



# SVOLDER

INTERIM REPORT I 2019/2020

## Big influx of new shareholders

The Managing Director's comments, page 2

### Current reporting period

**3 months:** 1st September – 30th November 2019

- The company posted a result for the period of SEK **365** million (–441 m), corresponding to SEK **14.20** (–17.20) per share
- The net worth increased by **12.0%**, including reinvested dividend, to SEK **131.30** per share
- The listed price of the Class B share increased by **11.0%**, including reinvested dividend, to SEK **119.40** per share
- The Carnegie Small Cap Return Index increased by **8.1%**
- A dividend of SEK **55** million, corresponding to SEK **2.15** per share, was paid during the period.
- The closing discount on net worth was **9.0%**

#### Major contributors to net worth

- + Positive: Boule Diagnostics, Nordic Waterproofing, Beijer Electronics
- Negative: ITAB Shop Concept

#### Major changes in the equities portfolio

- + Bought: New Wave Group, Elanders, Nordic Waterproofing
- Sold: Platzer Fastigheter, Saab

Latest published figures

**6TH DECEMBER 2019**

Share price  
**121.40**  
SEK

Net worth  
**132**  
SEK/share

# Dear Shareholder,

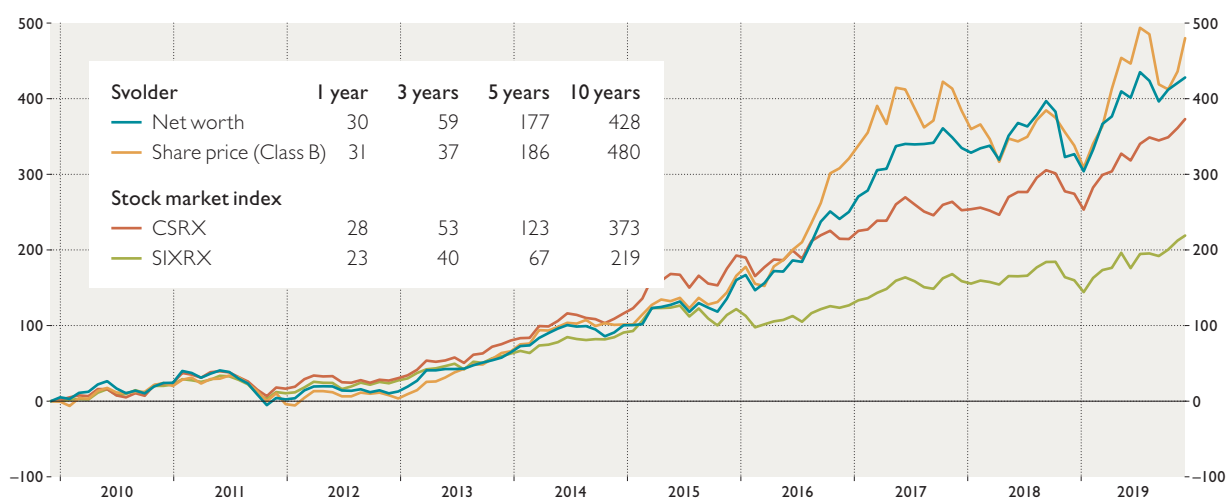
Svolder's 2019/2020 financial year got off to a flying start on the world's stock exchanges. Development has been particularly strong in Sweden, where we also need to take into account that, for a change, the Swedish krona appreciated against central currencies such as the euro and US dollar. We are talking about double-digit or almost double-digit growth. In this flush of happiness, it is also very pleasing that Svolder's net worth and its share price for Class B shares adjusted for dividends both performed even better. The negative comparative effect of the portfolio's underweighting of real estate shares, which we noted in the last financial year, has instead helped us somewhat during the three-month period. However, it probably still only accounts for one of the four percentage points of excess return. Despite the results, it is worth re-emphasising that Svolder does not focus primarily on its quarterly results, but on good long-term performance. It is pleasing to note in the graph below that the net worth and listed price both outperformed that of the Swedish stock exchange as a whole and the "small cap index", CSRX, over one, three, five and ten years. Nevertheless, caution ahead of future challenges will always be a watchword for Svolder.

