



SVOLDER

INTERIM REPORT 3 2016/2017

» *From the time perspective of up to 10 years, the outcome is pleasing for Svolder's shareholders* »

The Managing Director's comments, page 2



SHARE PRICE

226.50

NET WORTH

220

SEK/share on 2nd June 2017

Result for the interim period

9 months: 1st September 2016–31 May 2017

- The company posted a result for the period of SEK 655.0 million (SEK 407.5 m), corresponding to SEK 51.20 (SEK 31.80) per share.
- The net worth increased by 30.4%, including reinvested dividend, to SEK 218.90 per share.
- The listed price of the Class B share increased by 41.5%, including reinvested dividend, to SEK 224.50 per share.
- The Carnegie Small Cap Return Index rose by 15.7%.
- The closing net worth premium was 2.5% for the Class B share and 29.0% for the Class A share.

Current reporting period

3 months: 1st March–31st May 2017

- The company posted a result for the period of SEK 220.7 million (SEK 193.8 m), corresponding to SEK 17.20 (SEK 15.10) per share.
- The net worth increased by 8.5% to SEK 218.90 per share.
- The listed price of the Class B share increased by 4.4% to SEK 224.50 per share.
- The Carnegie Small Cap Return Index rose by 9.1%.

Current reporting period (3 months)

MAJOR CONTRIBUTORS TO NET WORTH

+ Positive	Negative –
Scandic Hotels	Troax
Saab	Magnolia Bostad
Nolato	

MAJOR CHANGES IN THE EQUITIES PORTFOLIO

+ Bought	Sold –
FM Mattsson Mora	Saab
Beijer Electronics	Nolato
Mekonomen	

Dear Shareholder,

A year ago, I wrote in that quarter's interim report that Svolder's net worth was at an all-time high. I am delighted to be able to report the same thing this year: after another positive quarter, Svolder reports a net worth of SEK 219 per share, which corresponds to SEK 2.8 billion. Including a dividend paid in November, this is a growth of almost one billion Swedish kronor! This means that growth for the Class B share for the rolling 12-month period, with the dividend reinvested in Svolder shares, was an impressive 71 per cent. The additional return of the net worth and the share exceed the Stockholm stock exchange and the small cap index (CSRX), the share by as much as 47 percentage points. Also from the time perspective of up to 10 years or more, the outcome is pleasing for Svolder's shareholders. I should, though, once again point out that historical success does not automatically mean additional return for Svolder's management results, even though that is of course our ambition – with a highly systematic approach in our analysis and manage-

» *From the time perspective of up to 10 years or more, the outcome is pleasing for Svolder's shareholders.* »

ment, where our long-term ability to generate profits and pay dividends, combined with solid business acumen, established business models and calculated financial risk are vital factors in our stock picking.

MANAGEMENT COST RATIO FALLING

In the context of equities and asset management, management costs are important to long-term value growth. Without forecasting the current financial year's results, I am however pleased to see Svolder's management cost ratio continuing to fall. The reasons for this are the absolute value growth, the change to a dividend policy that is more cash flow neutral and controlled cost development, in that order. With costs and net worth at their current level, the cost ratio, excluding any variable remuneration, is about 0.6 per cent. This is well below the figure for actively managed Swedish and

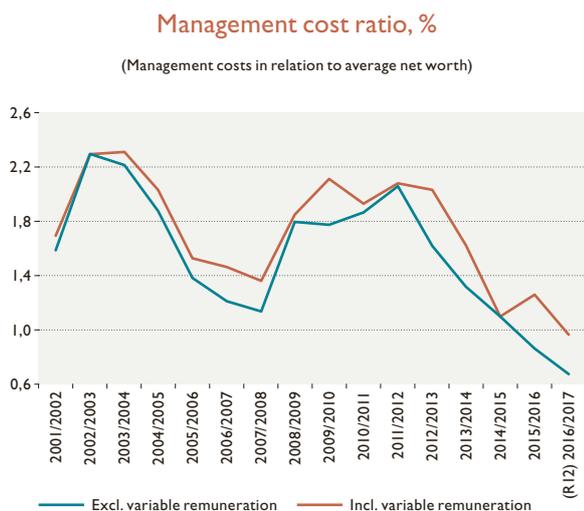
Total return¹⁾ 10 years in % on 31st May 2017



