



# SVOLDER

INTERIM REPORT 3 2020/2021

## Dramatically different compared to a year ago

The Managing Director's comments, page 2

### Result for current reporting period

**3 months:** 1st March–31st May 2021

- The company posted a result for the period of SEK **987** million (–273 m), corresponding to SEK **38.50** (–10.70) per share
- The net worth increased **20.5%** to SEK **227.00** per share
- The listed price of the Class B share increased by **43.4%** to SEK **263.80** per share
- The Carnegie Small Cap Return Index increased by **15.3%**

#### Major contributors to net worth

- + Positive: Troax, XANO Industri, New Wave Group
- Negative: Lime Technologies

#### Major changes in the equities portfolio

- + Bought: Arla Plast
- Sold: Troax

### Result for the interim period

**9 months:** 1st September 2020–31st May 2021

- The company posted a result for the period of SEK **2,181** million (–18 m), corresponding to SEK **85.20** (–0.70) per share
- The net worth increased by **59.9%**, including reinvested dividend
- The listed price of the Class B share increased by **89.8%**, including reinvested dividend
- The Carnegie Small Cap Return Index increased by **35.2%**

Latest published figures  
4TH JUNE 2021

Share price  
**273.80**  
SEK

Net worth  
**224**  
SEK/share

# Dear Shareholder,

Svolder is approaching the end of its 2020/2021 financial year. During the first nine months, Svolder saw excellent results in both absolute and relative terms. The situation is dramatically different compared to a year ago, when the effects of the coronavirus pandemic on society, citizens and businesses were very uncertain.

Svolder's net worth has risen by 60 per cent during the financial year to date, exceeding the CSRX (Carnegie Small Cap Index) by 25 percentage points. This means that the long-term positive absolute and relative trend for Svolder compared to the small cap index (CSRX) and the Stockholm stock exchange (SIXRX) has continued. This is shown clearly in the graph below.

## DIVIDENDS NORMALISED

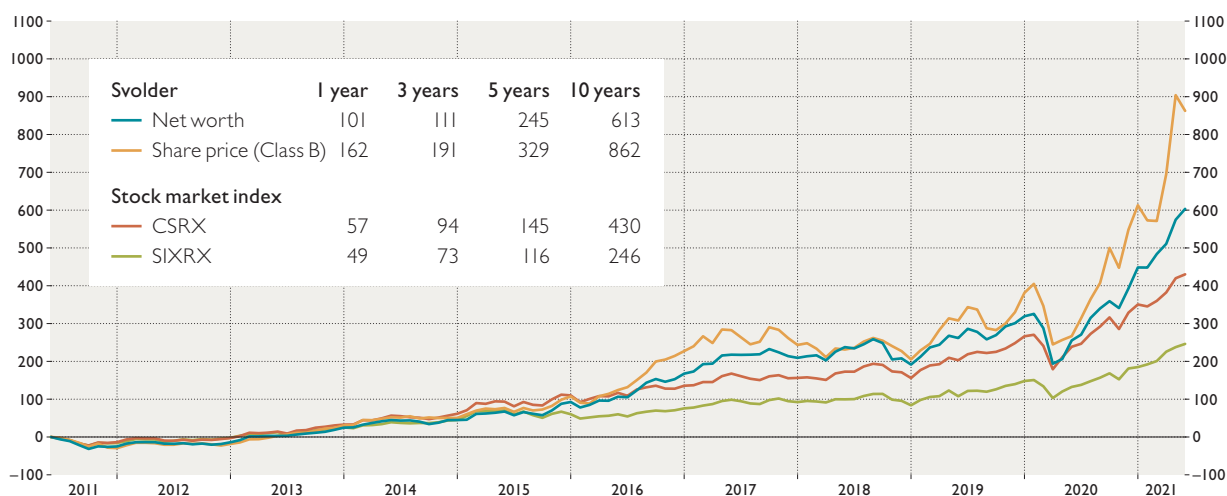
Many listed companies cancelled their dividend payments during spring 2020. In a global environment riddled with great uncertainty about the pandemic, many company boards chose not to propose a dividend, or to postpone it. As the majority of companies have successfully navigated their operations through the pandemic, boards are once

again resuming dividends. From Svolder's perspective, share dividends are the most natural way of compensating shareholders for invested capital, and are fundamental to the long-term supply of capital. Moreover the profits are already taxed, and in many cases the dividend is taxed a yet again.