## SVOLDER'S INVESTMENT FOCUS

In Svolder's opinion, shares perform better than interest-bearing products over time and compensate for the higher risk to which this type of asset is exposed. As we pay the share dividend into our shareholders' accounts, it should be noted that Svolder has paid out dividends in each of its 26 years as a listed company. Since the new dividend policy was adopted in 2012, which emphasises cash flow neutrality and growth, average annual growth has been almost 8 per cent.

Svolder is a long-term investor in shares and does not, therefore, primarily seek to time movements on the stock markets; rather it identifies reasonably valued companies with the potential for long-term growth in their results and market value. Small and medium-sized companies are the focus of our investment and by this we primarily mean companies on Nasdaq Stockholm's main list with market values of between SEK 0.5 and 20 billion. This is an upward adjustment for this financial year due to higher market valuations

Total return<sup>1)</sup> 10 years in % on 30th November 2019



Source: Morningstar Svolder and Infront

<sup>1)</sup> 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.

in general; the previous upper threshold was approximately SEK 15 billion. The upper threshold for the majority of specialised small cap funds, however, is considerably lower. It is our belief that our chosen investment focus is subject to less competition and that Svolder's concentration makes the company more attractive to listed companies and market players alike. The equities portfolio is focused on around 20 or so portfolio companies and Svolder often is, or becomes, one of the five biggest owners of the companies in which it invests. This also gives us ownership responsibility. We chiefly exercise this responsibility by participating in the portfolio companies' nomination committees, with the aim of securing as professional corporate governance as possible through board members with valuable professional experience, good judgement and the ability to be coaches for the respective corporate management.

### MANY MORE SHAREHOLDERS

Recording all-time highs for net worth and market value when the stock exchanges are doing the same is perhaps not that remarkable. For me, the most impressive achievement is the large influx of new shareholders and the trading volume for Class B shares on each day of trading. The average daily trading volume on Nasdaq Stockholm alone exceeded 100,000 shares in the last quarter, compared with just under 20,000 shares in the corresponding period in 2018. Good share liquidity is positive for the share and the hope is that it will also stimulate institutional investors' interest in Svolder's share. To date private individuals have been our main target group and the most common shareholder. Perhaps you are one of the estimated 7,000 new shareholders who joined us in 2019 alone. Together we probably now make up more than 25,000 shareholders. Everyone should feel welcome.

### LEGITIMATE QUESTIONS IN A BULL MARKET

As we know, these are good times for assets such as equities, long-term bonds and real estate. The very low interest rates make assets with stable cash flows particularly attractive, when in many cases it costs money to own the risk-free options. Share prices are rising and commercial real estate is changing ownership at ever higher values for lower yields. There is always good reason to consider the risks and how they are priced in when investing in shares. Questions that should be natural include: How stable is the yield on Swe-

dish shares? Is the Swedish real estate market unique in relation to European equivalents? How are listed companies affected by weaker economic growth in Sweden and the wider world? Could weak public finances lead to a need to revise the tax bases?

### THERE ARE RISKS IN SHARES AND REAL ESTATE

In the recently published Annual Report, and at the last AGM, we argued in favour of a neutral view of the stock exchange with a special focus on choosing individual shares, known as stock picking. In the upcoming half-year report, due on 11th March 2020, we will develop our overall view based on the current market situation. However, let us note that economic conditions in Sweden and the wider world are gradually weakening and growth rates for the economy are slowing, without necessarily indicating a global or domestic recession.