Source: Morningstar Svolder and Infront

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

Nordic small cap funds. In this context, however, I think it is important that shareholders not only focus on gross costs but also see that Svolder's active management creates value. Svolder has an incentive system where the interests of employees are consistent with those of the shareholders. It is a three-year programme based on higher returns compared to an established small cap stock exchange index, and includes a ceiling for the annual payment which, if paid out, must be invested in Svolder shares that are held for at least three years.



SVOLDER'S PORTFOLIO GOVERNANCE

The general meetings of shareholders for 2016 and the interim reports for the first quarter of 2017 are now history. This gives rise to a lot of comments, which are also conveyed in the formal part of the interim report. Every spring, many of the portfolio companies hold their AGMs, and Svolder's representatives have attended the majority of these. In many instances we also helped with the preparations via these companies' nominations committees. Svolder considers it important to take into account each listed company's distinctive character and the special external conditions under which they operate. We therefore strive to identify individual solutions for the boards' composition and other corporate governance, for example. There is often a need for both continuity and a desire to change, and for dependent and independent board members. The main elements can be summed up in the words professionalism, experience and commitment. We are usually in agreement with other major shareholders on these issues, but there are some situations where we think the set goals and requirements should be reflected more in certain incentive programmes, for example. Mainly, however, we work behind the scenes and prefer to work without being seen, so to speak.



DIVIDENDS AND STOCK PICKING CREATE ADDED VALUE

Svolder can now also sum up the 2016 dividend season with the comment that the resolved share dividends overall are roughly in line with our expectations. The portfolio's current yield amounts in total to about 2.3 per cent, a clear decrease compared to a year ago. This is primarily a result of the dramatic value growth of the portfolio's equities, but also because high-dividend companies like **Beijer Alma** and **Nobina** are no longer in the portfolio and the holding in **Acando** has been reduced. Moreover, several newly introduced companies paid no dividend in 2016. A slight increase is forecast for most portfolio companies in the 2017 financial year, so it is reasonable to assume that the portfolio currently has an underlying dividend capacity of at least 2.5 per cent. The conditions are therefore in place for continued dividend growth in Svolder. From a historical perspective, the yield is relatively low and reflects both a high stock market valuation and very low interest rates.

The net worth increased during the current three-month reporting period by SEK 221 million. **Scandic Hotels** and **Saab** stand out particularly, with a joint contribution to net worth of SEK 97 million.

WARNING FOR CERTAIN IPOs

Initial Public Offerings, IPOs, are tending to increase in number. In general we are seeing that many companies want to join unofficial lists, such as Aktietorget and First North, where the information requirement and historical background are considerably lower than on Nasdaq Stockholm. This makes us cautious at the present time. Historically, a high rate of public listing is a sign of high risk acceptance among investors, and it tends to occur at the end

of a sustained upswing in the stock market. We feel that company quality and valuation among potential listings vary widely, and in some cases are positively alarming. Even so, a glut of choice too can present opportunities for a selective, long-term player like Svolder. An investment trust's equity is not affected, beyond share dividends, by an ongoing influx and outflow of capital from the owners, as it is in different stock funds. Svolder therefore has tremendous opportunities to apply a long-term management strategy for the benefit of portfolio companies and Svolder's shareholders alike. During the quarter, for instance, we had the opportunity as an anchor investor to acquire just over 7 per cent of the share capital in the successful IPO of FM Mattsson Mora, the taps and mixer fittings manufacturer.

