



SVOLDER

YEAR-END REPORT 2020/2021

Svolder's
2020/2021
financial year
has been the
best to date

The Managing Director's comments, page 2

Results for the financial year

12 months: 1st September 2020–31st August 2021

- The company posted a result for the period of SEK **3,485** million (690 m), corresponding to SEK **136.10** (27.00) per share
- The net worth increased by **95.8%**, including reinvested dividend, to SEK **277.90** per share
- The listed price of the Class B share increased by **115.8%**, including reinvested dividend, to SEK **300.00** per share
- The Carnegie Small Cap Return Index rose by **51.6%**
- Proposed dividend SEK **2.50** (2.20) per share

Major contributors to net worth

- + Positive: GARO, Troax, XANO Industri
- Negative: -

Major changes in the equities portfolio

- + Bought: Wästbygg, Nolato, Arla Plast
- Sold: GARO, Elos Medtech, Magnolia Bostad

Result for current reporting period

3 months: 1st June–31st August 2021

- The company posted a result for the period of SEK **1,304** million (708 m), corresponding to SEK **50.90** (27.70) per share
- Net worth increased by **22.4%**
- The listed price of the Class B share rose by **13.7%**
- The Carnegie Small Cap Return Index increased by **12.1%**

Latest published figures
10TH SEPTEMBER 2021

Share price
288.20
SEK

Net worth
275
SEK/share

Dear Shareholder,

The now ended 2020/2021 financial year has been the best to date for Svolder in both absolute and relative terms. This is true both of the company's net worth, and the Svolder share which closed the period at record levels.

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. The pandemic is, unfortunately, not over, even though businesses and society are beginning to adapt to the new conditions, opportunities and uncertainties, aided by vaccines and a high vaccination levels.

» *Svolder's annual growth in net worth has exceeded the entire Swedish stock market and CSRX.* »

CONTINUED POSITIVE RESULTS

Svolder's net worth adjusted for dividends rose by 96 per cent during the financial year, exceeding the CSRX (Carnegie Small Cap Index) by 44 percentage points. The corresponding figure during the current three-month reporting period was 22 per cent, just over 10 points better than the CSRX. The long-term positive and relative trend for the

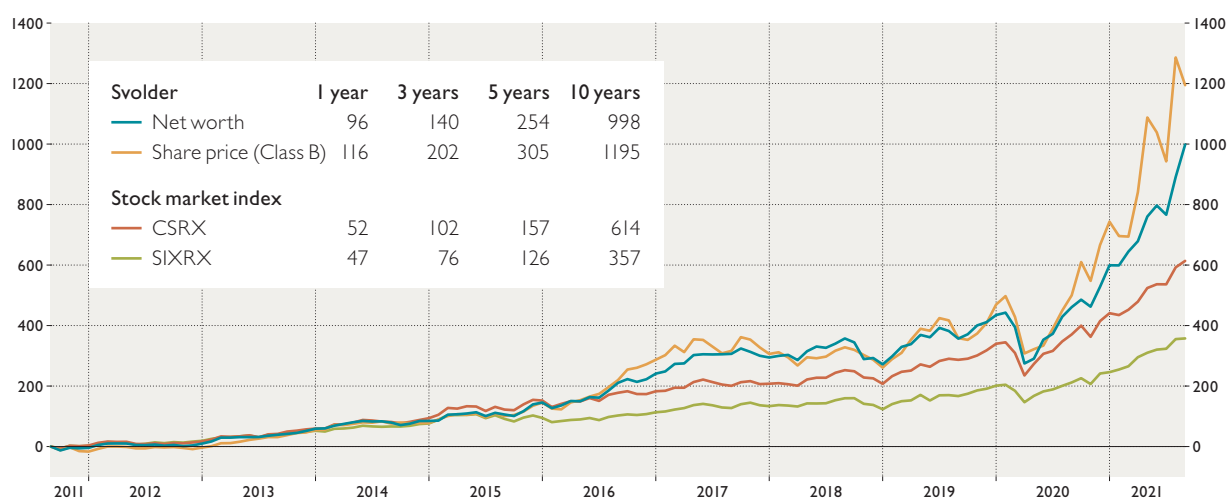
Stockholm Stock Exchange, small caps and Svolder is therefore continuing, as shown clearly in the graph below.

The listed price of the Class B share adjusted for dividends rose by a full 116 per cent over the past 12 months, which meant that on the closing day, the share was trading at a premium of 8 per cent in relation to net worth. This is higher than the historical average, 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 the companies' long-term value creation, however, the valuation is not unnatural if the companies

also manage to create better value growth than most alternatives on the stock market moving forward.

Svolder's annual growth in net worth has exceeded the entire Swedish stock market (SIXRX) and CSRX, viewed over different periods. From start-up just over 28 years ago, Svolder's annual return on net worth, with reinvested dividends, has been almost 17 per cent. Historical comments

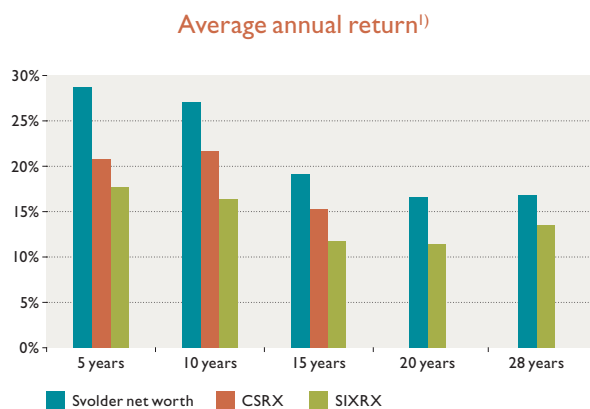
Total return¹⁾ 10 years in % on 31st August 2021



Source: Svolder Morningstar 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.

and future prospects should of course always be approached with some humility, although we are hugely proud as we look back on another strong financial year.



