



# SVOLDER

INTERIM REPORT 3 2022/2023

## Svolder increases net worth in a declining market

The Managing Director's comments, page 2

### Result for current reporting period

**3 months:** 1st March–31st May 2023

- The company posted a result for the period of SEK **77** million (166 m), corresponding to SEK **0.70** (1.60) per share
- The net worth increased **1.3%** to SEK **57.90** per share
- The listed price of the Class B share decreased by **9.8%** to SEK **60.30** per share
- The Carnegie Small Cap Return Index fell by **4.1%**

#### Major contributors to net worth

- + Positive: engcon, Ependion
- Negative: Elanders, GARO

#### Major changes in the equities portfolio

- + Bought: GARO, XANO Industri, Nordic Waterproofing
- Sold: engcon, AGES Industri

### Result for the interim period

**9 months:** 1st September 2022–31st May 2023

- The company posted a result for the period of SEK **156** million (–944 m), corresponding to SEK **1.50** (–9.20) per share
- The net worth increased by **2.8%**, including reinvested dividend
- The listed price of the Class B share increased by **13.4%**, including reinvested dividend
- The Carnegie Small Cap Return Index increased by **4.5%**

Latest published figures

9TH JUNE 2023

Share price  
**63.10**  
SEK

Net worth  
**57**  
SEK/share

# Dear Shareholder,

Svolder has for many years been one of the most successful investment companies on the Stockholm stock exchange in terms of financial returns.

As the new Managing Director, I am proud and energised by this new assignment. With almost 30 years' experience of stock management focusing on companies of all sizes in Sweden and the Nordics, it is now my responsibility to take Svolder into the future. I have always been particularly interested in small companies, as it is an opportunity to support good businesses with sustainable business models over the long term.

I would like to take this opportunity to thank my predecessor Ulf Hedlundh, who led Svolder from day one.

» *I am always struck by the quality of small companies we have in Sweden.* »

have of course spent some time with my new colleagues, and it is clear that we have a strong team in place. The period has been very much about reports from listed companies, this time coinciding with AGMs – an ideal opportunity to meet the companies, while also visiting other nearby businesses. We have attended AGMs everywhere from Malmö in the south to Strömsund in the north.

I am always struck by the quality of small companies we have in Sweden. Some are in the early stages of their development, and have the potential to expand and change the sectors they operate in. Others are more well established and doing a great job of nurturing their market position. There are of course risks involved in investing in small companies, but careful analysis and dedication reduce these risks significantly. As so often in life, it very much comes down to the people. To building long-term relations, being there to offer support in adversity and celebrate in triumph. This is an important part of how Svolder creates value for you, the shareholder.

## THE THIRD QUARTER

Svolder's net worth increased by 1.3 per cent during the three-month period (1st March–31st May 2023), while the small cap market (CSRX) fell by 4.1 per cent. It is a true sign of strength to increase net worth in a declining market.

My first period as new MD has got off to a flying start. I

Total return<sup>1)</sup> 10 years in % on 31st May 2023



Source: 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.

## MARKET DEVELOPMENT

During the quarter, the small cap index (CSRX) fell by 4 per cent. This is largely explained by continued weak development in real estate equities. A lot of this is very much related to persistently higher interest rates and in some cases lower credit ratings, which in turn have led to higher financing costs. Since November 2021, listed real estate companies have declined by 46 per cent and the CSRX by 11 per cent. Virtually all of the 11 per cent decline in the CSRX is attributable to the collapse of real estate equities.

One trend that has been evident since the new year is that larger companies are performing better than smaller ones, one likely reason being profit expectations. Profit expectations in larger companies have developed positively while those in smaller companies remain unchanged. Smaller companies are often more local in nature, and therefore more exposed to Sweden and the Swedish consumer, who relatively speaking is expected to be worse off due to rapidly rising mortgage costs and so on.

## WHAT SVOLDER HAS DONE AND HOW IT HAS AFFECTED NET WORTH

During this past period, Svolder has taken advantage of the weak development of GARO share prices to acquire further shares, which led to a disclosure notice as its holding increased to more than 10 per cent of the votes and capital. We also increased our holding in XANO Industri. XANO develops, acquires and runs niche tech companies that offer production and development services for industrial products and automation equipment.