Following the strong rise in prices for shares and commercial real estate, there are not insignificant downside risks, where I in particular am very uncertain about the long-term valuations of Swedish commercial real estate. This also characterises

the weighting of real estate shares in Svolder's portfolio, although it encompasses a significant holding in the well-managed, Gothenburg-focused company Platzer. By European standards, Swedish shares and real estate have developed very strongly since the days of the financial crisis, and over the past five years in particular Swedish commercial real estate has outperformed its European counterparts. In the short term, factors such as low interest rates, rising rents, low vacancies and transparent additions through new construction still favour Swedish real estate as an asset type. However, the question should be asked whether the Swedish real estate market will have high long-term growth in net operating income, lower return requirements than European counterparts and today's favourable tax rules moving forward. Personally, I think that shares in other Swedish companies show fewer signs of overheating, even if such signs are also apparent in stock exchange lists, particularly those outside of Nasdaq Stockholm's main list.

*Yours faithfully*

**ULF HEDLUNDH**  
Managing Director

» *There is always good reason to consider the risks and how they are priced in when investing in shares.* »

# THE EQUITIES PORTFOLIO

30TH NOVEMBER 2019

Share	Number	Share price (SEK) <sup>1)</sup>	Market value (SEK m)	% of net worth	% of the company's capital <sup>2)</sup>	% of the company's votes <sup>2)</sup>
GARO	1,482,772	287.50	426	12.7	14.8	14.8
Troax	3,022,713	115.00	348	10.3	5.0	5.0
Nordic Waterproofing	3,100,479	98.50	305	9.1	12.9	12.9
New Wave Group	4,095,814	61.20	251	7.5	6.2	1.7
Platzer Fastigheter	2,037,733	109.00	222	6.6	1.7	0.7
Beijer Electronics Group	3,476,715	58.80	204	6.1	12.1	12.1
FM Mattsson Mora	1,874,100	99.60	187	5.6	13.5	5.8
Scandic Hotels Group	2,020,000	87.90	178	5.3	2.0	2.0
Elanders	1,915,568	83.60	160	4.8	5.4	3.7
Boule Diagnostics	2,400,535	66.00	158	4.7	12.4	12.4
Saab	500,000	316.40	158	4.7	0.4	0.3
XANO Industri	1,197,236	114.00	136	4.1	4.3	1.3
Lime Technologies	720,000	142.40	103	3.1	5.4	5.4
Elos Medtech	961,000	100.50	97	2.9	11.9	5.4
ITAB Shop Concept	5,836,601	16.50	96	2.9	5.7	1.9
Magnolia Bostad	2,022,817	33.95	69	2.0	5.4	5.4
Serneke Group	1,293,400	52.80	68	2.0	5.6	1.9
AGES Industri	585,700	43.20	25	0.8	8.3	2.5
Verisec	250,095	100.00	25	0.7	5.1	5.1
Bong	16,161,716	0.74	12	0.4	7.7	7.7
<b>Equities portfolio</b>			<b>3,229</b>	<b>96.1</b>		
<b>Net debt (-) / net receivable (+)</b>			<b>132</b>	<b>3.9</b>		
<b>Total/net worth</b>			<b>3,361</b>	<b>100.0</b>		

131.30 SEK per Svolder share

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

<sup>1)</sup> In calculating the market value (fair value), the last price paid for the securities on Nasdaq Stockholm on the closing day has been used.

<sup>2)</sup> 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 426 million, corresponding to 12.7 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 million, which equates to SEK 0.20 per Svolder share.

# INTERIM REPORT I

## CURRENT REPORTING PERIOD: 1ST SEPTEMBER – 30TH NOVEMBER 2019

### MARKET COMMENTARY

The current reporting period, which is also the interim period, i.e. 1st September–30th November, was characterised by strong stock markets worldwide, and in Sweden in particular. The often weak share price development that usually characterises the autumn months has been conspicuous in its absence, and the outcome is significantly stronger than for the corresponding period last year. The overall Swedish stock exchange rose by 9.1 per cent. CSRX, which measures small and medium-sized companies with market values of up to just under SEK 60 billion, performed one percentage point worse. The World and Europe indices rose by 4.3 and 5.5 per cent respectively during the current reporting period, in each case measured in Swedish kronor.