Yours faithfully

ULF HEDLUNDH
Managing Director

THE EQUITIES PORTFOLIO

31ST MAY 2017

Share	Quantity	Share price (SEK) ¹⁾	Market value (SEK m)	% of net worth	% of the company's capital ²⁾	% of the company's votes ²⁾
Troax	1,387,000	226.50	314.2	11.2	6.9	6.9
Scandic Hotels	1,600,000	110.75	177.2	6.3	1.6	1.6
Saab	400,000	442.00	176.8	6.3	0.4	0.3
Nordic Waterproofing	1,759,000	97.25	171.1	6.1	7.3	7.3
Mekonomen	970,000	168.50	163.4	5.8	2.7	2.7
Klövern Class B	17,000,000	9.61	163.3	5.8	1.9	1.1
Nolato	500,000	313.50	156.8	5.6	1.9	1.0
GARO	700,000	221.50	155.1	5.5	7.0	7.0
Boule Diagnostics	515,000	300.00	154.5	5.5	10.9	10.9
Acando ³⁾	4,583,000	31.10	142.5	5.1	4.4	6.6
Serneke Group	1,150,000	116.00	133.4	4.8	5.0	1.6
New Wave Group ⁴⁾	2,057,000	59.50	122.4	4.4	3.1	0.8
Magnolia Bostad	1,394,009	78.00	108.7	3.9	3.7	3.7
Platzer Fastigheter	2,043,404	48.80	99.7	3.6	1.7	0.7
XANO Industri	326,500	286.00	93.4	3.3	4.6	1.4
FM Mattsson Mora	1,000,000	86.00	86.0	3.1	7.4	3.2
Beijer Electronics	1,600,000	47.70	76.3	2.7	8.4	8.4
Elos Medtech	667,000	94.75	63.2	2.3	11.0	4.2
AGES Industri	500,000	126.25	63.1	2.3	7.1	2.1
Verisec	229,095	122.50	28.1	1.0	5.2	5.2
Kambi	262,000	87.00	22.8	0.8	0.9	0.9
MIPS	290,000	60.75	17.6	0.6	1.2	1.2
Bong	16,600,000	0.94	15.6	0.6	7.9	7.9
Equities portfolio			2,705.1	96.5		
Net debt (-) / net receivable (+)			97.2	3.5		
Total/net worth			2,802.3	100.0		
			218.90	SEK per Svolder share		

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

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

²⁾ Based on outstanding shares in the portfolio company.

³⁾ Of which 4,083,000 Acando Class B and 500,000 Acando Class A shares.

⁴⁾ The above-mentioned holdings on the closing day 31st May 2017 included 138,899 New Wave Group loaned shares.

The following is an example of information that can be drawn from the table: Svolder's largest holding is Troax, which has a market value of SEK 314.2 million, corresponding to 11.2 per cent of net worth. A one per cent change in Troax's share price (bid price on the closing day) affects Svolder's net worth by SEK 3.1 million, which equates to SEK 0.20 per Svolder share.

INTERIM REPORT 3

CURRENT REPORTING PERIOD:
1ST MARCH – 31ST MAY 2017

MARKET COMMENTARY

The current reporting period of 1st March–31st May 2017 was characterised by rising stock markets around the world. Improved economic growth primarily in Continental Europe was a contributor in this development. The results of the French presidential election and the Dutch parliamentary elections also had a positive impact on investor mood. The Swedish stock market (SIXRX) rose dramatically by 8.4 per cent, which was on a par with the small cap index (CSRX) which rose by 9.1 per cent. The global stock exchanges, calculated according to Dow Jones, rose by 4.2 per cent measured in SEK. The Continental European stock markets performed particularly well.

Growth in the wider world is positive, and the forecasts being made are generally upward. This is different to developments in recent years. For instance, the Swedish National Institute of Economic Research's monthly Economic Tendency Indicator shows a strengthening trend for all domestic industries apart from retail. Swedish households' previously negative future outlook for the nation's economy has shifted to a more neutral view.