Svolder decreased its holding slightly in engcon following strong development during the period. Svolder has sold all its shares in AGES Industri.

engcon delivered highly impressive figures for profit, operating margin and return on capital employed. The share price rose during the current reporting period, entailing a major contribution to net worth. Ependion performed strongly during the interim period and was a positive contributor to net worth. Ependion is the former Beijer Electronics Group, which changed name during the quarter.

Elanders made a negative contribution to net worth during the quarter. As communicated previously, Svolder feels that Elanders is somewhat misunderstood by the stock market. The company's operation has undergone significant changes in recent years, and now mainly focuses on logistics.

## FOCUS MOVING FORWARD

We are in exciting times, although there is reason to urge caution. The Swedish economy may be performing far more strongly than expected, according to new GDP figures, but higher interest rates have very probably not had a full impact yet. This will lead to less access to capital for many players on the market. Companies with business models based on a reliance on financing will have problems. A strong balance sheet and positive cash flows will increase flexibility, as well as the ability to take advantage of any business situations that arise. This is something we need to focus on as we manage our portfolio. With all this in mind, it is pleasing to note that Svolder's holdings are generally financially strong, and that Svolder has an unlevered balance sheet.

Like all companies, it is important that we at Svolder continue to develop and constantly reassess tools and models if we are to remain relevant. So do not expect any major changes in the short term. I am far more about evolution than revolution. Having said that, it is important not to take anything for granted and to keep an open mind. Development and change are not only a fine tradition, they are also a matter of survival. Investing in

companies with profitable growth, stable cash flows and regular dividends is something Svolder will continue to do moving forward.

It is an honour to lead Svolder, and we will do our utmost to create value for you, the shareholder. Finally, I feel a quote by Magnus Molin, Svolder's Equity Manager, is appropriate: "Think for yourself, be meticulous, and act long-term."

*Best wishes*

**TOMAS RISBECKER**  
*Managing Director*



# THE EQUITIES PORTFOLIO

31ST MAY 2023

Share	Number	Share price (SEK) <sup>1)</sup>	Market cap. (SEK m)	% of net worth	% of the company's capital <sup>2)</sup>	% of the company's votes <sup>2)</sup>
New Wave Group	5,150,000	182.40	939	15.8	7.8	2.1
Troax Group	3,005,000	221.20	665	11.2	5.0	5.0
Ependion	4,390,000	127.00	558	9.4	15.0	15.2
engcon	5,030,200	104.00	523	8.8	3.3	1.1
XANO Industri	4,233,075	108.60	460	7.8	7.2	2.2
Elanders	3,550,000	120.20	427	7.2	10.0	6.9
FM Mattsson Group	6,189,108	61.00	378	6.4	14.6	6.4
GARO	5,401,020	68.35	369	6.2	10.8	10.8
Profoto Holding	2,419,811	85.00	206	3.5	6.1	6.1
MilDef Group	2,868,673	68.80	197	3.3	7.2	7.2
Nolato	3,200,000	53.60	172	2.9	1.2	0.6
Viva Wine Group	4,188,370	36.35	152	2.6	4.7	4.7
Arjo B	3,166,842	42.36	134	2.3	1.2	0.7
Wästbygg Gruppen	3,581,754	36.90	132	2.2	11.1	12.1
Lime Technologies	422,665	281.00	119	2.0	3.2	3.2
ITAB Shop Concept	13,195,880	8.92	118	2.0	6.1	6.1
Arla Plast	2,639,527	36.00	95	1.6	13.2	13.2
Nordic Waterproofing	429,851	142.00	61	1.0	1.8	1.8
Boule Diagnostics	4,289,159	10.80	46	0.8	11.1	11.1
Serneke Group	1,660,000	27.65	46	0.8	5.8	5.8
Nivika Fastigheter	1,193,000	37.90	45	0.8	1.5	0.4
<b>Equities portfolio</b>			<b>5,841</b>	<b>98.5</b>		
<b>Net receivable (+)/net debt (-)</b>			<b>88</b>	<b>1.5</b>		
<b>Total/net worth</b>			<b>5,929</b>	<b>100.0</b>		
			<b>57.90</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 the shares in Wästbygg Gruppen, 110,000 are Class A.