Exchange rate movements for the Swedish krona against leading global currencies deviated from the downward trend of several years. Instead the Swedish krona rose 2.2 per cent against the euro and 2.5 per cent against the US dollar. Despite this increase, the Swedish currency is very weak from a historical perspective as it has only been weaker during the low points of the financial crisis in 2009 and the IT/telecoms crisis in 2001. Sweden's central bank, the Riksbank, has announced a minor change in its monetary policy inasmuch as it is striving to no longer have a negative key interest rate. During the reporting period, the interest rates for bonds in stable countries have risen by 20–50 basis points, which is also a break with the trend, albeit from very low and sometimes negative levels.

Raw material prices have been calm with an upturn of a few percentage points measured in US dollars, the currency in which they are traded. The price of gold has gone down a few percentage points while the price of oil has risen to a corresponding extent.

Index performance (12 months)



Source: Infront

### SHARE PRICE TRENDS

The closing price for Svolder's Class B share was SEK 119.40. This equates to an increase during the current reporting period of 11.0 per cent, including reinvested dividend. The Class B share's value on the closing day represented a discount of 9.0 per cent on net worth. The Class B share was traded on all trading days during the period, with an average of just under 108,000 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 176.00, which means that the Class A share was valued at a premium of 34.1 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<sup>1)</sup> %

	Rolling		
	3 months 1/9 2019– 30/11 2019	12 months 1/12 2018– 30/11 2019	12 months 1/9 2018– 31/8 2019
<b>Svolder</b>			
Share price (Class B)	11.0	31.5	7.1
Net worth	12.0	30.2	-0.1
<b>Stock market index</b>			
Carnegie Small Cap Return Index	8.1	28.5	9.7
SIX Return Index	9.1	22.6	2.8

<sup>1)</sup> 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.

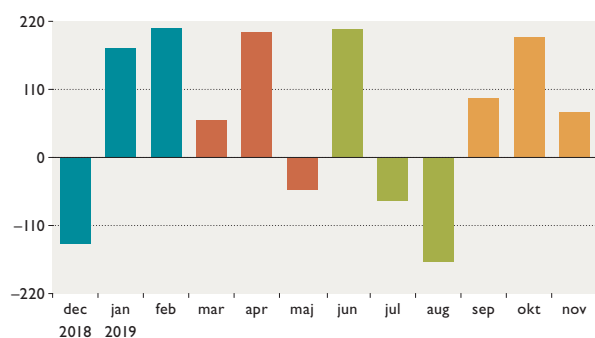
## CHANGE IN NET WORTH

Svolder's closing net worth was SEK 131.30 per share, which represents an increase during the current reporting period of 12.0 per cent including reinvested dividend. This figure is 3.9 percentage points above that of the CSRX comparison index, which rose by 8.1 per cent during the corresponding period. This can be compared with the Swedish stock market as a whole (SIXRX), which increased by 9.1 per cent.

The positive deviation from the CSRX can be explained to some extent by Svolder's underweighting of real estate shares, but mainly by stock picking.

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 in SEK million per month (12 months)



Excluding dividends of SEK 55 million (SEK 2.15 per share) paid in November 2019.

## Net worth trend (3 months) 1st September–30th November 2019

	SEK m	SEK/share
<b>Net worth, 31st August 2019</b>	<b>3,051</b>	<b>119.20</b>
<b>Equities portfolio</b>		
<b>Opening value</b>	<b>2,877</b>	<b>112.40</b>
Purchase of shares	111	
Sale of shares	-127	
Change in value, equities portfolio	367	13.70
<b>Closing value</b>	<b>3,229</b>	<b>126.10</b>
<b>Net debt (-)/Net receivable (+)</b>		
<b>Opening value</b>	<b>174</b>	<b>6.80</b>
Share dividends received	4	
Dividend paid	-55	
Management costs	-7	
Net financial items	0	
Sale of shares, net	16	-1.60
<b>Closing value</b>	<b>132</b>	<b>5.20</b>
<b>Net worth, 30th November 2019</b>	<b>3,361</b>	<b>131.30</b>