During the three-month period the euro in particular grew stronger, while the US dollar fell in value. The differences were however small, and the Swedish krona remained largely unaffected in relation to Sweden's weighted trading partners. Growth in the Swedish economy remains good, with particularly industrial companies in a broad sense developing well. Both export markets and the domestic market are developing well for these. The Riksbank's monetary policy remains highly expansive, and many economists are saying that this will lead to unhealthy asset inflation primarily in the housing and real estate sectors. Improved growth in the EMU countries could enable the European Central Bank, ECB, to gradually reduce what has long been a very expansive monetary policy. Altogether, this could lead to slightly higher interest rates, even though the bond markets have yet to make any significant moves in this direction.

Most distinguishing for the current reporting period is the fall in several commodity prices and the above-mentioned weakening of the US dollar. These changes are, however, happening based on previous price rises since the US presidential election, and thereby reduce a potential inflation pressure via various kinds of input price rise. At the same time, it is remarkable that the stock markets have reacted positively to both outcomes.

Index performance (12 months)



Source: Infront

SHARE PRICE TRENDS

The closing price for Svolder's Class B share was SEK 224.50. This corresponds to an increase during the current reporting period of 4.4 per cent. The share's value on the closing day represented a premium of 2.5 per cent on its net worth. The Class B share was traded on all trading days during the period, with an average of approximately 11,000 shares traded each day of trading on Nasdaq Stockholm.

Trading in Svolder's Class A shares was limited and shares were traded on all trading days, with an average of just over 29 shares each day of trading on Nasdaq Stockholm. The closing price for Svolder's Class A share was SEK 282.50, which means that the Class A share was valued at a premium of 29.0 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 return¹⁾ in %

	3 months	9 months	Rolling 12 months
	1/3 2017– 31/5 2017	1/9 2016– 31/5 2017	1/6 2016– 31/5 2017
Svolder			
Share price (Class B)	4.4	41.5	70.7
Net worth	8.5	30.4	53.8
Stock market index			
Carnegie Small Cap Return Index	9.1	15.7	23.5
SIX Return Index	8.4	19.0	24.1

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

Source: Svolder, Infront and Morningstar

CHANGE IN NET WORTH

Svolder's closing net worth was SEK 218.90 per share, which represents an increase during the current reporting period of 8.5 per cent. This figure is 0.6 percentage points lower than that of the small cap index (CSRX), which increased by 9.1 per cent during the corresponding period. This can be compared with the Swedish market as a whole (SIXRX), which increased by 8.4 per cent.

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

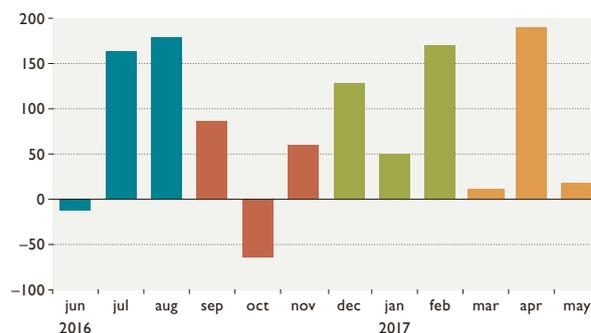


Svolder's equities portfolio is not an index portfolio: investment decisions are, instead, based on valuation of the individual shares. The portfolio's results in relation to comparison indices may, therefore, differ substantially from one accounting period to another. Share evaluation is complemented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

Net worth trend (3 months)
1st March–31st May 2017

	SEK m	SEK/share
Net worth, 28th February 2017	2,581.7	201.70
Equities portfolio		
Opening value	2,335.1	182.40
Purchase of shares	385.7	
Sale of shares	-186.1	
Change in value, equities portfolio	170.5	28.90
Closing value	2,705.1	211.30
Net debt (-)/Net receivable (+)		
Opening value	246.6	19.30
Share dividends received	54.5	
Other operating income	0.0	
Administrative costs	-4.2	
Net financial items	0.0	
Purchase of shares, net	-199.6	-149.3
Closing value	97.2	7.60
Net worth, 31st May 2017	2,802.3	218.90

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



Source: Svolder and Infront

Excluding dividends of SEK 35.2 million (SEK 2.75/share) paid in November 2016.