The following information, for example, can be obtained from the table. Svolder's largest holding is New Wave Group, which has a market value of SEK 939 million, corresponding to 15.8 per cent of net worth. A one-per-cent change in New Wave's share price would affect Svolder's net worth by SEK 9 million, which equates to SEK 0.10 per Svolder share.

# INTERIM REPORT 3

CURRENT REPORTING PERIOD:  
1ST MARCH – 31ST MAY 2023

## MARKET COMMENTARY

Since 28th February, the small cap index (CSRX) has fallen by 4 per cent up to and including 31st May. Of this decline, the real estate index accounts for 3 percentage points, as this subindex has fallen by a full 17 per cent. The trend is related to persistently higher interest rates and in some cases lower credit ratings, which in turn have led to higher financing costs. The real estate index today accounts for 13 per cent of the CSRX, from 15 per cent at the end of February and as much as 22 per cent on 30th November 2021. It is notable that since November 2021, the real estate index has declined by 46 per cent and the CSRX by 11 per cent. Of this 11 per cent, the drop in the real estate index accounts for 10 percentage points. This would suggest that anyone with no exposure to real estate ought to have a portfolio virtually unaffected by the decline of the past 18 months.

Looking at the engineering sector, companies and their share prices there have shown greater resilience during 2023. Engineering has declined 2 per cent since the end of February.

As well as large changes and fluctuations in the CSRX, a trend is also discernible in the small cap index, related to size. Since the new year the CSRX has risen by 5 per cent, but if we look at operating companies (real estate excluded) with a market value of SEK 20 billion or more at the end of 2022, the average company has risen by 10 per cent. At the same time, the average company with a market value of SEK 5 billion has essentially declined by 10 per cent. One reason for this is that profit expectations for the larger companies have been adjusted upwards, while the 2023 profit outlook for the smaller companies remains unchanged. Fundamentally, this could indicate that certain small companies have found it harder to adapt their operations to a wider market rife with higher interest rates and cost inflation. Smaller companies are also more often more local in nature, and therefore more exposed to Sweden and the Swedish consumer, who relatively speaking is expected to be worse off in light of rapidly rising mortgage costs and so on. Other factors worth highlighting, albeit less fundamental, are risk propensity and liquidity. Anecdotally, we can also see that a sharper focus on liquidity risk in small cap funds has led to lower interest in, specifically, small companies.

Having started the year with somewhat subdued expectations of profit outlook for Swedish small companies in 2023, as we now approach the middle of the year it is evident that the trend has changed for the positive, now that profits and the profit outlook have held up better than expected. This particularly applies for engineering companies.

The market has been calmer in recent months in terms of transactions, especially in the wake of problems in March for the international banking sector. There has been less capital acquisition in the companies that need it, while those with a high level of debt but sufficient cash flow are waiting to see what happens. The major theme has of course been the real estate sector where there have been some share issues, although judging by the market's pricing further capital contributions are needed. Among operating companies, acquisition plans are more cautious at present, given the uncertainty regarding the economic outlook. Some companies have made it clear they have put the brakes on. The IPO climate remains cool. Last year there were a few in the first six months, but there are none to speak of in the first half of 2023.

Swedish small companies are currently valued in line with how large companies were valued over the past 20 years.



## SHARE PRICE TRENDS

The closing price for Svolder's Class B share on the balance sheet date was SEK 60.30, corresponding to a fall during the current reporting period of 9.8 per cent. The Class B share's value on the closing day represented a premium of 4.1 per cent on its net worth. The Class B share was traded on all trading days during the period, with an average of approximately 120,000 shares traded each day of trading on Nasdaq Stockholm.