Med-tech company **Boule Diagnostics** was the biggest contributor during the current reporting period. Boule reported Q3 results that were clearly higher than market expectations, and consequently its share price rose strongly. Organic sales growth and the increase in the number of instruments sold continued to develop strongly during the quarter and the gross margin improved significantly. Above all, the more favourable geographical sales mix coupled with a higher percentage of sales of consumables contributed to the improved profitability. It is pleasing to see Boule demonstrate the strength of its business model after a couple of weaker quarters. The share has been weak over the past year but it has now come closer to a more normalised valuation level.

Waterproofing product company **Nordic Waterproofing** reported a strong third quarter. Its organic growth was good and its operating result and margin both rose. The positive share price performance that had begun prior to publication of its interim report continued thereafter. The holding was thus one of the biggest positive contributors to net worth during the current reporting period.

Automation and data communication company **Beijer Electronics Group's** share performed well during the reporting period and was a very positive contributor to net worth. The company reported an order intake and results for the third quarter that exceeded market expectations, primarily driven by the subsidiary Westermo, which reported record order intake and results for a single quarter. The company's management remains very confident, and is continuing its extensive investments in market and product development in all of the Group's business segments. Two strategically interesting acquisitions were added to the Group in 2019, which should support sales and results moving forward. Beijer Electronics Group's share has performed

well during the year, but with large movements in connection with individual quarters.

The Q3 report of perimeter protection company **Troax** showed strong results and a high margin. The order intake, however, signalled quieter development in the future. The stock market seized on the positive elements in the report and the share price continued its upturn. The holding was thus a major contributor to Svolder's net worth during the current reporting period.

### Biggest contributors to changes in net worth 1st September 2019–30th November 2019

(Based on net worth of SEK 3,051 million or SEK 119.20/share on 31st August 2019)

Share	SEK m	SEK/share
Boule Diagnostics	65	2.50
Nordic Waterproofing	57	2.20
Beijer Electronics Group	52	2.00
Troax	50	2.00
Platzer Fastigheter	41	1.60
Scandic Hotels Group	28	1.10
GARO	24	0.90
Saab	24	0.90
Lime Technologies	21	0.80
<b>Total, nine positive</b>	<b>362</b>	<b>14.10</b>
ITAB Shop Concept	-44	-1.70
<b>Total, one negative</b>	<b>-44</b>	<b>-1.70</b>
Other shares	53	2.10
<b>Shares, total</b>	<b>371</b>	<b>14.50</b>
Other	-7	-0.30
<b>Change in value before dividend</b>	<b>365</b>	<b>14.20</b>

Southern-Swedish **ITAB Shop Concept** was the biggest negative contributor during the current reporting period. ITAB's business encompasses the development, manufacture, sale and installation of checkouts, store interiors and lighting systems for the retail sector, and the company is a market leader in Europe. After a relatively strong first six months of 2019, ITAB reported weak results for the third quarter, which pushed the company's share price back down to historically low levels. It is mainly the Fashion and Construction & Home Interiors customer groups that have shown a slowing sales trend, while other customer groups, which chiefly comprise groceries and account for just over 70 per cent of the group's sales, indicate stability.

## 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 132 million on the closing day, corresponding to 3.9 per cent of the company's net worth. This is to be compared with a net receivable of SEK 174 million at the beginning of the current reporting period.

## THE EQUITIES PORTFOLIO

Shares were acquired for a total of SEK 111 million (gross) during the current reporting period. Shares to the value of SEK 127 million (gross) were sold during the corresponding period, and net sales consequently amounted to SEK 16 million.

There were no new holdings during the three-month period, and no holdings were sold in their entirety. On the closing day, the equities portfolio thus still comprised 20 holdings.