Svolder's Board proposed a dividend for the previous financial year of SEK 2.20 per share (SEK 56.3 m), even though dividends received were considerably lower than what is considered normal for each portfolio company's long-term dividend capacity. Svolder's dividend policy is based on paying dividends received on to shareholders, with a deduction for ongoing management costs. Moreover, the ambition is to create long-term dividend growth. Since the company's inception a dividend has been paid every year, which means that a total of SEK 1.2 billion (SEK 47 per Svolder share) has come to us shareholders. For the 2020/2021 financial year, we forecast that received dividends will total SEK 93 million, an increase of just over SEK 84 million on the previous financial year.

It is therefore crucial to remember that received dividends were not normal in either the previous or the current

Total return<sup>1)</sup> 10 years in % on 31st May 2021



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.

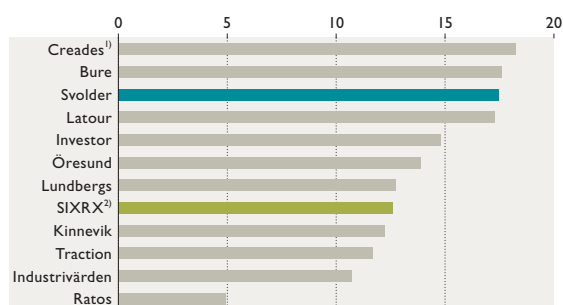


financial year when making forecasts for Svolder's own dividend. The Board of Directors' proposed dividend for the 2020/2021 financial year will, as usual, be presented in the Year-End Report on 16th September.

## INVESTMENT COMPANIES PERFORM WELL

The listed price of the Class B share rose by a full 90 per cent over the past nine months, which meant that on the closing day, the share was trading at a premium of 16 per cent in relation to net worth. This is high in historical terms, but follows a current trend on the stock market where Swedish investment companies are being valued ever more highly in relation to their net worth. In terms of performance, however, the valuation is not unnatural if the companies manage to create better value growth than the market also moving forward. The chart below from investment bank DNB shows how most investment companies have created growth in net worth over the past 15-year period or more. In addition to the growth in net worth the discounts have also decreased, and on occasion also become premiums, thus further increasing the total return on the shares during the period.

Investment companies,  
Annual growth in net worth (% 15 years)



<sup>1)</sup> Creades since 2012. <sup>2)</sup> Stockholm Stock Exchange.

## OVERHEATING TENDENCIES

The world's stock exchanges have now experienced a long period of increase, and in several cases are displaying overheating tendencies. Hugely expansive fiscal and monetary policies worldwide have created a lot of liquidity, which has gone into increasingly speculative assets to yield a return. In previous interim reports, I have mentioned very high valuations for companies without tried and tested business models, speculation in cryptocurrencies, concerted trading by small investors via websites/apps like Reddit, and the occurrence of so-called SPACs (Special Purpose Acquisition Companies). This is a form of option to acquire a new company that shareholders have left to a particular company with a specified sponsor. The intention is then that the acquired company then assumes the place on the stock exchange already held by the SPAC.

The SPACs we have seen to date on the Swedish market give no cause for concern in terms of their readiness for list-

ing, as they are represented by established sponsors and experienced people. What can be questioned, however, is how profitable it will ultimately be for the co-investors. What is there to say that a company newly acquired at market price, with costs for the SPAC's management and future dilution via the sponsor's options, is more profitable an investment than a directly listed company with no middlemen? If, in addition, this was to take place outside of the Nasdaq's main list and be fronted by people with little experience of enterprise, but with a high risk tolerance and a limited moral compass, that would be worrying.

Personally, I feel that classic stock exchange listings on the Nasdaq's main list are always to be preferred. With such an approach principal owners, the board and the company management must prepare a prospectus and assume obligations to investors and the stock market. Moreover, each company has a chance to present its business model and the market conditions under which it operates. During the financial year, Svolder has looked at many public listings, but has been extremely selective. Having said that, in the past quarter we have acted as an anchor investor and have subscribed for shares in the IPOs of Arla Plast and MilDef Group.