Svolder's Class A share is only traded through three auctions (known as Auction Only Market Segments) during the trading day: one on opening, one at about 13:30 and one when the market closes. The closing price for Svolder's Class A share was SEK 94.00, which means that the Class A share was valued at a premium of 62.3 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 2023– 31/5 2023	9 months 1/9 2022– 31/5 2023	Rolling 12 months 1/6 2022– 31/5 2023
<b>Svolder</b>			
Share price (Class B)	-9.8	13.4	-2.8
Net worth	1.3	2.8	-1.3
<b>Stock market index</b>			
Carnegie Small Cap Return Index	-4.1	4.5	-7.6
SIX Return Index	-0.2	12.2	2.9

<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

On the closing day, Svolder's net worth amounted to SEK 57.90 per share, equating to SEK 5,929 million, corresponding to an increase in value during the current reporting period of 1.3 per cent. This figure is 5.4 percentage points better than that of the small cap index (CSRX), which decreased by 4.1 per cent during the corresponding period. This can also be compared with the Swedish market as a whole (SIXRX), which decreased by 0.2 per cent.

Svolder's equities portfolio is not an index portfolio, but a series of investment decisions based on the valuations of individual equities. 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 2023

	SEK m	SEK/share
<b>Net worth, 28th February 2023</b>	<b>5,852</b>	<b>57.10</b>
<b>Equities portfolio</b>		
<b>Opening value</b>	<b>5,706</b>	<b>55.70</b>
Purchase of shares	288	
Sale of shares	-129	
Change in value, equities portfolio	-24	1.35
<b>Closing value</b>	<b>5,841</b>	<b>57.00</b>
<b>Net debt (-)/net receivable (+)</b>		
<b>Opening value</b>	<b>146</b>	<b>1.40</b>
Share dividends received	110	
Management costs	-11	
Net financial items	1	
Purchase of shares, net	-159	-58
<b>Closing value</b>	<b>88</b>	<b>0.90</b>
<b>Net worth, 31st May 2023</b>	<b>5,929</b>	<b>57.90</b>

Source: Morningstar

Tiltrotator manufacturer **engcon** reported a decrease in order intake for the group during Q1 of 2023. This was because development weakened in the Nordics and Europe, following a period of abnormally high orders in late 2021 and early 2022. Other geographic markets saw stable incoming orders. The priority of reducing lead times and increasing the production rate in 2022 led to a strong increase in sales in early 2023. Profits, operating margin and return on capital employed were therefore very impressive. Svolder opted to reduce its holding slightly as the share price rose during the current reporting period.

Global engineering group **Ependion** (formerly Beijer Electronics), which operates in industrial automation and data communication, developed strongly during the interim period. Ependion had a strong Q1 and reported record sales and earnings. The component situation, which has been restricting the group's delivery capacity for some time, saw marked improvement during the quarter. This led to a dramatic increase in invoicing and an operating margin of 13.7 per cent for Q1. The strong margin trend implies that the group's newly updated financial targets are within reach, certainly as regards operating margin where the target is 15 per cent. Incoming orders remained at a high level, thus entailing an unchanged order book totalling about SEK 1.5 billion, despite the strong invoicing in Q1.

### Biggest contributors to changes in net worth 1st March–31st May 2023

(Based on net worth of SEK 5,852 million or SEK 57.10/share on 28th February 2023)

Share	SEK m	SEK/share
engcon	130	1.30
Ependion	115	1.10
XANO Industri	42	0.40
FM Mattsson Group	25	0.20
Arjo B	11	0.10
<b>Total, five positive</b>	<b>324</b>	<b>3.20</b>
Elanders	-115	-1.10
GARO	-70	-0.70
ITAB Shop Concept	-37	-0.40
Viva Wine Group	-34	-0.30
MilDef Group	-20	-0.20
<b>Total, five negative</b>	<b>-276</b>	<b>-2.70</b>
Other shares	40	0.40
<b>Shares, total</b>	<b>87</b>	<b>0.80</b>
Other	-10	-0.10
<b>Change in value</b>	<b>77</b>	<b>0.70</b>

The holding in **Elanders** was a negative contributor to net worth during the quarter. The company's operation has undergone significant changes in recent years, and now mainly focuses on logistics with a customer base of multinational companies in various sectors.

