swedish krona weakened further during the quarter. On the closing day, one US dollar cost SEK 9.50 and one euro cost SEK 10.60, up 2.9 and 1.1 per cent respectively. Statistics showing low inflation, the continued expansive monetary policy of Sweden's central bank, Riksbanken, together with distinct risks of weaker public Swedish finances and growth, probably caused the weak valuation of the kronor.

The economic signals for industry worldwide are, as mentioned, pointing downwards. This represents less of a challenge for the Swedish export industry because of the weak Swedish krona. Here in Sweden, however, consumers' increasingly negative attitude to their own finances and the country's economy is a major threat to Sweden's growth.

Index performance (12 months)



Source: Infront

SHARE PRICE TRENDS

The closing price for Svolder's Class B share was SEK 115.40, hence the share rose 17.8 per cent during the current reporting period. The Class B share's value on the closing day represented a discount of 4.1 per cent on net worth. The Class B share was traded on all trading days during the period, with an average of approximately 20,000 shares traded each day of trading on Nasdaq Stockholm.

Svolder's Class A share is only traded through three auctions (known as Auction Only Market Segments) during the trading day: one on opening, one at about 13.30 and one when the market closes. The closing price for Svolder's Class A share was SEK 132.00, which means that the Class A share was valued at a premium of 9.7 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.

Total return ¹⁾ %			
	3 months 1/3 2019– 31/5 2019	9 months 1/9 2018– 31/5 2019	12 months 1/6 2018– 31/5 2019
Svolder			Rolling
Share price (Class B)	17.8	12.8	23.2
Net worth	7.4	0.9	7.1
Stock market index			
Carnegie Small Cap Return Index	4.8	3.2	11.1
SIX Return Index	0.9	-2.9	4.1

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: Svolder, Infront and Morningstar

Southern-Swedish electrical product company GARO reported a strong start to 2019; the share was thus by far the largest positive contributor to Svolder's net worth during the current reporting period. The strongest growth came from the E-mobility (formerly Charging) product area, which encompasses products for charging electric vehicles. The rapid expansion of the charging infrastructure in many countries is considered to be in its infancy, and GARO's strong position on this market is very interesting. Charging products have accounted for an increasing percentage of total sales over a long period and amounted to 23 per cent during the first quarter. This creates opportunities to further change investors' view of the company from a construction-dependent company to a company undergoing rapid growth.

Southern Swedish ITAB Shop Concept, which has operations encompassing complete shop concepts for retail chains, was a major contributor to net worth during the current reporting period. After a weak end to 2018, ITAB reported the strongest first quarter in the company's history, both in terms of sales and profit. It is pleasing to see the restructuring programme launched in 2018 producing results, and that the company is once again showing organic growth and an improved margin. The increase in sales is spread across the whole of ITAB's offering and is taking place on virtually all geographic markets. ITAB is increasing its market share in most markets, and during the quarter sales to new customers in retail and to new sectors, such as brands, restaurants and cafés, have increased considerably. ITAB has a healthy cash flow, and Svolder therefore believes that it still has the potential to grow with new and existing customers, and to improve its efficiency and capital management moving forward.

CHANGE IN NET WORTH

Svolder's closing net worth was SEK 120.30 per share, which represents an increase during the current reporting period of 7.4 per cent. This figure is 2.6 percentage points better than that of the small cap index (CSRX), which increased by 4.8 per cent during the corresponding period. This can be compared with the Swedish market as a whole (SIXRX), which increased by 0.9 per cent.

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.

Net worth trend (3 months) 1st March–31st May 2019

	SEK m	SEK/share
Net worth, 28th February 2019	2,868.5	112.10
Equities portfolio		
Opening value	2,699.1	105.40
Purchase of shares	107.7	
Sale of shares	-137.5	
Change in value, equities portfolio	168.7	5.40
Closing value	2,838.0	110.90
Net debt (-)/Net receivable (+)		
Opening value	169.4	6.60
Share dividends received	49.7	
Management costs	-6.1	
Net financial items	-0.1	
Sale of shares, net	29.8	73.4
Closing value	242.8	9.50
Net worth, 31st May 2019	3,080.8	120.30

BIGGEST CONTRIBUTORS TO CHANGES IN NET WORTH 1st March–31st May 2019

(Based on net worth of SEK 2,868.5 million or SEK 112.10/share on 28th February 2019)