## STRONG ECONOMIC GROWTH, WITH INFLATION RISKS

Even though the stock market, on a general level, has a high valuation, this does not mean that there are no interesting investment opportunities for an investment company like Svolder. The stock markets are volatile, and investment trends tend to change. Even so, the most important parameters for valuation are future profits and return requirements/interest rates. In somewhat simplified terms, when interest rates rise, profit has to develop at the same rate to keep the share prices from falling. The factor that has the largest negative effect in share valuation models is raised interest rates on anticipated profits a long way into the future.

Companies that are cautiously valued based on profits (low P/E ratios) and net sales run less risk than the highly valued ones (high P/E ratios) in periods of increasing interest rates. In such a scenario, the value development for growth shares, which for several years has been far stronger than for value shares, has every chance of reversing. The inflation tendencies that can be inferred from dramatically rising commodity prices, a global increase in capacity utilisation and higher employment primarily in the US, are all reasons to expect higher long-term interest rates.

At the same time, the boost in the economic situation means that profit development in many companies will be favourable and will benefit share valuations. Everything is therefore in place for Svolder's investment philosophy – to manage listed shares in small and medium-sized Swedish companies with established business models – to continue creating added value, even though humility of course always has a natural place in any foray into commenting on the future.

*Yours faithfully*

ULF HEDLUNDH  
Managing Director

Source: DNB Markets

# THE EQUITIES PORTFOLIO

31/5 2021

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>
Troax	2,650,000	315.50	<b>836</b>	14.4	4.4	4.4
Nordic Waterproofing	3,542,952	179.80	<b>637</b>	11.0	14.7	14.7
GARO	4,772,600	126.80	<b>605</b>	10.4	9.6	9.6
New Wave Group	4,485,850	103.40	<b>464</b>	8.0	6.8	1.8
XANO Industri	1,730,500	262.00	<b>453</b>	7.8	5.9	1.8
FM Mattsson Mora	1,955,000	182.00	<b>356</b>	6.1	14.1	6.1
Elanders	2,069,332	171.00	<b>354</b>	6.1	5.9	4.0
Elos Medtech <sup>3)</sup>	1,245,892	201.00	<b>250</b>	4.3	15.4	21.9
Beijer Electronics Group	4,367,960	51.60	<b>225</b>	3.9	15.1	15.2
ITAB Shop Concept	11,997,551	17.50	<b>210</b>	3.6	5.5	5.5
Nolato	2,425,760	85.75	<b>208</b>	3.6	1.0	0.9
Wästbygg Gruppen	1,817,916	107.60	<b>196</b>	3.4	5.6	4.8
Lime Technologies	422,665	352.00	<b>149</b>	2.6	3.2	3.2
Boule Diagnostics	2,414,194	57.80	<b>140</b>	2.4	12.4	12.4
Magnolia Bostad	2,095,000	58.10	<b>122</b>	2.1	5.5	5.5
Saab	500,000	239.90	<b>120</b>	2.1	0.4	0.3
Arla Plast	2,001,000	54.00	<b>108</b>	1.9	10.0	10.0
Serneke Group	2,077,608	50.60	<b>105</b>	1.8	7.2	2.8
AGES Industri	584,000	64.00	<b>37</b>	0.6	8.3	2.5
<b>Equities portfolio</b>			<b>5,575</b>	<b>95.9</b>		
<b>Net debt (-)/net receivable (+)</b>			<b>236</b>	<b>4.1</b>		
<b>Total/net worth</b>			<b>5,811</b>	<b>100.0</b>		
			<b>227.00</b>	<b>SEK per Svolder share</b>		

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.

<sup>3)</sup> Of which 297,946 Class A shares.

The following information, for example, can be obtained from the table. Svolder's largest holding is Troax, which has a market value of SEK 836 million, corresponding to 14.4 per cent of net worth. A one-per-cent change in Troax's share price would affect Svolder's net worth by SEK 8 million, which equates to SEK 0.30 per Svolder share.