¹⁾ Including reinvested dividends.

DIVIDENDS NORMALISED

As the majority of companies have successfully managed to navigate their operations through the pandemic, their directors are once again resuming dividends. This is no surprise. Share dividends are the most natural way of compensating shareholders for invested capital, and are fundamental to the long-term supply of capital – at least this is certainly the way Svolder sees it. Moreover the profits are already taxed, and in many cases the dividend is taxed yet again.

The Board of Directors proposes a dividend of SEK 2.50/share (SEK 64 m) for the ended financial year, an increase of almost 14 per cent. Svolder's dividend policy is based on paying dividends received on to shareholders over time, with a deduction for ongoing management costs. Moreover, the ambition is to create long-term dividend growth. It should be noted here that Svolder, unlike most listed companies, paid out a higher dividend in the previous financial year, despite receiving far lower dividends from its portfolio companies than would usually warrant this under Svolder's long-term dividend policy. Assuming the proposed dividend is approved at the AGM in November, Svolder has paid out just over SEK 1.2 billion (approximately SEK 50 per Svolder share) to shareholders since its inception. A dividend has historically been paid for every financial year.

ANCHOR INVESTMENTS

The portfolio companies that have contributed the most to Svolder's net worth during the year are GARO and Troax, with an impressive joint injection of SEK 1.2 billion. Both companies were originally anchor investments whereby ahead of the IPO, Svolder committed to acquire a certain number of shares at the introductory price. This means that

the new listed companies have Svolder as a significant owner with long-term ambitions and a willingness to closely monitor the companies during their growth journeys in the public environment.

During the financial year, Svolder made anchor investments in Wästbygg, Arla Plast, MilDef and Profoto in the total amount of SEK 437 million. Since being listed, the four holdings have all contributed to Svolder's net worth, jointly by SEK 145 million. Although for valuation reasons Svolder has been restrictive as regards the raft of IPOs over the past 12-month period, we do intend to act as an anchor investor in IPOs moving forward. As well as a reasonable valuation in the initial phase, we particularly value well-established business models, a good group of owners, listing on the Nasdaq Stockholm main list, a solid foundation for growth and long-term dividend capacity.

IMPRESSIVE CRISIS MANAGEMENT AMONG COMPANIES

The amazing job done by personnel in Swedish companies in general, and our portfolio companies in particular, is praiseworthy indeed. Although many internal and external contacts have had to be handled remotely and a great many delivery chains have been broken, altered or delayed, the companies have once again demonstrated an excellent ability to manage a crisis. Altered supply chains create disruptions and often lead to product shortages, transportation problems, stockpiling and price rises. The recent turbulence in goods deliveries remains, and will continue to affect most companies also in the near future. Personnel in roles such as purchasing and production will be especially pivotal to the ability of each goods-producing company to achieve success in a strong, rising economic situation.

THE FUTURE

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. The inflation tendencies that can be inferred from dramatically rising commodity prices, a global increase in capacity utilisation and higher employment are all reasons to expect rising long-term interest rates. Even though the stock market, on a general level, is highly valued, this does not mean that there are no interesting investment opportunities for an investment company like Svolder, which primarily invests in listed Swedish companies that have a market capitalisation of up to approximately SEK 20 billion.

Yours faithfully

ULF HEDLUNDH
Managing Director

THE EQUITIES PORTFOLIO

31/8 2021

Share	Number	Share price (SEK) ¹⁾	Market cap. (SEK m)	% of net worth	% of the company's capital ²⁾	% of the company's votes ²⁾
GARO	4,560,305	211.50	965	13.6	9.1	9.1
Troax Group	2,553,412	355.00	906	12.7	4.3	4.3
Nordic Waterproofing	3,542,952	216.00	765	10.8	14.7	14.7
New Wave Group	4,583,646	136.20	624	8.8	6.9	1.9
XANO Industri	1,730,500	335.00	580	8.1	5.9	1.8
FM Mattsson Mora Group	1,976,000	264.00	522	7.3	14.0	6.1
Elanders	2,131,048	161.40	344	4.8	6.0	4.1
Wästbygg Gruppen	2,568,916	107.00	275	3.9	7.9	6.8
Beijer Electronics Group	4,381,875	61.60	270	3.8	15.1	15.2
Nolato	2,485,760	99.70	248	3.5	1.0	0.9
ITAB Shop Concept	12,172,550	16.60	202	2.8	5.6	5.6
Lime Technologies	422,665	399.60	169	2.4	3.2	3.2
Profoto Holding	1,515,151	103.40	157	2.2	3.8	3.8
Boule Diagnostics	2,414,194	55.70	134	1.9	12.4	12.4
MilDef Group	2,600,000	51.05	133	1.9	7.1	7.1
Arla Plast	2,209,981	55.40	122	1.7	11.1	11.1
Saab	430,000	257.20	111	1.6	0.3	0.3
Serneke Group	2,077,608	52.40	109	1.5	7.2	2.8
AGES Industri	584,000	70.00	41	0.6	8.3	2.5
Equities portfolio			6,676	93.8		
Net receivable (+)/net debt (-)			439	6.2		
Total/net worth			7,115	100.0		
277.90 SEK per Svolder share						

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

¹⁾ In calculating the market capitalisation (fair value), the last price paid 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 capitalisation of SEK 965 million, corresponding to 13.6 per cent of net worth. A one-per-cent change in GARO's share price would affect Svolder's net worth by SEK 10 million, which equates to SEK 0.40 per Svolder share.