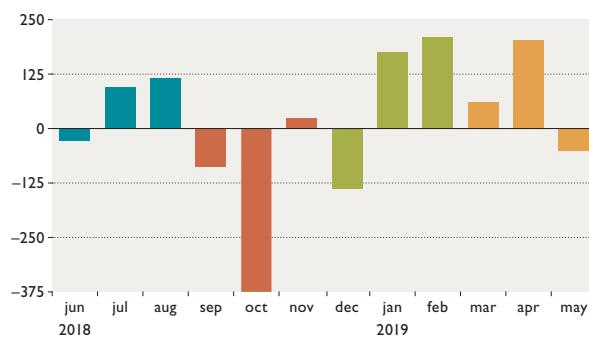
Share	SEK m	SEK/share
GARO	126.0	4.90
ITAB Shop Concept	48.7	1.90
Acando	28.8	1.10
XANO Industri	28.4	1.10
FM Mattsson Mora	24.6	1.00
Platzer Fastigheter	24.1	0.90
Elos Medtech	17.3	0.70
Total, seven positive	298.0	11.60
Scandic Hotels Group	-30.0	-1.20
Saab	-23.5	-0.90
Serneke Group	-18.4	-0.70
Total, three negative	-71.9	-2.80
Other shares	-7.6	-0.30
Shares, total	218.4	8.50
Other	-6.1	-0.20
Change in value before dividend	212.3	8.30

Shares in the Scandic Hotels chain have performed poorly during the quarter and are a negative contributor to net worth. The company reported results for the seasonally weak first quarter that were slightly below expectations, and investors are still finding it hard to value the share. The market is mainly focusing on the increased operating risk in the event of a dip in the Swedish economy, and on the risk posed to the occupancy rate in 2019 by an increased offering of hotel rooms in Oslo and Copenhagen. The company's new CEO has initiated an increased focus on efficiency, and it is therefore important to demonstrate that profitability is improving moving forward. Furthermore, the management team needs to show that Scandic's business model, with rates based in part on sales, is far less sensitive to economic fluctuations than the market is prepared to believe. The important Swedish market is once again showing good stability and the Finnish Restel portfolio is developing positively with continued significant potential.

The share price of the defence materiel group Saab has performed poorly after the surprising announcement of a new share issue in late October 2018. Nevertheless, the

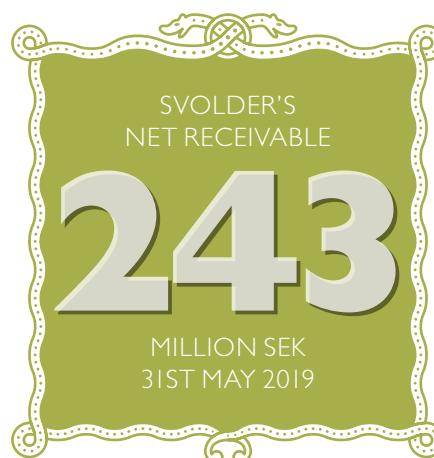
subsequent interim reports have been better than expected for most key ratios, and the corporate management has voiced a positive outlook on the future. An unfortunately timed insider sale in May has probably contributed to the weak performance of the share. Furthermore, the ethical rules of various investors may have had a negative impact on the share price. The holding is one of Svolder's biggest negative contributors during the current reporting period. In Svolder's assessment, the company has good opportunities to increase both its sales and margins, something that is not fully reflected in the valuation. The weak performance of the share price has been used to increase the holding.

CHANGE IN NET WORTH IN SEK MILLION PER MONTH (12 MONTHS)



LIQUIDITY/BORROWING

The equities portfolio was unpledged on the closing day. The net receivable, which includes liquid assets and the share trading's unliquidated transactions etc., was SEK 242.8 million on the closing day, corresponding to 7.9 per cent of the company's net worth. This is to be compared with a net receivable of SEK 169.4 million at the beginning of the current reporting period.



period, and net sales hence totalled SEK 29.8 million.

During the three-month period, all shares in Acando were sold to CGI Nordic (public takeover bid) and Elanders was a new addition to the portfolio. On the closing day, the equities portfolio thus still comprised 21 holdings.

**Major net purchases for the equities portfolio
(3 months) 1st March–31st May 2019**

Share	Number	SEK m	SEK/share ¹⁾
Nordic Waterproofing	282,635	23.5	83.00
Saab	51,551	15.4	298.50
New Wave Group	230,400	14.2	61.40
Beijer Electronics	212,219	10.2	52.30

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.

The holding in waterproofing company **Nordic Waterproofing** has been increased, and was the largest acquisition during the current reporting period. The main reasons for the acquisition were an attractive valuation, and the investment of the strong cash flow in interesting acquisitions that will increase future profits.

The **New Wave** brand group reported a strong performance regarding sales and profits over the past two quarters, which follows an unbroken period of sales growth over 19 quarters. The expansion within Craft Teamwear is developing particularly well. The share price is volatile, which created scope to increase the holding during weaker periods. The share is one of the larger net purchases during the current reporting period.

**Major net sales from the equities portfolio
(3 months) 1st March–31st May 2019**

Share	Number	SEK m	SEK/share ¹⁾
Acando	2,240,000	92.8	41.50
Troax	56,000	18.5	320.90
Klövern Class B	800,000	11.3	14.10

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.