Hotel chain **Scandic** was the largest contributor to net worth during the current reporting period. The hotel market is currently strong in most Nordic countries. The previously weak development in parts of Norway too has clearly improved in the past year. Newly established and refurbished hotels have been successfully integrated into the market offering. Ownership has gradually changed since the IPO in late 2015, and the previous venture capital-dominated company's main ownership has been transferred to two Swedish owner families with long-term owner ambitions. A final broad offering to institutional investors at a discounted price, which many asset managers were probably expecting, never did materialise, causing them to delay buying shares. The share price rose significantly when the change of ownership was announced. The first quarterly report for 2017 once again shows good profit development, also when adjusted for significant positive seasonal effects of the late Easter break in Sweden and Norway.

Defence and security group **Saab** reported a strong first quarter for 2017. The results exceeded expectations on several points, and the share price reacted positively. Moreover, representatives of the company continued to express themselves positively regarding future prospects. The company was therefore a major contributor to net worth during the current reporting period. Svolder reduced its holding both before and after the report. The primary reasons for selling are that valuations have risen and the company's market value is now just under SEK 50 billion, which is well above Svolder's standard definition of a small company.

Polymer group **Nolato**'s interim report for the first quarter of 2017 indicated positive development. Turnover rose considerably in all business areas, also after adjustments for exchange rates and acquisitions. The business areas' margins were stable. The balance sheet remains strong despite the completed acquisitions and considering a higher dividend. Svolder's holding was reduced somewhat because of a higher valuation.

Biggest contributors to changes in net worth 1st March–31st May 2017

(Based on net worth of SEK 2,581.7 million or SEK 201.70/share on 28th February 2016)

Share	SEK m	SEK/share
Scandic Hotels Group	52.7	4.10
Saab	44.0	3.40
Nolato	28.6	2.20
XANO Industri	23.5	1.80
FM Mattsson Mora	21.0	1.60
Nordic Waterproofing	15.7	1.20
Beijer Electronics	14.0	1.10
Boule Diagnostics	13.7	1.10
AGES Industri	13.3	1.00
Total, nine positive	226.3	17.70
Troax	-19.5	-1.50
Total, one negative	-19.5	-1.50
Other shares	18.1	1.40
Shares, total	225.0	17.60
Other	-4.3	-0.30
Change in value	220.7	17.20

The stock market's expectations of perimeter protection company **Troax** rose a lot after the company's excellent year-end report for 2016. Even though the first quarter report for 2017 remained very strong, the share price has fallen slightly. Since the company represents a large part of Svolder's equities portfolio, even low-percentage fluctuations in share price have a major effect in absolute terms. The price decrease of the current reporting period deviates from earlier, strongly positive outcomes, and means that the company is the largest negative contributor.

Housing development company **Magnolia Bostad** reported developments in the first quarter of 2017 that were quite reminiscent of late 2016, i.e. lower project sales than the previous year, and this affected the result negatively. Meanwhile, the project portfolio has continued to expand and the organisation has grown. Since financing is secured, the most important elements are now in place to become a player producing some 3,000 homes a year in the longer term. Since the company's reporting period, further contracts and acquisitions of interest have been announced. Svolder still deems the company's business model to be interesting, and believes that there is a great need for new production of primarily rental properties. The media and the stock market have increasingly begun to question how long the currently strong markets for construction and tenant-owner apartments can be sustained. This, combined with the fact that **Magnolia's** projects have been delayed, is probably the most important explanation for the share price having fallen, and the company thereby being the second largest negative contributor to net worth during the three-month reporting period (SEK -12.7 million).

LIQUIDITY/BORROWING

The equities portfolio was unpledged on the closing day. The net receivable, which also includes the share trading's unliquidated transactions etc., was SEK 97.2 million on the closing day, corresponding to 3.5 per cent of the company's net worth. This is to be compared with a net receivable of SEK 246.6 million at the beginning of the current reporting period.