### Major net purchases for the equities portfolio (3 months) 1st September–30th November 2019

Share	Number	SEK m	SEK/share <sup>1)</sup>
New Wave	592,464	35	58.50
Elanders	329,332	26	78.60
Nordic Waterproofing	113,699	11	96.70
Lime Technologies	80,000	11	136.20

<sup>1)</sup> 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 **New Wave** brand group reported a continued strong sales performance over the past quarter, which means an unbroken period of sales growth over 21 consecutive quarters. The expansion within Craft Teamwear developed particularly well. Unlike in the previous quarter, the results and operating margin both increased somewhat. The managing director says in the interim report that the main focus for 2020 is to increase the operating margin while further strengthening the balance sheet by focusing on a good cash flow. Furthermore, continued sales growth is expected. Svolder still believes that the company's long-term valuation is attractive and has therefore increased its holding.

As previously announced, Svolder acquired shares in **Elanders** and **Lime Technologies** during the current reporting period. Following the acquisitions, Svolder's holding is over 5 per cent of the share capital in Elanders and over 5 per cent of the votes and capital in Lime Technologies.

### Major net sales from the equities portfolio (3 months) 1st September–30th November 2019

Share	Number	SEK m	SEK/share <sup>1)</sup>
Platzer Fastigheter	1,109,767	108	97.10
Saab	60,000	19	316.10

<sup>1)</sup> 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 real estate shares have performed strongly in 2019. Svolder's exposure in the sector has gradually decreased as the valuations have sometimes been deemed to be challenging and other share investments have seemed more attractive. Svolder's exposure to real estate during the current reporting period was concentrated on Gothenburg-based **Platzer**, which continued to be one of the shares that contributed the most to growth in Svolder's net worth. As the share price increased, however, the holding was reduced. Even so, Platzer still represented one of the portfolio's biggest holdings on the closing day with a share of almost 7 per cent.

### EXPANDED INVESTMENT FOCUS

Svolder primarily invests in small and medium-sized companies on Nasdaq Stockholm's main list with market values of between SEK 0.5 and 20 billion. This is an upward adjustment as of this financial year due to higher market valuations in general; the previous upper threshold was approximately SEK 15 billion. The upper threshold for the majority of specialised small cap funds, however, is considerably lower. Svolder's main investment focus spans almost 200 listed companies with a combined market value of almost SEK 1,000 billion.

The previous adaptation to smaller companies in the CSRX comparison index was made in 2015 based on the assessment that these companies were more attractively valued and less closely monitored, and that there was less competition for interesting investment opportunities. In connection with this adaptation, it was also decided that shares in companies owned at the time that had a market value higher than the upper threshold would only be sold when the companies were deemed to have achieved their full value. Similarly, it was noted that a company's share should not be sold solely because it had come to exceed the stated investment focus, a principle that remains in place today with the new, raised threshold.

### 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 2018/2019 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.

### SVOLDER'S ANNUAL GENERAL MEETING

The AGM took place in Stockholm on Tuesday 19th November. All decisions were made in accordance with board and Nomination Committee proposals as presented in the full notice to attend. Furthermore, it was noted that the Nomination Committee may co-opt a member to represent smaller shareholders, but without having a voting right, ahead of the 2020 AGM. The minutes of the AGM can be found on the Svolder website.

### EVENTS AFTER THE REPORTING PERIOD

The net worth on 6th December was SEK 132 per share and the listed price was SEK 121.40.

Svolder has acquired Class A shares in Elos Medtech AB, which was announced via Finansinspektionen, the Swedish Financial Supervisory Authority, and in a press release on 2nd December 2019. Svolder's total shareholding after that amounts to 1,258,946 shares divided between 297,946 unlisted Class A shares and 961,000 Class B shares. This equates to 15.6 per cent of the share capital and 21.9 per cent of the votes in Elos Medtech AB.