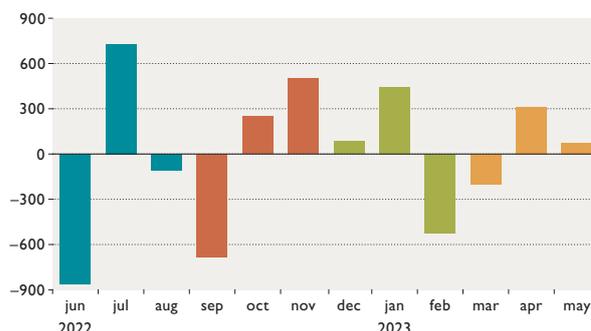
The group's Q1 report for 2023 includes two factors that have probably influenced the stock market's misconceptions regarding Elanders. Firstly there was a non-cash charge to earnings for the quarter after a historical error was noted in the reporting from a group subsidiary. Adjusted for this charge, Elanders had an improvement in profit of 16 per cent.

Moreover, the prevailing accounting rules for reporting lease liabilities (IFRS 16) contribute to a misleading, elevated picture of Elanders' indebtedness. Under credit agreements with the group's three main banks, the most important covenant—the net debt/EBITDA ratio—is calculated excluding what are known as the effects of IFRS 16 (lease liabilities). This ratio was 2.6 and the covenant was met by a good margin in Q1 2023. Meanwhile, the reported debt ratio according to IFRS 16 amounted to a net debt including lease liabilities of 3.8 times EBITDA. The difference is significant and even more misleading when lease contracts are new and their length increases, since the entire lease liability is included directly, while the EBITDA contribution is initially low. Whichever accounting standard is ultimately applied affects neither the economic value the company creates nor the actual free cash flow it generates.

Svolder still deems that Elanders has great potential for improvement. Two aspects of the company's change process are deemed particularly interesting in 2023: it is phasing out non-profitable contracts in a road transport operation in Germany, and also reducing the percentage of component purchases and sales in Asia moving forward. In combination, these measures will help to eliminate sources of loss and boost profitability, while enabling a significant release of operating capital during 2023. In addition to the above-mentioned measures, Elanders' performance is expected to benefit from the stabilisation of global supply chains, as most major customers have built order books during times of high demand and when production has been hindered by a shortage of materials.

Electrical product company GARO had problems in 2022 buying critical components for the normally fast-growing business area GARO E-mobility (EV chargers). The company announced this development early on, but unfortunately the problems were more far-reaching and lasted longer than expected, both for GARO and many other companies in the same industry. The situation improved during Q1 of 2023, and both sales and earnings recovered. Moreover, GARO began selling and delivering its newly developed portfolio of products related to EV charging. The company's largest business area, GARO Electrification, saw a slight drop in demand. Sales increased, but earnings and margins were considerably lower than before. The share showed weak development and thereby became a significant negative contributor to net worth. Svolder took advantage of the fall in share price to acquire shares, and this led to a disclosure notice as its holding increased to more than 10 per cent of the votes and capital on 30th March 2023.

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



Excluding dividends of SEK 92.2 million (SEK 0.90/share) paid in November 2022.

## 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 88 million on the closing day, corresponding to 1.5 per cent of the company's net worth. This is to be compared with a net receivable of SEK 146 million at the beginning of the current reporting period.

Svolder signed an agreement for a credit facility with a Nordic business bank, totalling a maximum of SEK 500 million with collateral in pledged shares. The credit facility was unutilised on the closing day, 31st May 2023.

## THE EQUITIES PORTFOLIO

Shares were acquired for a total of SEK 288 million (gross) during the current reporting period. Shares for a gross amount of SEK 129 million were sold during the corresponding period, and net purchases hence totalled SEK 159 million.

During the three-month period Nordic Waterproofing was added as a new holding and all shares in AGES Industri were sold. On the closing day, the equities portfolio thus still comprised 21 holdings.