# INTERIM REPORT 3

CURRENT REPORTING PERIOD:  
1ST MARCH – 31ST MAY 2021

## MARKET COMMENTARY

The current reporting period, 1st March–31st May 2021, has been characterised by very strong stock markets. As worldwide vaccination increased and the spread of COVID-19 gradually slowed, investors started having faith that the nascent economic recovery would gather momentum. The Swedish stock exchange (SIXRX) rose 15 per cent, which was on a par with the development of shares in small and medium-sized companies (CSRX). Large companies (OMXS30) increased slightly less, but still by just over 13 per cent. During the 2020/2021 financial year, the outcome has been just as strong for large as for smaller companies (35%), but with the advantage for the large companies in the 2021 calendar year only.

Prices on the global stock exchanges also developed well. The S&P Europe index rose 13 per cent compared with, for example, 12 per cent for the American S&P500, both measured in Swedish kronor (SEK). The Dow Jones Global index increased by about 10 per cent measured in SEK, as several Asian stock exchanges reported only marginally positive value development. During the current reporting period the SEK has weakened by 1.7 per cent against the US dollar and strengthened slightly against the euro.

Over the three-month period, interest rates for American government bonds in particular rose, while those for other global bonds showed small movements. Both the American FED and Europe's ECB repeated their ambitions to keep bond interest rates low through various kinds of market operations. There are however clear signs of inflation, especially in the US in line with an ever-stronger labour market, higher values on financial assets and sharply rising prices for input goods. In most cases, prices for commodities and industrial metals rose by double-digit percentages during the current reporting period, measured in both USD and SEK. Aluminium increased the most, by about 18 per cent (SEK), but the rise in oil and copper prices was also noticeable. The price of gold developed in line with industrial metal prices.

Political developments in many parts of the world remain uncertain. Latent conflicts in the Middle East and countries located close to China and Russia are clear examples of this. The war of words about trade disputes between the US and China have not abated since the change of US

president. In addition, there is mounting irritation between European countries about the lack of coordinated management of COVID-19, the content of upcoming vaccination passports, the development of public finances, and the degree of involvement in each other's domestic policy.



## SHARE PRICE TRENDS

The closing price for Svolder's Class B share on the balance sheet date was SEK 263.80, corresponding to an increase during the current reporting period of 43.4 per cent. The Class B share's value on the closing day represented a premium of 16.2 per cent on its net worth. The Class B share was traded on all Nasdaq Stockholm trading days during the period, with an average of just under 50,000 shares traded each day.

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 on the balance sheet date was SEK 380.00, which means that the Class A share was valued at a premium of 67.4 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> %

	3 months 1/3 2021– 31/5 2021	9 months 1/9 2020– 31/5 2021	Rolling 12 months 1/6 2020– 31/5 2021
<b>Svolder</b>			
Share price (Class B)	43.4	89.8	162.5
Net worth	20.5	59.9	97.9
<b>Stock market index</b>			
Carnegie Small Cap Return Index	15.3	35.2	56.6
SIX Return Index	15.1	34.8	49.0

<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 227.00 per share (SEK 5,811 million), which represents an increase during the current reporting period of 20.5 per cent (SEK 987 million). This figure is 5.2 percentage points better than that of the small cap index (CSRX), which increased by 15.3 per cent during the corresponding period. This can also be compared with the Swedish market as a whole (SIXRX), which increased by 15.1 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 2021

	SEK m	SEK/share
<b>Net worth, 28th February 2021</b>	<b>4,825</b>	<b>188.50</b>
<b>Equities portfolio</b>		
<b>Opening value</b>	<b>4,578</b>	<b>178.80</b>
Purchase of shares	200	
Sale of shares	-118	
Change in value, equities portfolio	915	38.90
<b>Closing value</b>	<b>5,575</b>	<b>217.80</b>
<b>Net debt (-)/Net receivable (+)</b>		
<b>Opening value</b>	<b>246</b>	<b>9.60</b>
Share dividends received	77	
Other operating income	1	
Management costs	-7	
Net financial items	0	
Purchase of shares, net	-82	-0.40
<b>Closing value</b>	<b>236</b>	<b>9.20</b>
<b>Net worth, 31st May 2021</b>	<b>5,811</b>	<b>227.00</b>