### FINANCIAL CALENDAR

The reports for the period 1st September 2019–29th February 2020 (6 months) and for the now current reporting period 1st December 2019–29th February 2020 will be published on 12th March 2020.

STOCKHOLM, 10TH DECEMBER 2019  
SVOLDER AB (PUBL)

### THE BOARD OF DIRECTORS

*For additional information, please contact:  
Ulf Hedlundh, Managing Director +46 (0)8-440 37 73  
Pontus Ejderhamn, CFO +46 (0)8-440 37 72.*

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



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	3 months 1/9 2019– 30/11 2019	3 months 1/9 2018– 30/11 2018	Rolling 12 months 1/12 2018– 30/11 2019	12 months 1/9 2018– 31/8 2019
<b>Management operations</b>				
Dividend income	3.9	4.5	58.2	58.8
Management costs	–6.7	–5.9	–25.2	–24.4
Earnings from securities	367.4	–440.0	760.2	–47.2
Other operating income	-	-	-	-
<b>Operating profit/loss</b>	<b>364.7</b>	<b>–441.4</b>	<b>793.2</b>	<b>–12.8</b>
<b>Profit on financial investments</b>				
Financial income	-	0.0	0.0	0.0
Financial expenses	–0.1	–0.1	–0.2	–0.2
<b>Profit/loss after financial items</b>	<b>364.7</b>	<b>–441.4</b>	<b>793.0</b>	<b>–13.1</b>
Tax	-	-	-	-
<b>Profit/loss for the period</b>	<b>364.7</b>	<b>–441.4</b>	<b>793.0</b>	<b>–13.1</b>
Other comprehensive income	-	-	-	-
<b>Comprehensive income for the period</b>	<b>364.7</b>	<b>–441.4</b>	<b>793.0</b>	<b>–13.1</b>
Earnings per share, SEK	14.20	–17.20	31.00	–0.50

## CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	3 months 1/9 2019– 30/11 2019	3 months 1/9 2018– 30/11 2018	Rolling 12 months 1/12 2018– 30/11 2019	12 months 1/9 2018– 31/8 2019
<b>Cash flow from operating activities before changes in working capital</b>				
	–1.3	–5.4	36.8	32.7
<b>Changes in working capital</b>				
Increase (+)/decrease (–) in current liabilities	0.4	0.3	0.1	0.0
<b>Cash flow from operating activities</b>	<b>–0.9</b>	<b>–5.1</b>	<b>36.9</b>	<b>32.7</b>
<b>Investing activities</b>				
Purchase of securities	–143.8	–127.7	–526.6	–510.6
Sale of securities	143.0	5.8	529.5	392.4
Investment in machinery and equipment	0.0	0.0	–0.1	–0.1
<b>Cash flow from investing activities</b>	<b>–0.8</b>	<b>–121.9</b>	<b>2.8</b>	<b>–118.3</b>
<b>Financing activities</b>				
Dividend paid	–55.0	–51.2	–55.0	–51.2
<b>Cash flow from financing activities</b>	<b>–55.0</b>	<b>–51.2</b>	<b>–55.0</b>	<b>–51.2</b>
Increase (+)/decrease (–) in liquid assets	–56.7	–178.2	–15.3	–136.7
Liquid assets at beginning of period	220.2	357.0	178.8	357.0
<b>Liquid assets at end of period</b>	<b>163.5</b>	<b>178.8</b>	<b>163.5</b>	<b>220.2</b>

## CONSOLIDATED KEY RATIOS PER SHARE

(SEK m)	3 months 1/9 2019– 30/11 2019	3 months 1/9 2018– 30/11 2018	Rolling 12 months 1/12 2018– 30/11 2019	12 months 1/9 2018– 31/8 2019
Change in net worth, SEK	12.10	–19.20	28.80	–2.50
Dividend paid during the period, SEK	2.15	2.00	2.15	2.00
Number of shares, million	25.6	25.6	25.6	25.6

Definitions as in the Annual Report for 2018/2019. 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.