Svolder has entered into a binding agreement to accept Doxa's public takeover bid to the shareholders of Serneke.

Major net purchases for the equities portfolio (3 months) 1st March–31st May 2023

Share	Number	SEK m	SEK/share <sup>1)</sup>
GARO	1,264,541	91	73.10
XANO Industri	800,289	73	91.50
Nordic Waterproofing	429,851	63	147.50

<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 holding in XANO Industri was increased during the interim period. XANO develops, acquires and runs niche tech companies that offer production and development services for industrial products and automation equipment. Just over half the group's customers are in the packaging and food industry. Operationally speaking, XANO has

performed well over a long period. However, for a couple of quarters the company has been adversely impacted by various complicating macroeconomic factors, which has led to a temporary decline in customer demand. Svolder believes this to be a transient development and has taken advantage of the weak performance of the share price to increase its holding.

Svolder sold its holding in waterproofing company Nordic Waterproofing Holding (NWH) to building material company Kingspan in summer 2022. Svolder has since continued to monitor NWH's performance, and during the current reporting period the valuation was deemed so attractive that Svolder purchased shares again. The results for the early part of the year were weak, mainly affected by inclement weather, less demand for new home construction and one-off items. Furthermore, the comparison quarter in 2022 was unusually strong. Svolder values the company's strong market position, long-term positive cash flow and high yield. In addition, NWH has shown that it can finance both organic and acquired growth with no capital contribution from its owners.

#### Major net sales from the equities portfolio (3 months) 1st March–31st May 2023

Share	Number	SEK m	SEK/share <sup>1)</sup>
engcon	404,583	38	93.60
AGES Industri	584,000	34	58.50

<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 81 of the 2021/2022 Annual Report. The market

risk (the equities portfolio's price risk) is adjudged to be the most significant of the risks listed. No significant changes are deemed to have occurred subsequently.

## NOMINATIONS COMMITTEE

As reported in a press release on 16th May 2023, a Nominations Committee has been formed in accordance with a decision at the 2022 Annual General Meeting. The Nominations Committee has appointed Christoffer Lundström (Lundström family/StrategiQ Capital AB) 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 70431, SE-107 25 Stockholm, Sweden.

## EVENTS AFTER THE REPORTING PERIOD

The net worth on 9th June was SEK 57 per share and the listed price was SEK 63.10.

On 9th June, Svolder received 9,960,000 shares in Doxa AB for the shares in Serneke Group AB, in connection with Doxa completing its takeover bid.

## YEAR-END REPORT

A Year-End Report for the financial year 1st September 2022–31st August 2023, encompassing the three-month report for 1st June–31st August 2023, will be published on 15th September 2023.

## ANNUAL GENERAL MEETING 2023

The AGM will take place in Stockholm on Thursday 16th November 2023.

Shareholders wishing to have an issue discussed at Svolder's 2023 AGM must make a written request to the Board of Directors by 3rd October 2023 at the latest to: Svolder AB (publ), Board of Directors, Box 70431, SE-107 25 Stockholm, Sweden.