THE EQUITIES PORTFOLIO

Shares to the value of SEK 385.7 million (gross) were acquired during the current reporting period. Shares for a gross amount of SEK 186.1 million were sold during the corresponding period, and net purchases hence totalled SEK 199.6 million.

New holdings during the three-month period were **Beijer Electronics**, **FM Mattsson Mora Group**, **Kambi** and **Mips**, while all shares in **JM** were sold. On the closing day, the equities portfolio thus comprised 23 holdings.

Major net purchases for the equities portfolio (3 months) 1st March–31st May 2017

Share	Quantity	SEK m	SEK/share ¹⁾
FM Mattsson Mora	1,000,000	68.0	68.00
Beijer Electronics	1,600,000	62.4	39.00
Mekonomen	348,633	60.5	173.60
Serneke Group	447,875	50.9	113.70
Nordic Waterproofing	310,795	27.3	87.90

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.

Taps and mixer fittings manufacturer **FM Mattsson Mora Group** (FMM) is a market leader in Sweden, Norway and Denmark. The customer offering encompasses three brands: **FM Mattsson**, **Mora Armatur** and **Damixa**. FMM was listed on Nasdaq Stockholm at the beginning of April. The offering, which took place through a new issue only, was dramatically oversubscribed. Svolder was the sole anchor investor, thus committing to subscribe to a million shares at the introductory price of SEK 68 per share. Since then, shareholders both old and new have received a dividend of SEK 3 per share. Historically, the repair-refurb-retrofit sector has been a more important market factor than new construction for FMM. FMM's first quarter report also shows that last year's reduction in Sweden's home improvement deduction has had a negative impact on sales volumes, but that these effects are expected to gradually subside. Profit, net turnover and cash flow levels are, however, stable, and the company is virtually debt-free.

Automation and datacom group **Beijer Electronics** has been a significant holding previously in Svolder's history. In early 2013, however, Svolder decided to sell its remaining shares since **Beijer Electronics'** operation seemed too geographically widespread and dependent on its agency with **Mitsubishi Electric**. Latter acquisitions were financed through loans, which weakened the group's balance sheet. This, combined with costs for restructuring, forced the

board to reject a dividend payment in 2016. Svolder believes that the current structure has the conditions to create the results for 2018 and beyond that are on a par with the group's goals. The valuation was therefore attractive when shares for an average of SEK 39 per share were acquired during the current reporting period, something which entailed flagging for a holding in excess of 5 per cent of the votes and share capital.

During the current reporting period Svolder has acquired further shares in **Mekonomen**. The company still has profitability problems in its Mekonomen Sweden business area, while MECA and the operation in Norway are stable. Announced cost-cutting programmes, the selling of its loss-generating operation in Denmark and a focus on the core business are expected to lay the foundation for the company to once again show profit growth moving forward.

Major net sales from the equities portfolio (3 months) 1st March–31st May 2017

Share	Quantity	SEK m	SEK/share ¹⁾
Saab	207,000	81.8	395.00
Nolato	102,969	31.0	301.00
Acando	603,332	20.3	33.00

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

LENDING OF SHARES

During the current reporting period, Svolder has lent shares to a very limited extent with a Swedish bank as the counterparty. The share lending has taken place against securities mainly in large cap companies listed on Nasdaq Stockholm, equating to approximately 105 per cent of the loaned shares' market value.

THE PARENT COMPANY

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

RISKS AND UNCERTAINTY FACTORS

The identified risks and uncertainties for the Group and the Parent Company are presented on page 57 and in note 17 on page 70 of the 2015/2016 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 15th May 2017, a Nominations Committee has been formed in accordance with a decision at the 2016 Annual General Meeting. The Nominations Committee has appointed Øystein Engebretsen (Investment AB Öresund) as its Chairman. Other members are Christoffer Lundström (Provobis Holding/Rolf Lundström), Jannis Kitsakis (Fourth AP Fund) and Fredrik Carlsson (Chairman of the Board and convener).