YEAR-END REPORT

1ST SEPTEMBER 2020 – 31ST AUGUST 2021

MARKET COMMENTARY

Svolder's 2020/2021 financial year, 1st September 2020 to 31st August 2021, was a very strong year for listed companies in most countries around the world. All in all, the European stock exchanges rose by 31 per cent, and the US exchange (S&P 500) rose by 29 per cent. The World Index (WDJ) rose about one percentage point less, and exchange rate fluctuations were minor over the year as a whole. The Swedish stock exchange (SIXRX) continue to outperform the World Index, rising a full 47 per cent. Yet it was still exceeded by approximately five percentage points by small and medium-sized Swedish companies' shares (CSRX).

Index performance (12 months)



Source: Infront

The upward trend of the SEK came to an end during the financial year, and remained essentially unchanged compared to the USD and with a slight rise against the EUR.

Macroeconomic developments in the world showed a strong recovery after previous negative effects from COVID-19. Many countries virtually locked down their societies for limited periods of time last year, which had very palpable effects on each country's economy. Barely any nation was spared the impact of the pandemic, although the

economic effects were less dramatic than expected thanks to very expansive fiscal and monetary policy around the world. Capital markets have therefore been able to discount gradual improvements in growth for the years to come.

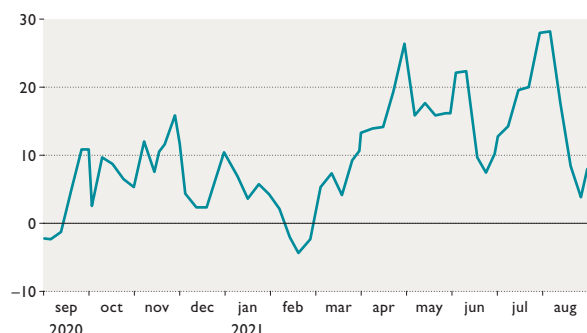
Input prices rose dramatically during the financial year, and producers sometimes had trouble meeting demand. This was true of many input products, but especially components such as semiconductors. For example, over the 12-month period the price of copper rose by 43 per cent, and BRENT oil by 57 per cent. The price of gold, however, fell slightly, as is usual in times of recovery following great turbulence.

The capital markets have been unusually calm despite the coronavirus pandemic and bitter trade disputes, primarily between the US and China. A more conciliatory approach by the new American administration reduced concern among investors, politicians, economists and industry representatives. The UK's exit from the EU and the financing of support for EU countries that have been particularly hard hit by the pandemic are important issues that have been sidelined, as the tone among European politicians has been balanced and relatively mild. Geopolitically, some trouble spots remain that could flare up when the great powers' interests risk being challenged, for example in and around Hong Kong, Taiwan, Belarus and Ukraine.

SHARE PRICE TRENDS

The closing price for Svolder's Class B share on the balance sheet date was SEK 300.00, which corresponds to an increase during the financial year of 115.8 per cent, including reinvested dividend. The Class B share's value on the closing day represented a premium of 7.9 per cent on its net worth. The Class B share was traded on all trading days during the period, with an average of approximately 57,000 shares traded each day of trading on Nasdaq Stockholm.

Net worth discount (-)/premium(+) in % (Class B share, 12 months)



Total return¹⁾ %

	12 months 1/9 2020– 31/8 2021	12 months 1/9 2019– 31/8 2020
Svolder		
Share price (Class B)	115.8	30.9
Net worth	95.8	22.8
Stock market index		
Carnegie Small Cap Return Index	51.6	21.7
SIX Return Index	46.7	16.9

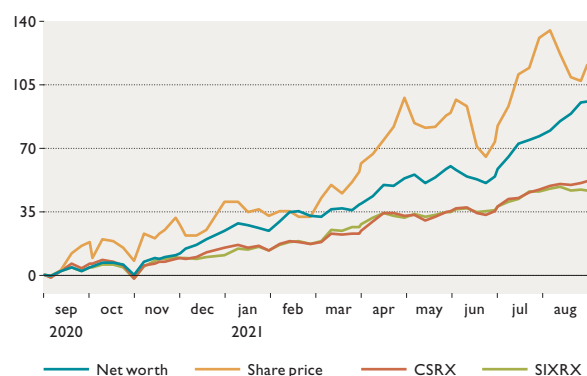
¹⁾ Total return is calculated using comparable methods to reinvestment indices and funds, i.e. assuming that the dividend paid is reinvested at the time of the dividend in underlying types of assets.

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 370.00, which means that the Class A share was valued at a premium of 33.1 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. No Class A shares were converted during the financial year.

On the closing day, the total number of shares in Svolder equalled 25,600,000, of which 1,245,672 were Class A shares and 24,354,328 were Class B shares. The number of shareholders increased by approximately 11,800, and amounted to 48,000 according to the most recently published share register on 30 June 2021.

Total return¹⁾ % (12 months)



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

CHANGE IN NET WORTH

On the closing day, Svolder's net worth amounted to SEK 277.90 per share, equating to SEK 7,115 million. The increase during the financial year was thus 95.8 per cent including reinvested dividend. This figure is 44.1 percentage points above that of the CSRX comparison index, which rose by 51.6 per cent during the corresponding period. This can be compared with the stock market as a whole (SIX-RX), which increased by 46.7 per cent. The surplus return is attributable to stock picking.