STOCKHOLM, 14TH JUNE 2023

FREDRIK CARLSSON  
*Chairperson*

JOHAN LUNDBERG  
*Board member*

ANNA-MARIA  
LUNDSTRÖM TÖRNBLOM  
*Board member*

CLAS-GÖRAN  
LYRHEM  
*Board member*

MAGNUS MALM  
*Board member*

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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	3 months	3 months	9 months	9 months	Rolling	12 months
	1/3 2023– 31/5 2023	1/3 2022– 31/5 2022	1/9 2022– 31/5 2023	1/9 2021– 31/5 2022	12 months 1/6 2022– 31/5 2023	12 months 1/9 2021– 31/8 2022
<b>Management operations</b>						
Dividend income	110.4	123.8	110.4	142.6	110.4	142.6
Management costs	-10.9	-8.2	-32.4	-24.3	-40.1	-32.0
Earnings from securities	-23.5	50.2	73.7	-1,061.7	-161.2	-1,296.5
Other operating income	-	-	0.3	-	0.3	-
<b>Operating profit/loss</b>	<b>76.1</b>	<b>165.8</b>	<b>152.0</b>	<b>-943.4</b>	<b>-90.6</b>	<b>-1,186.0</b>
<b>Profit on financial investments</b>						
Financial income	0.7	0.0	3.7	0.0	4.0	0.3
Financial expenses	-	-0.3	0.0	-0.3	0.0	-0.3
<b>Profit/loss after financial items</b>	<b>76.8</b>	<b>165.6</b>	<b>155.7</b>	<b>-943.7</b>	<b>-86.6</b>	<b>-1,186.0</b>
Tax	-	-	-	-	-	-
<b>Profit/loss for the period</b>	<b>76.8</b>	<b>165.6</b>	<b>155.7</b>	<b>-943.7</b>	<b>-86.6</b>	<b>-1,186.0</b>
Other comprehensive income	-	-	-	-	-	-
<b>Comprehensive income for the period</b>	<b>76.8</b>	<b>165.6</b>	<b>155.7</b>	<b>-943.7</b>	<b>-86.6</b>	<b>-1,186.0</b>
<b>Earnings per share, SEK</b>	<b>0.70</b>	<b>1.60</b>	<b>1.50</b>	<b>-9.20</b>	<b>-0.80</b>	<b>-11.60</b>

## CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	3 months	3 months	9 months	9 months	Rolling	12 months
	1/3 2023– 31/5 2023	1/3 2022– 31/5 2022	1/9 2022– 31/5 2023	1/9 2021– 31/5 2022	12 months 1/6 2022– 31/5 2023	12 months 1/9 2021– 31/8 2022
<b>Cash flow from operating activities</b>						
before changes in working capital	102.7	117.8	83.7	118.7	78.2	113.2
<b>Changes in working capital</b>						
Increase (+)/decrease (-) in current liabilities	-0.1	0.0	0.7	-0.1	0.8	0.0
<b>Cash flow from operating activities</b>	<b>102.6</b>	<b>117.8</b>	<b>84.4</b>	<b>118.6</b>	<b>79.0</b>	<b>113.2</b>
<b>Investing activities</b>						
Purchase of securities	-241.7	-37.3	-883.8	-804.3	-1,199.0	-1,119.5
Sale of securities	129.1	49.6	306.6	593.2	1,088.0	1,374.7
Investment in machinery and equipment	-0.1	0.0	-0.1	-0.1	-0.1	-0.1
<b>Cash flow from investing activities</b>	<b>-112.7</b>	<b>12.3</b>	<b>-577.4</b>	<b>-211.3</b>	<b>-111.1</b>	<b>255.0</b>
<b>Financing activities</b>						
Dividend paid	-	-	-92.2	-64.0	-92.2	-64.0
<b>Cash flow from financing activities</b>	<b>0.0</b>	<b>0.0</b>	<b>-92.2</b>	<b>-64.0</b>	<b>-92.2</b>	<b>-64.0</b>
Increase (+)/decrease (-) in liquid assets	-10.1	130.1	-585.2	-156.7	-124.3	304.2
Liquid assets at beginning of period	159.1	143.1	734.1	429.9	273.2	429.9
<b>Liquid assets at end of period</b>	<b>149.0</b>	<b>273.2</b>	<b>149.0</b>	<b>273.2</b>	<b>149.0</b>	<b>734.1</b>

## CONSOLIDATED KEY RATIOS PER SHARE

	3 months	3 months	9 months	9 months	Rolling	12 months
	1/3 2023– 31/5 2023	1/3 2022– 31/5 2022	1/9 2022– 31/5 2023	1/9 2021– 31/5 2022	12 months 1/6 2022– 31/5 2023	12 months 1/9 2021– 31/8 2022
Change in net worth, SEK	0.70	1.60	0.60	-9.80	-1.80	-12.20
Dividend paid during the period, SEK	-	-	0.90	0.63	0.90	0.63
Earnings per share, SEK	0.70	1.60	1.50	-9.20	-0.80	-11.60
Number of shares, million	102.4	102.4	102.4	102.4	102.4	102.4

Definitions as in the Annual Report for 2021/2022. 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 102,400,000. The historical number of shares and key ratios per share have been adjusted for the 4:1 share split of January 2022.