Source: Svolder, Infront and Morningstar

The Q1 report of perimeter protection company Troax was far better than expected with regard to order intake, sales and profit. The strong order intake was a continuation of developments towards the end of 2020. During the first quarter, the increase was 29 per cent adjusted for acquisitions and currency translation. An important factor behind this development was demand for products for automated warehouses in North America and the UK, primarily products related to expansion of various players' e-commerce solutions. Demand for this kind of product is expected to increase also moving forward, although it will be hard to maintain the current pace. It was also pleasing to see that New Markets (primarily Asia) had a strong order intake. Troax has also announced an exciting order for a newly developed standardised guarding solution for LKAB. The machine guard enables the company to reach out to the international mining industry. Svolder's judgement remains that Troax has handled the effects of the pandemic very well. The share price developed strongly, also during the current reporting period, and Troax was by far the largest contributor to net worth. Primarily for portfolio balance reasons, Svolder has chosen to reduce its holding slightly this quarter too. The share remains the biggest in the portfolio in terms of value.

The share of Småland industrial group XANO Industri performed very well during the reporting period and was a strong contributor to net worth. XANO develops, acquires and runs niche tech companies that offer production and development services for industrial products and automation equipment. The company's Q1 report indicated high sales growth, as well as distinct improvements in operating profit and margin. Strong development in the group's companies with exposure to medical technology, as well as automation projects for the packaging and food industry, remain the drivers behind this strong performance trend. The recovery in the automotive industry and positive effects on earnings from acquisitions towards the end of 2020 have also been contributing factors. XANO has a history of successfully acquiring small, niche industrial companies, and a further two interesting companies were added to the group after the end of the quarter. One is an automation company in the Dutch food sector with annual sales of approximately SEK 250 million. This was followed by the acquisition of a leading software specialist in industrial digitalisation in Denmark, with annual sales of about SEK 75 million, expected to grow by around 15 per cent during 2021. These two companies account for about 15 per cent of XANO's total sales in 2020. Altogether, continued stable development is expected for the group in the immediate future, driven by a healthy order situation and continued contributions to profit from recent acquisitions.

Brand group **New Wave** began 2021 with a very strong quarter, which was communicated in a reverse profit warning. The results and margin were the highest ever for a first quarter. The positive profit development is mainly attributable to dramatic cost cutting. Some of these reduced costs are expected to remain also after sales increase. Cash flow was strong during the quarter and the balance sheet was boosted considerably. The stock market received the interim report positively, and the share was a major contributor to net worth during the current reporting period. The company is now well equipped to benefit from the growth that's expected as various restrictions are eased and events such as sports competitions are allowed again. The judgement is that the valuation remains attractive and growth opportunities are good. In addition, current market values for both listed and unlisted companies with roughly the same focus as sport and leisure company **Craft** indicate far higher valuations than the indirect valuation the company has via its listed parent company **New Wave**.

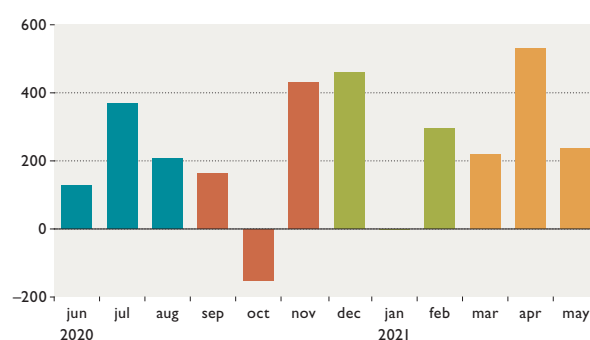
### Biggest contributors to changes in net worth 1st March–31st May 2021

(Based on net worth of SEK 4,825 million or SEK 188.50/share on 28th February 2021)

Share	SEK m	SEK/share
Troax	208	8.10
XANO Industri	186	7.30
New Wave Group	156	6.10
Nordic Waterproofing	132	5.20
Elos Medtech	112	4.40
ITAB Shop Concept	44	1.70
Beijer Electronics Group	40	1.60
Nolato	28	1.10
FM Mattsson Mora	28	1.10
<b>Total, nine positive</b>	<b>935</b>	<b>36.50</b>
Lime Technologies	-39	-1.50
<b>Total, one negative</b>	<b>-39</b>	<b>-1.50</b>
Other shares	98	3.80
<b>Shares, total</b>	<b>994</b>	<b>38.80</b>
Other	-7	-0.30
<b>Change in value</b>	<b>987</b>	<b>38.50</b>