Svolder has slightly reduced its holding in perimeter protection company **Troax**, after the strong share price development following the company's report for the fourth quarter of 2018. Troax is still one of the biggest holdings in Svolder's equities portfolio, and its future prospects are still considered to be very interesting.

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 63 and in note 17 on page 76 of the 2017/2018 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.

NOMINATIONS COMMITTEE

As reported in a press release on 16th May 2019, a Nominations Committee has been formed in accordance with a decision at the 2018 Annual General Meeting. The Nominations Committee has appointed Christoffer Lundström (Provobis Holding/Rolf Lundström) as its Chairman. Other members are Andreas Hofmann (Investment AB Öresund), Jörgen Wärmlöv (Spiltan Fonder AB) and Fredrik Carlsson (Chairman of the Board and convener).

Shareholders wishing to submit proposals to the Nominations Committee may do so by e-mail to info@svolder.se or by post to: Nominations Committee, Svolder AB, Box 704 31, SE-107 25 Stockholm, Sweden.

EVENTS AFTER THE REPORTING PERIOD

The net worth on 14th June was SEK 127 per share and the listed price was SEK 116.80.

YEAR-END REPORT

A Year-End Report for the financial year 1st September 2018–31st August 2019, encompassing the three-month report for 1st June–31st August 2019, will be published on 19th September 2019.

ANNUAL GENERAL MEETING 2019

The AGM will take place in Stockholm on Tuesday 19th November 2019.

Shareholders wishing to have an issue discussed at Svolder's 2019 AGM must make a written request to the Board of Directors by 3rd October 2019 at the latest to: Svolder AB (publ), Board of Directors, Box 70431, SE-107 25 Stockholm, Sweden.

STOCKHOLM 17TH JUNE 2019 SVOLDER AB (PUBL)

THE BOARD OF DIRECTORS

*Any queries regarding this report can be directed to:
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months I/3 2019– 31/5 2019	3 months I/3 2018– 31/5 2018	9 months I/9 2018– 31/5 2019	9 months I/9 2017– 31/5 2018	Rolling 12 months I/6 2018– 31/5 2019	12 months I/9 2017– 31/8 2018
(SEK m)						
Management operations						
Dividend income	49.7	62.4	55.3	64.5	59.4	68.6
Management costs	–6.1	–5.9	–18.4	–18.5	–23.7	–23.8
Earnings from securities	168.7	132.0	–20.1	116.7	163.1	299.9
Other operating income	–	0.0	–	0.3	0.0	0.3
Operating profit/loss	212.4	188.5	16.8	163.1	198.9	345.1
Profit on financial investments						
Financial income	–	–	–	–	–	–
Financial expenses	–0.1	–0.1	–0.1	–0.2	–0.2	–0.2
Profit/loss after financial items	212.3	188.4	16.7	162.9	198.6	344.9
Tax	–	–	–	–	–	–
Profit/loss for the period	212.3	188.4	16.7	162.9	198.6	344.9
Other comprehensive income	–	–	–	–	–	–
Comprehensive income for the period	212.3	188.4	16.7	162.9	198.6	344.9
Earnings per share, SEK	8.30	7.40	0.70	6.40	7.80	13.50

CONSOLIDATED CASH FLOW STATEMENT

	3 months I/3 2019– 31/5 2019	3 months I/3 2018– 31/5 2018	9 months I/9 2018– 31/5 2019	9 months I/9 2017– 31/5 2018	Rolling 12 months I/6 2018– 31/5 2019	12 months I/9 2017– 31/8 2018
(SEK m)						
Cash flow from operating activities before changes in working capital						
Cash flow from operating activities before changes in working capital	45.9	58.7	37.3	45.8	36.2	44.7
Changes in working capital						
Increase (+)/decrease (–) in current liabilities	–0.1	0.1	0.3	0.2	0.1	0.0
Cash flow from operating activities	45.8	58.8	37.6	46.0	36.3	44.7
Investing activities						
Purchase of securities	–102.4	–180.6	–300.7	–472.0	–516.3	–687.6
Sale of securities	134.1	341.8	211.9	606.1	506.6	900.9
Investment in machinery and equipment	0.0	0.0	–0.1	–0.1	–0.1	–0.1
Cash flow from investing activities	31.7	161.2	–88.9	134.0	–9.8	213.1
Financing activities						
Dividend paid	–	–	–51.2	–41.6	–51.2	–41.6
Cash flow from financing activities	0.0	0.0	–51.2	–41.6	–51.2	–41.6
Liquid assets at beginning of period	176.9	59.2	357.0	140.8	279.2	140.8
Liquid assets at end of period	254.5	279.2	254.5	279.2	254.5	357.0

CONSOLIDATED KEY RATIOS PER SHARE

	3 months I/3 2019– 31/5 2019	3 months I/3 2018– 31/5 2018	9 months I/9 2018– 31/5 2019	9 months I/9 2017– 31/5 2018	Rolling 12 months I/6 2018– 31/5 2019	12 months I/9 2017– 31/8 2018
(SEK m)						
Change in net worth, SEK	8.30	7.40	–1.30	4.70	5.80	11.90
Dividend paid during the period, SEK	–	–	2.00	1.63	2.00	1.63
Number of shares, million	25.6	25.6	25.6	25.6	25.6	25.6

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 25,600,000.
The historical number of shares and key ratios per share have been adjusted for the 2:1 share split of December 2017.