## CONSOLIDATED BALANCE SHEET

### Assets

(SEK m)	31/5 2023	28/2 2023	31/8 2022	31/5 2022	28/2 2022	31/8 2021
<b>Non-current assets</b>						
<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	5,841.0	5,705.8	5,146.0	5,840.0	5,807.5	6,676.1
<b>Current assets</b>						
Current receivables	4.2	1.3	0.4	5.5	0.3	20.1
Cash and bank balances	149.0	159.1	734.1	273.2	143.1	429.9
<b>Total assets</b>	<b>5,994.3</b>	<b>5,866.3</b>	<b>5,880.7</b>	<b>6,118.9</b>	<b>5,951.2</b>	<b>7,126.2</b>

### Shareholders' equity and liabilities

(SEK m)	31/5 2023	28/2 2023	31/8 2022	31/5 2022	28/2 2022	31/8 2021
<b>Shareholders' equity</b>	<b>5,928.8</b>	<b>5,852.1</b>	<b>5,865.3</b>	<b>6,107.6</b>	<b>5,942.0</b>	<b>7,115.3</b>
<b>Liabilities</b>						
Current liabilities	65.5	14.3	15.4	11.3	9.1	10.9
<b>Total liabilities and shareholders' equity</b>	<b>5,994.3</b>	<b>5,866.3</b>	<b>5,880.7</b>	<b>6,118.9</b>	<b>5,951.2</b>	<b>7,126.2</b>

## CHANGES IN SHAREHOLDERS' EQUITY

(SEK m)	3 months 1/3 2023– 31/5 2023	3 months 1/3 2022– 31/5 2022	9 months 1/9 2022– 31/5 2023	9 months 1/9 2021– 31/5 2022	12 months 1/9 2021– 31/8 2022
<b>Opening balance</b>	<b>5,852.1</b>	<b>5,942.0</b>	<b>5,865.3</b>	<b>7,115.3</b>	<b>7,115.3</b>
Dividend paid	-	-	-92.2	-64.0	-64.0
Comprehensive income for the period	76.8	165.6	155.7	-943.7	-1,186.0
<b>Closing balance</b>	<b>5,928.8</b>	<b>6,107.6</b>	<b>5,928.8</b>	<b>6,107.6</b>	<b>5,865.3</b>

## CONSOLIDATED KEY RATIOS PER SHARE

	31/5 2023	28/2 2023	31/8 2022	31/5 2022	28/2 2022	31/8 2021
Net worth per share, SEK	57.90	57.10	57.30	59.60	58.00	69.50
Share price (Class B), SEK	60.30	66.88	53.97	62.96	61.72	75.00
Net worth, premium (+)/discount (-), %	4	17	-6	6	6	8
Liquidity (+)/Borrowing (-), %	2	3	12	5	2	6
Equity/assets ratio, %	100	100	100	100	100	100
Number of shares, million	102.4	102.4	102.4	102.4	102.4	102.4

Definitions as in the Annual Report for 2021/2022. 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 102,400,000. The historical number of shares and key ratios per share have been adjusted for the 4:1 share split of January 2022.

## 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 policies and bases for assessment have been used as in the most recent Annual Report.



# AUDITOR'S 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. 556469-2019 as of 31st May 2023 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.

## 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 14TH JUNE 2023  
ÖHRLINGS PRICEWATERHOUSECOOPERS AB

HELENA KAISER DE CAROLIS  
*Authorised Public Accountant*

Prioritaire **A**

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



COVER PHOTO: THE ÖLAND BRIDGE IS A 6,720-METRE BEAM BRIDGE THAT SPANS THE KALMAR STRAIT. OPENED IN 1972, THE BRIDGE WAS THE LONGEST ONE IN EUROPE UNTIL 1998.



**SVOLDER**

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

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