Software company **Lime Technologies**' share performed weakly during the quarter and was the biggest negative contributor during the reporting period. Lime's business encompasses the development, sale and implementation of customer relationship management (CRM) systems. Results for Q1 were stable, with a continued high operating margin but organic growth that fell just short of the market's high expectations. Lime initially reported only a limited impact from the COVID-19 pandemic, but following a period of weaker new sales during parts of 2020, the company's growth was affected to a slightly greater extent. Order intake has, however, continually improved during the most recent period, which bodes well for a return to a higher growth rate moving forward. An interesting international acquisition was also made during the quarter, with German software company **Userlike** being added to the group. Userlike is a fast-growing SaaS company with a leading position in customer messaging on the German market. The acquisition further strengthens Lime's product offering in the CRM chain, and enables interesting sales synergies and an increased international growth rate.

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



Excluding dividends of SEK 56.3 million (SEK 2.20/share) paid in November 2020.

## 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 236 million on the closing day, corresponding to 4.1 per cent of the company's net worth. This is to be compared with a net receivable of SEK 246 million at the beginning of the current reporting period.

## THE EQUITIES PORTFOLIO

Shares were acquired for a total of SEK 200 million (gross) during the current reporting period. Shares for a gross amount of SEK 118 million were sold during the corresponding period, and net purchases hence totalled SEK 82 million.

During the three-month period **Arla Plast** was added as a new holding and the entire holding in **Bong** was divested. On the closing day, the equities portfolio comprised 19 holdings.

Svolder has committed to subscribe for shares equivalent to SEK 95 million (SEK 36.50 per share) in the IPO of **MilDef Group**, which was listed on the Nasdaq Stockholm on 4th June 2021. This equates to just over 7 per cent of the votes and equity.

### Major net purchases for the equities portfolio (3 months) 1st March–31st May 2021

Share	Number	SEK m	SEK/share <sup>1)</sup>
Arla Plast	2,001,000	92	46.00

<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 largest purchase during the current reporting period was plastic extrusion company **Arla Plast**, where Svolder served as an anchor investor in connection with the company's IPO. Svolder's holding amounts to just over 10 per cent of both the votes and the equity, as reported in a disclosure notice. Arla Plast is a manufacturer and supplier of extruded sheets in technical plastic materials, primarily recyclable polycarbonate. The products have a wide field of application, including as transparent, unbreakable protective barriers. The company has headquarters and a production unit in Sweden, and two facilities in the Czech Republic. Arla Plast has approximately 260 employees and annual sales in the region of SEK 900 million. Svolder deems the company's growth and profitability potential to be interesting. Based on profit in a normal year, the valuation is considered attractive.

### Major net sales from the equities portfolio (3 months) 1st March–31st May 2021

Share	Number	SEK m	SEK/share <sup>1)</sup>
Troax	300,000	89	296.00

<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 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.

## RISKS AND UNCERTAINTY FACTORS

The identified risks and uncertainties for the Group and the Parent Company are presented on page 69 and in note 17 on page 82 of the 2019/2020 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 11th May 2021, a Nominations Committee has been formed in accordance with a decision at the 2020 Annual General Meeting. The Nominations Committee has appointed Christoffer Lundström (StrategiQ Capital AB/Lundström family) as its Chairman. Other members are Ludwig Malm (Förvaltnings AB Magentus/Magentus Capital AB/Magnus Malm), 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](mailto: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 4th June was SEK 224 per share and the listed price was SEK 273.80.

## YEAR-END REPORT

A Year-End Report for the financial year 1st September 2020–31st August 2021, encompassing the three-month report for 1st June – 31st August 2021, will be published on 16th September 2021.

## ANNUAL GENERAL MEETING 2021

The AGM will take place in Stockholm on Monday 18th November 2021.

Shareholders wishing to have an issue discussed at Svolder's 2021 AGM must make a written request to the Board of Directors by 1st October 2021 at the latest to: Svolder AB (publ), Board of Directors, Box 70431, SE-107 25 Stockholm, Sweden.