Net worth trend (12 months) 1st September 2020–31st August 2021

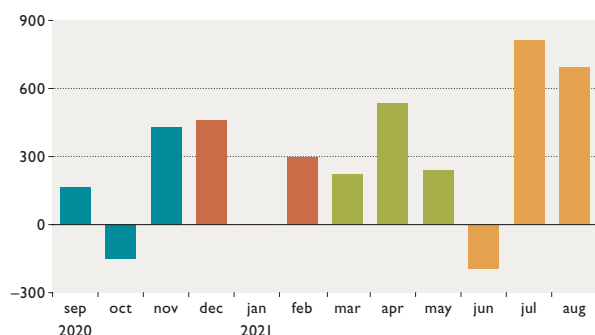
	SEK m	SEK/share
Net worth, 31st August 2020	3,686	144.00
Equities portfolio		
Opening value	3,452	134.80
Purchase of shares	923	
Sale of shares	-1,117	
Change in value, equities portfolio	3,418	125.90
Closing value	6,676	260.80
Net debt (-)/Net receivable (+)		
Opening value	234	9.10
Share dividends received	93	
Other operating income	2	
Dividend paid	-56	
Management costs	-28	
Net financial items	0	
Sale of shares, net	194	8.00
Closing value	439	17.20
Net worth, 31st August 2021	7,115	277.90

Biggest contributors to changes in net worth accumulated financial year 2020/2021

(Based on net worth of SEK 3,686 million or SEK 144.00/share on 31st August 2020)

Share	SEK m	SEK/share
GARO	649	25.30
Troax Group	546	21.30
XANO Industri	413	16.10
New Wave Group	403	15.80
Nordic Waterproofing	369	14.40
FM Mattsson Mora Group	297	11.60
Elanders	196	7.60
Elos Medtech	158	6.20
Beijer Electronics Group	86	3.40
Magnolia Bostad	54	2.10
Total, 10 positive	3,171	123.90
Other shares	343	13.40
Shares, total	3,513	137.20
Other	-28	-1.10
Change in value before dividend	3,485	136.10

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

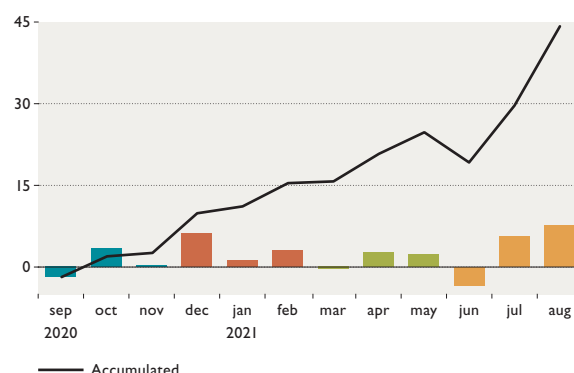


Excluding dividends of SEK 56.3 million (SEK 2.20/share) paid in November 2020.

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

Change in net worth relative to CSRX (12 months)

In percentage points per month and accumulated



LIQUIDITY/BORROWING

The equities portfolio was unpledged on the closing day. The net receivable, which includes liquid assets and the share trading's unliquidated transactions etc., was SEK 439 million on the closing day, corresponding to 6.2 per cent of the company's net worth. This can be compared with a net receivable of SEK 234 million at the beginning of the financial year.

THE EQUITIES PORTFOLIO

Shares were acquired for a gross amount of SEK 923 million during the financial year. Shares to the value of SEK 1,117 million (gross) were sold during the corresponding period, and net sales consequently amounted to SEK 194 million. A dividend of SEK 56 million was paid to shareholders in November 2020 for the 2019/2020 financial year. The number of holdings in the equities portfolio on the closing day totalled 19 (20).

Major net purchases for the equities portfolio (12 months) 1st September 2020–31st August 2021

Share	Number	SEK m	SEK/share ¹⁾
Wästbygg Gruppen	2,568,916	250	97.10
Nolato	1,782,600	141	79.00
Arla Plast	2,209,981	103	46.50
Profoto Holding	1,515,151	100	66.00
MilDef Group	2,600,000	95	36.50

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

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

Major net sales from the equities portfolio (12 months) 1st September 2020–31st August 2021

Share	Number	SEK m	SEK/share ¹⁾
GARO	2,817,195	326	115.70
Elos Medtech	1,245,892	268	215.00
Magnolia Bostad	2,095,000	159	76.00
Troax Group	481,588	143	296.90
Platzer Fastigheter	899,200	88	97.80

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

MANAGEMENT COSTS

Total management costs for the financial year amounted to SEK 28 million (20 m), which equated to 0.5 (0.6) per cent of average net worth.

Management costs include costs for an incentive programme for Svolder employees. Over the past financial year Svolder's net worth, including reinvested dividends, performed 44.1 percentage points better than the CSRX. The variable remuneration has an annual ceiling and the sum paid must be invested in Svolder Class B shares to be held for at least three years. The reserve for the 2020/2021 financial year is SEK 8.6 million (2.5 m). The reserve equates to approximately 0.2 (0.1) per cent of the opening net worth.

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.

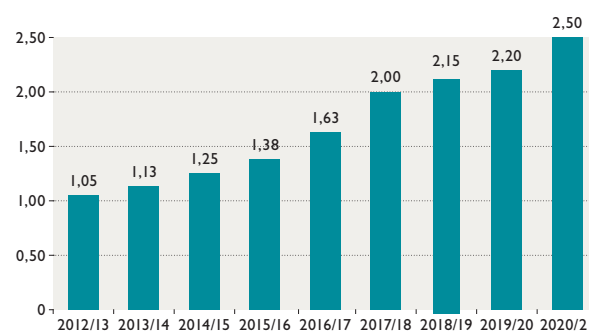
RISKS AND UNCERTAINTY FACTORS

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.