## CONSOLIDATED BALANCE SHEET

### Assets

(SEK m)	30/11 2019	30/11 2018	31/8 2019	31/8 2018
<b>Non-current assets</b>				
<i>Property, plant and equipment</i>				
Equipment	0.2	0.2	0.2	0.2
<i>Financial assets</i>				
Securities holdings	3,228.6	2,450.1	2,876.8	2,768.3
<b>Current assets</b>				
Current receivables	4.4	0.4	20.5	0.5
Cash and bank balances	163.5	178.7	220.2	357.0
<b>Total assets</b>	<b>3,396.6</b>	<b>2,629.4</b>	<b>3,117.7</b>	<b>3,125.9</b>

### Shareholders' equity and liabilities

(SEK m)	30/11 2019	30/11 2018	31/8 2019	31/8 2018
<b>Shareholders' equity</b>	<b>3,360.7</b>	<b>2,622.7</b>	<b>3,051.1</b>	<b>3,115.4</b>
<b>Liabilities</b>				
Current liability to credit institution	-	-	-	-
Current liabilities	35.9	6.7	66.6	10.6
<b>Total liabilities and shareholders' equity</b>	<b>3,396.6</b>	<b>2,629.4</b>	<b>3,117.7</b>	<b>3,125.9</b>

## CHANGES IN SHAREHOLDERS' EQUITY

(SEK m)	3 months 1/9 2019– 30/11 2019	3 months 1/9 2018– 30/11 2018	12 months 1/9 2018– 31/8 2019
<b>Opening balance</b>	<b>3,051.1</b>	<b>3,115.4</b>	<b>3,115.4</b>
Dividend paid	-55.0	-51.2	-51.2
Comprehensive income for the period	364.7	-441.4	-13.1
<b>Closing balance</b>	<b>3,360.7</b>	<b>2,622.7</b>	<b>3,051.1</b>

## CONSOLIDATED KEY RATIOS PER SHARE

(SEK m)	30/11 2019	30/11 2018	31/8 2019	31/8 2018
Net worth per share, SEK	131.30	102.50	119.20	121.70
Share price (Class B), SEK	119.40	92.50	109.60	104.60
Net worth, premium (+)/discount (-), %	-9	-10	-8	-14
Liquidity (+)/Borrowing (-), %	4	7	6	11
Equity/assets ratio, %	100	100	100	100
Number of shares, million	25.6	25.6	25.6	25.6

Definitions as in the Annual Report for 2018/2019. 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.

## 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. As of 1st September 2019, Svolder calculates the market value (fair value) of the equities portfolio based on the last price paid, instead of the bid price as before, for the securities on Nasdaq Stockholm. This change in method has been made to be more consistent with the comparison indices, which are calculated in the same way. The change is expected to have a marginal effect on results. Otherwise the same accounting principles and bases for assessment have been used as in the most recent Annual Report.

IFRS 16, which concerns accounting for leases by lessors and lessees alike, has not prompted any changes in the Group's accounting in terms of amounts as these amounts are not material.

# VISIT SVOLDER.SE



Prioritaire **A**

POSTAGE  
PAID

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](http://WWW.SVOLDER.SE)



COVER PHOTO: VÄSTERBRON BRIDGE IN STOCKHOLM EXTENDS FROM THE SOUTHERN ISLAND OF SÖDERMALM TO THE NORTHERN ISLAND OF KUNGSHOLMEN, OVER LÅNGHOLMEN AND RIDDARFJÄRDEN. THE BRIDGE IS OVER 600 METRES LONG AND OPENED TO TRAFFIC ON 20TH NOVEMBER 1935.



**SVOLDER**

SVOLDER AB (publ) Corporate ID no. 556469-2019

Birger Jarlsgatan 13, Box 70431, SE-107 25 Stockholm, Sweden. Tel +46 (0)8-440 37 70; fax +46 (0)8-440 37 78  
[www.svolder.se](http://www.svolder.se)