STOCKHOLM 11TH JUNE 2021  
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*



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	3 months	3 months	9 months	9 months	Rolling	12 months
	1/3 2021– 31/5 2021	1/3 2020– 31/5 2020	1/9 2020– 31/5 2021	1/9 2019– 31/5 2020	12 months 1/6 2020– 31/5 2021	12 months 1/9 2019– 31/8 2020
<b>Management operations</b>						
Dividend income	77.5	0.9	88.9	4.8	92.9	8.9
Management costs	–6.9	–2.0	–21.2	–13.8	–27.6	–20.1
Earnings from securities	914.7	–271.7	2,111.5	–9.2	2,822.3	701.5
Other operating income	1.4	-	1.9	-	1.9	-
<b>Operating profit/loss</b>	<b>986.7</b>	<b>–272.8</b>	<b>2,181.1</b>	<b>–18.2</b>	<b>2,889.6</b>	<b>690.3</b>
<b>Profit on financial investments</b>						
Financial income	0.0	0.0	0.2	0.0	0.2	0.0
Financial expenses	0.0	–0.1	0.0	–0.1	–0.1	–0.2
<b>Profit/loss after financial items</b>	<b>986.7</b>	<b>–272.8</b>	<b>2,181.3</b>	<b>–18.3</b>	<b>2,889.7</b>	<b>690.1</b>
Tax	-	-	-	-	-	-
<b>Profit/loss for the period</b>	<b>986.7</b>	<b>–272.8</b>	<b>2,181.3</b>	<b>–18.3</b>	<b>2,889.7</b>	<b>690.1</b>
Other comprehensive income						
<b>Comprehensive income for the period</b>	<b>986.7</b>	<b>–272.8</b>	<b>2,181.3</b>	<b>–18.3</b>	<b>2,889.7</b>	<b>690.1</b>
Earnings per share, SEK	38.50	–10.70	85.20	–0.70	112.90	27.00

## CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	3 months	3 months	9 months	9 months	Rolling	12 months
	1/3 2021– 31/5 2021	1/3 2020– 31/5 2020	1/9 2020– 31/5 2021	1/9 2019– 31/5 2020	12 months 1/6 2020– 31/5 2021	12 months 1/9 2019– 31/8 2020
<b>Cash flow from operating activities</b>						
before changes in working capital	74.5	–1.8	74.3	–13.9	72.5	–15.7
<b>Changes in working capital</b>						
Increase (+)/decrease (–) in current liabilities	–0.4	0.0	–0.4	0.2	–0.4	0.2
<b>Cash flow from operating activities</b>	<b>74.1</b>	<b>–1.9</b>	<b>74.0</b>	<b>–13.6</b>	<b>72.2</b>	<b>–15.4</b>
<b>Investing activities</b>						
Purchase of securities	–199.6	–95.6	–619.6	–389.3	–653.4	–423.1
Sale of securities	120.1	73.1	600.9	400.9	719.1	519.0
Investment in machinery and equipment	-	-	-	-	-	-
<b>Cash flow from investing activities</b>	<b>–79.5</b>	<b>–22.5</b>	<b>–18.7</b>	<b>11.5</b>	<b>65.7</b>	<b>95.9</b>
<b>Financing activities</b>						
Dividend paid	-	-	56.3	–55.0	56.3	–55.0
<b>Cash flow from financing activities</b>	<b>0.0</b>	<b>0.0</b>	<b>56.3</b>	<b>–55.0</b>	<b>56.3</b>	<b>–55.0</b>
Increase (+)/decrease (–) in liquid assets	–5.4	–24.3	–1.0	–57.2	81.5	25.4
Liquid assets at beginning of period	249.9	187.4	245.6	220.2	163.1	220.2
<b>Liquid assets at end of period</b>	<b>244.6</b>	<b>163.1</b>	<b>244.6</b>	<b>163.1</b>	<b>244.6</b>	<b>245.6</b>

## CONSOLIDATED KEY RATIOS PER SHARE

	3 months	3 months	9 months	9 months	Rolling	12 months
	1/3 2021– 31/5 2021	1/3 2020– 31/5 2020	1/9 2020– 31/5 2021	1/9 2019– 31/5 2020	12 months 1/6 2020– 31/5 2021	12 months 1/9 2019– 31/8 2020
Change in net worth, SEK	38.50	–10.70	83.00	–2.90	110.70	24.80
Dividend paid during the period, SEK	-	-	2.20	2.15	2.20	2.15
Earnings per share, SEK	38.50	–10.70	85.20	–0.70	112.90	27.00
Number of shares, million	25.6	25.6	25.6	25.6	25.6	25.6