DIVIDEND

At the 2021 Annual General Meeting the Board will propose a share dividend of SEK 2.50 (2.20) per share for the 2020/2021 financial year, which equates to SEK 64 million (56 m). The proposal equates to 0.9 (1.5) per cent of the closing net worth and a yield of 0.8 (1.6) per cent based on the share price on the closing day. The proposed dividend is in line with Svolder's dividend policy and its ambition for long-term dividend growth.

Dividend in SEK per share



2020/2021: dividend proposed by the Board of Directors.

EVENTS AFTER THE REPORTING PERIOD

The net worth on 10th September was SEK 275 per share and the listed price (Class B share) was SEK 288.20.

AGM AND FINANCIAL REPORTING

The Annual General Meeting will be held on Thursday 18th November 2021 in Stockholm. The aim is to have a face-to-face AGM. Measures will be taken to reduce the risk of spreading COVID-19 while taking into account the prevailing infection situation and national guidelines. Further information will be provided in the notice to attend, which will be announced on around 15th October with a press release, a presentation on Svolder's website, an advertisement in *Dagens Industri* and information in the upcoming Annual Report.

The Annual Report will be available on Svolder's website at the end of October and distributed in printed form in early November to shareholders who registered with the company to receive printed information. The interim report for the period 1st September–30th November 2021 will be published on 10th December 2021.

INTERIM REPORT 4

CURRENT REPORTING PERIOD:
1ST JUNE – 31ST AUGUST 2021

Result for current reporting period

3 months: 1st June–31st August 2021

- The company posted a result for the period of SEK **1,304** million (708 m), corresponding to SEK **50.90** (27.70) per share
- The net worth increased **22.4%** to SEK **277.90** per share
- The listed price of the Class B share increased by **13.7%** to SEK **300.00** per share
- The Carnegie Small Cap Return Index increased by **12.1%**

Major contributors to net worth

- + Positive: GARO, FM Mattsson Mora, New Wave
- Negative: -

Major changes in the equities portfolio

- + Bought: Profoto Holding, MilDef, Wästbygg
- Sold: Elos Medtech, Magnolia Bostad

MARKET COMMENTARY

The current reporting period, 1st June–31st August 2021, was characterised by a continued strong positive trend on the stock exchange. The half-year reports of listed companies generally showed positive results, particularly compared to last year which was heavily impacted by the COVID-19 pandemic. The former, virtually wholesale trust in digital business models on the stock market normalised as more and people were vaccinated, and most countries reduced their restrictions.

Despite signs of economic recovery, rising commodity prices and higher employment, central banks and governments worldwide opted to continue with abnormally expansive fiscal and monetary policy. This created further growth conditions and was well received among investors. Increased vaccine uptake has reduced the death rate from the pandemic, and there are now expectations of a more normal social climate moving forward.

The Swedish stock exchange (SIXRX) rose by 8.8 per cent, but was surpassed by the index for small and medium-sized companies (CSRX) which grew by just over 12 per cent. Almost without exception, the world's stock exchanges rose in their local currencies. The Europe Index rose 4.8 per cent, S&P 500 (USA) 7.6 per cent and the DJ World Index 3.9 per cent, the latter two given in USD. The Swedish krona fell by 4 per cent against the US dollar and marginally against the euro. Expectations of higher long-term interest rates and a slightly less expansive monetary policy from the Federal Reserve are likely the main reasons for the change.

Meanwhile, movements in interest rates during the quarter were limited. The interest rates of government bonds in European countries with a good credit rating remain mainly negative. Comments from the world's various central banks indicate that their monetary policy will be expansive for the foreseeable future, and will continue to include significant purchases on the bond markets. The various fiscal stimulus packages around the world have stabilised economies, and do not yet seem to have influenced interest levels to any great extent.

The positive trend in commodities grew less significant during the current reporting period. Industrial metals such as copper and zinc fell, while the price of oil and especially aluminium rose. Gold continued to weaken. It should be noted that commodity prices are given in USD, which rose in value during the three-month period, as previously reported.

Total return¹⁾ %

	3 months 1/6 2021– 31/8 2021	12 months 1/9 2020– 31/8 2021
Svolder		
Share price (Class B)	13.7	115.8
Net worth	22.4	95.8
Stock market index		
Carnegie Small Cap Return Index	12.1	51.6
SIX Return Index	8.8	46.7

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

CHANGE IN NET WORTH

On the closing day, Svolder's net worth amounted to SEK 277.90 per share, equating to SEK 7,115 million, corresponding to an increase in value during the current reporting period of 22.4 per cent. This figure is up 10.3 percentage points on that of the CSRX comparison index, which increased by 12.1 per cent during the corresponding period. This can be compared with the stock market as a whole (SIXRX), which increased by 8.8 per cent. The surplus return is attributable to stock picking.

Net worth trend (3 months) 1st June–31st August 2021

	SEK m	SEK/share
Net worth, 31st May 2021	5,811	227.00
Equities portfolio		
Opening value	5,575	217.80
Purchase of shares	312	
Sale of shares	-517	
Change in value, equities portfolio	1,306	43.00
Closing value	6,676	260.80
Net debt (-)/Net receivable (+)		
Opening value	236	9.20
Share dividends received	4	
Other operating income	0	
Management costs	-7	
Net financial items	0	
Sale of shares, net	205	7.90
Closing value	439	17.20
Net worth, 31st August 2021	7,115	277.90

Svolder's interim reports usually comment on the holdings that have had the greatest positive and negative effect, in absolute figures (SEK m), on net worth. Since the comments often relate to the same companies (as the largest holdings represent a higher proportion of the equities portfolio), this report instead looks at developments in the past quarter on a more general level, finishing with a look at the recently ended reporting period. The upcoming Annual Report will comment in more detail on all equities holdings, as is usual.