Shareholders wishing to submit proposals for members of the Nominations Committee may contact the Committee's Chairman: Øystein Engebretsen, Investment AB Öresund, Tel: +46 (0)8-402 33 00, E-mail: oystein.engebretsen@oresund.se

EVENTS AFTER THE REPORTING PERIOD

The net worth on 2nd June was SEK 220 per share and the listed price was SEK 226.50.

YEAR-END REPORT

A Year-End Report for the financial year 1st September 2016–31st August 2017, encompassing the 3-month report for 1st June–31st August 2017, will be published on 21st September 2017.

2017 AGM

The AGM will take place in Stockholm on Thursday 16th November 2017.

Shareholders wishing to have an issue discussed at Svolder's 2017 AGM must make a written request to the Board of Directors by 2nd October 2017 at the latest to: Svolder AB (publ), Board of Directors, Box 70431, SE-107 25 Stockholm, Sweden.

STOCKHOLM 9TH JUNE 2017
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 2017– 31/5 2017	1/3 2016– 31/5 2016	1/9 2016– 31/5 2017	1/9 2015– 31/5 2016	12 months 1/6 2016– 31/5 2017	12 months 1/9 2015– 31/8 2016
Management operations						
Dividend income	54.5	38.6	54.5	39.7	57.9	43.1
Administrative costs	–4.2	–4.0	–13.1	–12.0	–24.1	–23.0
Earnings from securities	170.5	159.1	613.7	378.7	953.0	718.1
Other operating income	0.0	0.1	0.1	1.2	0.4	1.5
Operating profit	220.7	193.8	655.2	407.7	987.2	739.7
Profit on financial investments						
Financial income	0.0	0.0	0.0	0.0	0.0	0.0
Financial expenses	0.0	–0.1	–0.1	–0.2	–0.2	–0.2
Profit after financial items	220.7	193.8	655.0	407.5	987.0	739.5
Tax	-	-	-	-	-	-
Profit for the period	220.7	193.8	655.0	407.5	987.0	739.5
Other comprehensive income	-	-	-	-	-	-
Comprehensive income for the period	220.7	193.8	655.0	407.5	987.0	739.5
Earnings per share, SEK	17.20	15.10	51.20	31.80	77.10	57.80

CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	3 months	3 months	9 months	9 months	Rolling	12 months
	1/3 2017– 31/5 2017	1/3 2016– 31/5 2016	1/9 2016– 31/5 2017	1/9 2015– 31/5 2016	12 months 1/6 2016– 31/5 2017	12 months 1/9 2015– 31/8 2016
Cash flow from operating activities						
before changes in working capital	51.3	35.0	36.3	29.6	35.5	28.8
Changes in working capital						
Increase (+)/decrease (–) in current liabilities	0.0	0.1	0.0	0.1	–0.1	0.0
Cash flow from operating activities	51.2	35.1	36.3	29.7	35.4	28.8
Investing activities						
Purchase of securities	–385.3	–158.6	–1,036.3	–521.2	–1,202.4	–687.3
Sales of securities	189.3	271.0	886.2	669.5	1,088.2	871.6
Investment in machinery and equipment	0.0	0.0	0.0	0.0	–0.1	–0.1
Cash flow from investing activities	–196.0	112.4	–150.2	148.3	–114.3	184.2
Financing activities						
Dividend paid	-	-	–35.0	–32.0	–35.0	–32.0
Cash flow from financing activities	0.0	0.0	–35.0	–32.0	–35.0	–32.0
Increase (+)/decrease (–) in liquid assets	–144.8	147.5	–149.1	145.9	–114.1	181.0
Liquid assets at beginning of period	245.3	67.2	249.7	68.7	214.6	68.7
Liquid assets at end of period	100.6	214.6	100.6	214.6	100.6	249.7