CONSOLIDATED BALANCE SHEET

Assets

(SEK m)	31/5 2019	28/2 2019	31/8 2018	31/5 2018	28/2 2018	31/8 2017
Non-current assets						
<i>Property, plant and equipment</i>						
Equipment	0.2	0.2	0.2	0.2	0.2	0.1
<i>Financial assets</i>						
Securities holdings	2,838.0	2,699.1	2,768.3	2,602.3	2,683.7	2,681.5
Current assets						
Current receivables	4.5	1.3	0.5	67.7	10.4	0.3
Cash and bank balances	254.5	176.9	357.0	279.2	59.2	140.8
Total assets	3,097.3	2,877.5	3,125.9	2,949.3	2,753.5	2,822.7

Shareholders' equity and liabilities

(SEK m)	31/5 2019	28/2 2019	31/8 2018	31/5 2018	28/2 2018	31/8 2017
Shareholders' equity	3,080.8	2,868.5	3,115.4	2,933.4	2,745.0	2,812.1
Liabilities						
Current liabilities	16.4	9.0	10.6	15.9	8.5	10.6
Total liabilities and shareholders' equity	3,097.3	2,877.5	3,125.9	2,949.3	2,753.5	2,822.7

CHANGES IN SHAREHOLDERS' EQUITY

(SEK m)	3 months 1/3 2019– 31/5 2019	3 months 1/3 2018– 31/5 2018	9 months 1/9 2018– 31/5 2019	9 months 1/9 2017– 31/5 2018	12 months 1/9 2017– 31/8 2018
Opening balance	2,868.5	2,745.0	3,115.4	2,812.1	2,812.1
Dividend paid	-	-	-51.2	-41.6	-41.6
Comprehensive income for the period	212.3	188.4	16.7	162.9	344.9
Closing balance	3,080.8	2,933.4	3,080.8	2,933.4	3,115.4

CONSOLIDATED KEY RATIOS PER SHARE

(SEK m)	31/5 2019	28/2 2019	31/8 2018	31/5 2018	28/2 2018	31/8 2017
Net worth per share, SEK	120.30	112.10	121.70	114.60	107.20	109.80
Share price (Class B), SEK	115.40	97.95	104.60	95.74	96.40	103.25
Net worth, premium (+)/discount (–), %	-4	-13	-14	-16	-10	-6
Liquidity (+)/Borrowing (–), %	8	6	11	12	3	5
Equity/assets ratio, %	100	100	100	100	100	100
Number of shares, million	25.6	25.6	25.6	25.6	25.6	25.6

Definitions as in the Annual Report for 2017/2018. 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 25,600,000. The historical number of shares and key ratios per share have been adjusted for the 2:1 share split of December 2017.

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.

REVIEW REPORT

Auditor's report on the review of the financial information in the interim report in summary (interim report), drawn up in accordance with IAS 34 and Chapter 9 of the Annual Accounts Act.

Introduction

We have reviewed the summarised interim financial information (Interim Report) for the period 1st September 2018 to 31st May 2019 for Svolder AB (publ), corporate ID no. 556469-2019. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this Interim Report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this Interim Report based on our review.

Focus and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus to and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The expressed conclusion based on a review does not, therefore, have the same certainty as an expressed conclusion based on an audit.

Conclusions

Based on our review, nothing has come to our attention that causes us to believe that the Interim Report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act, regarding the Group, and with the Annual Accounts Act, regarding the Parent Company.

STOCKHOLM 17TH JUNE 2019 ÖHRLINGS
PRICEWATERHOUSECOOPERS AB

PETER NILSSON
Authorised Public Accountant

Prioritaire A

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



COVER PHOTO: THIS AGA LIGHTHOUSE FROM 1927 WAS PREVIOUSLY IN SERVICE OFF FÅRÖSUND ON THE ISLAND OF GOTLAND. IN 2003 THE LIGHTHOUSE WAS MOVED TO LAKE JÄRLASJÖN, JUST OUTSIDE OF STOCKHOLM, A STONE'S THROW FROM AGA'S OLD FACTORY, WHICH HAS BEEN CONVERTED INTO A RESIDENTIAL AREA.



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