Generally speaking, the companies in the equities portfolio delivered very strong Q2 reports during their 2021 financial year. From a historical perspective this was an extremely strong quarter, as was reflected in Svolder's positive net worth trend in both absolute and relative terms.

One general observation is that companies have mostly dealt with the challenges of the past 12–18 months impressively. Once vaccination gathered momentum and lockdowns began ending, sales have increased and margins have risen to record levels.

Svolder's largest holding delivered interim reports that exceeded the expectations of us and the stock market. This led to an increase in profit forecasts, which in turn led to higher guide prices. The stock market also noticed this trend and raised share prices. This meant that the six largest holdings contributed more than SEK 1,000 million, equating to just over SEK 40 per share, to Svolder's net worth during the current reporting period.

It is particularly worth mentioning **FM Mattsson Mora Group** in this report. On listing in 2017 the company was very dependent on Sweden and the Nordic region. Operations outside of the Nordics accounted for about 10 per cent of group sales, and were barely profitable. Since then, two acquisitions have been made. The first was Hotbath in the Netherlands in 2019, followed by Aqualla Brassware of Northern Ireland in early 2021. These acquisitions brought the share of sales outside of the Nordics to around 35 per cent in the first half of 2021, with an operating margin of just over 22 per cent. The Nordic operation has also grown and its profitability has improved considerably, as evidenced by the current margin level of around 17 per cent. There has been a strong emphasis on developing the range, both with regard to functionality and design. Touch-free products have garnered particular interest in connection with the pandemic. Svolder is impressed by the company's work on growth and profitability in recent years, and feels that the share price performance closely reflects its transformation.



Biggest contributors to changes in net worth 1st June–31st August 2021

(Based on net worth of SEK 5,811 million or SEK 227.00/share on 31st May 2021)

Share	SEK m	SEK/share
GARÖ	398	15.50
FM Mattsson Mora Group	162	6.30
New Wave Group	151	5.90
XANO Industri	131	5.10
Nordic Waterproofing	128	5.00
Troax Group	106	4.10
Profoto Holding	57	2.20
Beijer Electronics Group	44	1.70
MilDef Group	38	1.50
Magnolia Bostad	38	1.50
Total, 10 positive	1,251	48.90
Other shares	60	2.30
Shares, total	1,311	51.20
Other	-7	-0.30
Change in value	1,304	50.90

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 439 million on the closing day, corresponding to 6.2 per cent of the company's net worth. This is to be compared with a net receivable of SEK 236 million at the beginning of the current reporting period.

EQUITIES PORTFOLIO

Shares were acquired for a total of SEK 312 million (gross) during the current reporting period. Shares for a gross amount of SEK 517 million were sold during the corresponding period, and net sales hence totalled SEK 205 million.

During the three-month period, all shares were sold in **Elos Medtech** and **Magnolia Bostad** after Svolder accepted the public takeover bids for each company. **MilDef Group** and **Profoto Holding** were taken on as new holdings. On the closing day, the portfolio thus comprised 19 holdings.

Major net purchases for the equities portfolio (3 months) 1st June–31st August 2021

Share	Number	SEK m	SEK/share ¹⁾
Profoto Holding	1,515,151	100	66.00
MilDef Group	2,600,000	95	36.50
Wästbygg Gruppen	751,000	74	98.50

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

During the interim period, Svolder was an anchor investor when **Profoto Holding AB** was listed on the Nasdaq Stockholm Mid Cap list on 1st July 2021. Profoto is based in Stockholm and was founded in 1968. The company develops, promotes and sells complete lighting systems for professional photography. Profoto has a strong brand and a leading position in the premium segment globally. The company sells lights, light shaping tools and accessories via retailers and proprietary online shopping, to professional photographers in more than 60 markets. Profoto has a long history of profitable growth, and its ambition moving forward is to achieve annual organic sales growth in excess of 10 per cent, and to achieve an operating margin of 25 to 30 per cent. Svolder particularly values the company's strong market position, growth potential and stable cash flow generation, as well as its dividend capacity. The Profoto share developed very well during the interim period, and the valuation on the IPO was deemed attractive from the perspective of a normal year. The subscription rate was SEK 66 per share, and Svolder subscribed for a total of SEK 100 million, equivalent to about 3.8 per cent of the company's total capital and votes.

Svolder was also an anchor investor in **MilDef Group AB**, a provider of tactical IT for demanding environments, when it was listed on Nasdaq Stockholm on 4th June 2021. Svolder subscribed for shares for SEK 95 million, corresponding to about 7 per cent of the company's capital and votes. This made the acquisition one of the larger purchases during the current reporting period.

MilDef develops and sells customised IT products to more than 160 countries primarily in the Nordics, UK and USA. Its product portfolio encompasses all parts in an IT system, from servers and client computers to network equipment and intelligent screens. The products are often based on standard components, which are then refined to withstand extreme heat, cold, moisture, vibrations, impact and other external influences. Other important properties might be minimising electromagnetic radiation to avoid interference or interception. MilDef's customers can be found in the global security and defence market, as well as other areas critical to society.