CONSOLIDATED KEY RATIOS PER SHARE

(SEK m)	3 months	3 months	9 months	9 months	Rolling	12 months
	1/3 2017– 31/5 2017	1/3 2016– 31/5 2016	1/9 2016– 31/5 2017	1/9 2015– 31/5 2016	12 months 1/6 2016– 31/5 2017	12 months 1/9 2015– 31/8 2016
Change in net worth, SEK	17.20	15.10	48.40	29.30	74.40	55.30
Dividend paid during the period, SEK	-	-	2.75	2.50	2.75	2.50
Number of shares, million	12.8	12.8	12.8	12.8	12.8	12.8

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

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

CONSOLIDATED BALANCE SHEET

Assets

(SEK m)	31/5 2017	28/2 2017	31/8 2016	31/5 2016	29/2 2016	31/8 2015
Non-current assets						
<i>Property, plant and equipment</i>						
Equipment	0.2	0.2	0.1	0.2	0.2	0.1
<i>Financial assets</i>						
Securities holdings	2,705.1	2,335.1	1,941.8	1,644.1	1,591.8	1,408.5
Current assets						
Current receivables	2.8	6.2	0.3	0.5	0.6	0.8
Cash and bank balances	100.6	245.3	249.7	214.6	67.2	68.7
Total assets	2,808.7	2,586.7	2,191.9	1,859.4	1,659.7	1,478.2

Shareholders' equity and liabilities

(SEK m)	31/5 2017	28/2 2017	31/8 2016	31/5 2016	29/2 2016	31/8 2015
Shareholders' equity	2,802.4	2,581.7	2,182.5	1,850.6	1,656.8	1,475.0
Liabilities						
Current liabilities	6.3	5.1	9.4	8.8	2.9	3.1
Total liabilities and shareholders' equity	2,808.7	2,586.7	2,191.9	1,859.4	1,659.7	1,478.2

CHANGES IN SHAREHOLDERS' EQUITY

(SEK m)	3 months 1/3 2017– 31/5 2017	3 months 1/3 2016– 31/5 2016	9 months 1/9 2016– 31/5 2017	9 months 1/9 2015– 31/5 2016	12 months 1/9 2015– 31/8 2016
Opening balance	2,581.7	1,656.8	2,182.5	1,475.0	1,475.0
Dividend paid	-	-	-35.2	-32.0	-32.0
Comprehensive income for the period	220.7	193.8	655.0	407.5	739.5
Closing balance	2,802.3	1,850.6	2,802.3	1,850.6	2,182.5

CONSOLIDATED KEY RATIOS PER SHARE

(SEK m)	31/5 2017	28/2 2017	31/8 2016	31/5 2016	29/2 2016	31/8 2015
Net worth per share, SEK	218.90	201.70	170.50	144.60	129.40	115.20
Share price (Class B), SEK	224.50	215.00	161.00	133.50	112.25	103.50
Net worth, premium (+)/discount (-), %	3	7	-6	-8	-13	-10
Liquidity (+)/Borrowing (-), %	4	10	11	11	4	5
Equity/assets ratio, %	100	100	100	100	100	100
Number of shares, million	12.8	12.8	12.8	12.8	12.8	12.8

Definitions as in the Annual Report for 2015/2016. Amounts per share have been rounded off to the nearest SEK 0.1 throughout the Interim Report, except for share prices and dividends. The company has no ongoing programmes of financial instruments that entail any dilution in the number of shares. The number of outstanding shares equals 12,800,000.

ACCOUNTING PRINCIPLES

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

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

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



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 this Interim Report for the period 1st September 2016 to 31st May 2017 for Svolder AB (publ), corporate ID no. 556469-2019. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this Interim Report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on the 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.

Conclusion

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 9TH JUNE 2017
PRICEWATERHOUSECOOPERS AB

PETER NILSSON
Authorised Public Accountant

Prioritaire **A**

POSTAGE
PAID

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



COVER PHOTO: THE ISLAND OF YXLAN IS HOME TO THIS UNMANNED LIGHTHOUSE, ORIGINALLY BUILT IN 1905. IT IS LOCATED IN THE NORTHERN PART OF THE STOCKHOLM ARCHIPELAGO, CLOSE TO THE OUTLET TO THE ÅLAND SEA.

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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