Definitions as in the Annual Report for 2019/2020. 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)	31/5 2021	28/2 2021	31/8 2020	31/5 2020	29/2 2020	31/8 2019
<b>Non-current assets</b>						
<i>Property, plant and equipment</i>						
Equipment	0.1	0.1	0.1	0.1	0.1	0.2
<i>Financial assets</i>						
Securities holdings	5,575.1	4,578.5	3,452.1	2,799.4	3,080.6	2,876.8
<b>Current assets</b>						
Current receivables	0.2	2.7	2.3	21.8	3.1	20.5
Cash and bank balances	244.6	249.9	245.6	163.1	187.4	220.2
<b>Total assets</b>	<b>5,820.0</b>	<b>4,831.2</b>	<b>3,700.2</b>	<b>2,984.3</b>	<b>3,271.3</b>	<b>3,117.7</b>

### Shareholders' equity and liabilities

(SEK m)	31/5 2021	28/2 2021	31/8 2020	31/5 2020	29/2 2020	31/8 2019
<b>Shareholders' equity</b>	<b>5,811.2</b>	<b>4,824.5</b>	<b>3,686.2</b>	<b>2,977.8</b>	<b>3,250.6</b>	<b>3,051.1</b>
<b>Liabilities</b>						
Current liabilities	8.8	6.7	14.0	6.6	20.7	66.6
<b>Total liabilities and shareholders' equity</b>	<b>5,820.0</b>	<b>4,831.2</b>	<b>3,700.2</b>	<b>2,984.3</b>	<b>3,271.3</b>	<b>3,117.7</b>

## CHANGES IN SHAREHOLDERS' EQUITY

(SEK m)	3 months 1/3 2021– 31/5 2021	3 months 1/3 2020– 31/5 2020	9 months 1/9 2020– 31/5 2021	9 months 1/9 2019– 31/5 2020	12 months 1/9 2019– 31/8 2020
<b>Opening balance</b>	<b>4,824.5</b>	<b>3,250.6</b>	<b>3,686.2</b>	<b>3,051.1</b>	<b>3,051.1</b>
Dividend paid	-	-	-56.3	-55.0	-55.0
Comprehensive income for the period	986.7	-272.8	2,181.3	-18.3	690.1
<b>Closing balance</b>	<b>5,811.2</b>	<b>2,977.8</b>	<b>5,811.2</b>	<b>2,977.8</b>	<b>3,686.2</b>

## CONSOLIDATED KEY RATIOS PER SHARE

	31/5 2021	28/2 2021	31/8 2020	31/5 2020	29/2 2020	31/8 2019
Net worth per share, SEK	227.00	188.50	144.00	116.30	127.00	119.20
Share price (Class B), SEK	263.80	184.00	140.80	101.80	124.00	109.60
Net worth, premium (+)/discount (-), %	16	-2	-2	-12	-2	-8
Liquidity (+)/Borrowing (-), %	4	5	6	6	5	6
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 2019/2020. 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 POLICIES

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 Svolder AB (publ), corporate ID no. 556469-2020 as of 31st May 2021 and for the nine-month period then ended. 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 11TH JUNE 2021  
ÖHRLINGS PRICEWATERHOUSECOOPERS AB

HELENA KAISER DE CAROLIS  
*Authorised Public Accountant*

Prioritaire **A**

POSTAGE  
PAID

SVOLDER IS AN INVESTMENT COMPANY 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

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COVER PHOTO: ÖSTRA BRON IN KARLSTAD, 168 METRES LONG AND WITH 12 ARCHES, IS THE LONGEST STONE BRIDGE IN SWEDEN. CONSTRUCTION BEGAN IN 1761 AND WAS PLANNED TO TAKE FOUR YEARS, BUT THE BRIDGE WAS NOT FULLY COMPLETED UNTIL 1811. (PHOTO: MIKAEL SVENSSON, 2016)



SVOLDER

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