When the company was publicly listed, new shares equating to around SEK 400 million were issued. This made the company overcapitalised, and the plan is to allow MilDef to expand both organically and via acquisitions. An acquisition was made in Q1 2021, and another in July. In addition, three orders for Sweden and Norway were announced during the summer. Organic growth in the first six months of 2021 was 17 per cent, and growth via acquisitions was 38 per cent. Svolder believes that growth will be strong over the next few years, and that the company's target of 15 per cent annual growth will be achieved by a good margin. Moreover, profitability should exceed the goal of a 10 per cent operating margin. One reason is that a higher percentage of sales come from proprietary products, and the customer mix is becoming more profitable. Following a weak start, the share developed strongly during the current reporting period and was a contributor to net worth. Svolder does not deem that the share is expensive based on an assessed normalised profit level.

Major net sales from the equities portfolio (3 months) 1st June–31st August 2021

Share	Number	SEK m	SEK/share ¹⁾
Elos Medtech	1,245,892	268	215.00
Magnolia Bostad	2,095,000	159	76.00
GARO	212,295	39	182.30
Troax Group	96,588	35	365.20

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

THE PARENT COMPANY

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

STOCKHOLM, 16TH SEPTEMBER 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.*

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	3 months 1/6 2021– 31/8 2021	3 months 1/6 2020– 31/8 2020	12 months 1/9 2020– 31/8 2021	12 months 1/9 2019– 31/8 2020
Management operations				
Dividend income	4.3	4.0	93.2	8.9
Management costs	–6.7	–6.4	–27.9	–20.1
Earnings from securities	1,306.5	710.8	3,418.0	701.5
Other operating income	-	-	1.9	-
Operating profit/loss	1,304.1	708.5	3,485.2	690.3
Profit on financial investments				
Financial income	-	-	0.2	0.0
Financial expenses	-	–0.1	0.0	–0.2
Profit/loss after financial items	1,304.1	708.4	3,485.4	690.1
Tax	-	-	-	-
Profit/loss for the period	1,304.1	708.4	3,485.4	690.1
Other comprehensive income	-	-	-	-
Comprehensive income for the period	1,304.1	708.4	3,485.4	690.1
Earnings per share, SEK	50.90	27.70	136.10	27.00

CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	3 months 1/6 2021– 31/8 2021	3 months 1/6 2020– 31/8 2020	12 months 1/9 2020– 31/8 2021	12 months 1/9 2019– 31/8 2020
Cash flow from operating activities before changes in working capital				
	–0.5	–1.8	73.8	–15.7
Changes in working capital				
Increase (+)/decrease (–) in current liabilities	0.0	0.0	–0.4	0.2
Cash flow from operating activities	–0.5	–1.8	73.4	–15.4
Investing activities				
Purchase of securities	–311.9	–33.8	–931.4	–423.1
Sale of securities	497.8	118.2	1,098.7	519.0
Investment in machinery and equipment	-	-	-	-
Cash flow from investing activities	185.9	84.4	167.2	95.9
Financing activities				
Dividend paid	-	-	–56.3	–55.0
Cash flow from financing activities	0.0	0.0	–56.3	–55.0
Increase (+)/decrease (–) in liquid assets	185.3	82.6	184.3	25.4
Liquid assets at beginning of period	244.6	163.1	245.6	220.2
Liquid assets at end of period	429.9	245.6	429.9	245.6

CONSOLIDATED KEY RATIOS PER SHARE

	3 months 1/6 2021– 31/8 2021	3 months 1/6 2020– 31/8 2020	12 months 1/9 2020– 31/8 2021	12 months 1/9 2019– 31/8 2020
Change in net worth, SEK	50.90	27.70	133.90	24.80
Dividend paid during the period, SEK	-	-	2.20	2.15
Earnings per share, SEK	50.90	27.70	136.10	27.00
Number of shares, million	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)	31/8 2021	31/5 2021	31/8 2020	31/5 2020	31/8 2019
Non-current assets					
<i>Property, plant and equipment</i>					
Equipment	0.1	0.1	0.1	0.1	0.2
<i>Financial assets</i>					
Securities holdings	6,676.1	5,575.1	3,452.1	2,799.4	2,876.8
Current assets					
Current receivables	20.1	0.2	2.3	21.8	20.5
Cash and bank balances	429.9	244.6	245.6	163.1	220.2
Total assets	7,126.2	5,820.0	3,700.2	2,984.3	3,117.7

Shareholders' equity and liabilities

(SEK m)	31/8 2021	31/5 2021	31/8 2020	31/5 2020	31/8 2019
Shareholders' equity	7,115.3	5,811.2	3,686.2	2,977.8	3,051.1
Liabilities					
Current liabilities	10.9	8.8	14.0	6.6	66.6
Total liabilities and shareholders' equity	7,126.2	5,820.0	3,700.2	2,984.3	3,117.7

CHANGES IN SHAREHOLDERS' EQUITY

(SEK m)	3 months 1/6 2021– 31/8 2021	3 months 1/6 2020– 31/8 2020	12 months 1/9 2020– 31/8 2021	12 months 1/9 2019– 31/8 2020
Opening balance	5,811.2	2,977.8	3,686.2	3,051.1
Dividend paid	-	-	-56.3	-55.0
Comprehensive income for the period	1,304.1	708.4	3,485.4	690.1
Closing balance	7,115.3	3,686.2	7,115.3	3,686.2

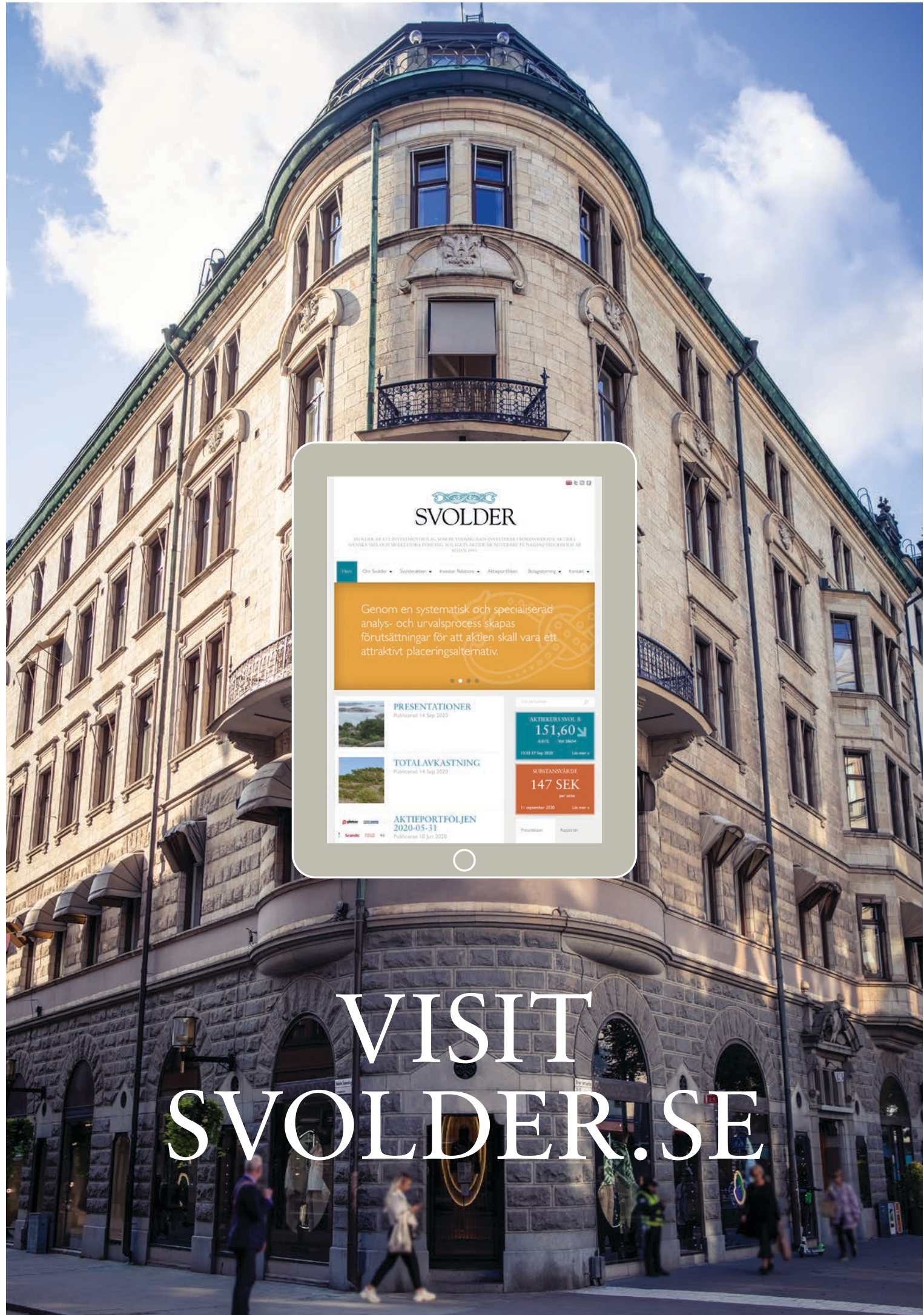
CONSOLIDATED KEY RATIOS PER SHARE

	31/8 2021	31/5 2021	31/8 2020	31/5 2020	31/8 2019
Net worth per share, SEK	277.90	227.00	144.00	116.30	119.20
Share price (Class B), SEK	300.00	263.80	140.80	101.80	109.60
Net worth, premium (+)/discount (-), %	8	16	-2	-12	-8
Liquidity (+)/Borrowing (-), %	6	4	6	6	6
Equity/assets ratio, %	100	100	100	100	100
Number of shares, million	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.



SVOLDER

SVOLDER ÄR ETT PÅSEKSMÄNNIFÖRETAG SOM HANDELSMÅLSÄNDRAST I FÖRHOVINGEN. SVOLDER ÄR ETT I SVENSKA OCH I NEDERLÄNDERNA. SVOLDER ÄR ETT FÖRETAG PÅ NÄRINGSSTYCKEN. SVOLDER ÄR SVOLVER.

Om Svolder • Svolderaktier • Investor Relations • Allspårstämman • Bolagsstyrning • Kontakt

Genom en systematisk och specialiserad analys- och urvalsprocess skapas förutsättningar för att aktien skall vara ett attraktivt placeringsalternativ.

PRESENTATIONER
Publicerad 14 Sep 2020

TOTALAVKASTNING
Publicerad 14 Sep 2020

AKTIEPORTFÖLJEN 2020-05-31
Publicerad 18 Jun 2020

AKTIEKURS SVOL B
151,60
+0,81% (Vol 38854)
15:31 17 Sep 2020

SUBSTANSVÄRDE
147 SEK
per aktie
11 september 2020

VISIT
SVOLDER.SE

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



COVER PHOTO: THE ÖRESUND BRIDGE IS THE FIRST PART OF A FIXED LINK BETWEEN MALMÖ AND COPENHAGEN. THE BRIDGE CONNECTS TO THE MAN-MADE ISLAND OF PEPPARHOLM, WHERE THE LINK BECOMES A TUNNEL.



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