

TRACTION

ANNUAL REPORT
2025

Content

3	CEO Message
4	2025 in Summary
5	Traction's Business
7	Organisation
8	Ownership Policy
9	Active Listed Holdings
13	Unlisted Holdings
16	Financial Investments
20	Financial Overview
23	Sustainability
24	The Traction Share
26	The Past Ten Years
29	Traction's History
31	Addresses



Shareholder information

- 7 May, 2026 Interim Report January–March 2026
- 7 May, 2026 Regular AGM 2026, at 17:00 in Stockholm
- 15 July, 2026 Interim Report January–June 2026
- 19 October, 2026 Interim Report January–September 2026
- 12 February, 2027 Year-end Report 2026

Subscription to financial information via e-mail can be requested at traction.se, where also financial information is available, or by sending an e-mail to post@traction.se.

The following annual report is a translation of the Swedish version. In case of any discrepancy between the Swedish or English translation, the Swedish version shall prevail.

For detailed financial information and formal accounts, please refer to Traction's audited 2025 annual report, available on Traction's website.

Dear shareholders,

Traction reported profit of MSEK 195 for 2025, corresponding to an increase in net asset value of approximately five percent, adjusted for dividends paid. Financial investments contributed MSEK 256, of which listed equities contributed MSEK 203 (+16 percent) and interest-bearing investments MSEK 52. Active listed holdings had a negative impact of MSEK -34 (-4 percent), while unlisted holdings affected earnings by MSEK -13 (-3 percent).

During the year, the majority of the holding in OEM International was divested for MSEK 401, of which just over half in connection with EQT assuming the role of principal owner during the spring, and additional shares at higher prices later in the year. The transaction with EQT was described in more detail in last year's CEO statement and marks the end of a 15-year active engagement during which the company demonstrated exceptional development, both operationally and in terms of value. The holding in OEM International contributed MSEK 56 to earnings, and the remaining holding amounted to MSEK 65 at year-end.

Part of the proceeds from the sale of shares in OEM International has gradually been reinvested during the year into other listed equities, while Traction's cash and cash equivalents, including short-term interest-bearing investments, increased from an already high level to represent 29 percent of net asset value at year-end (MSEK 1,200). Interest-bearing investments with a maturity exceeding one year amounted to just under 7 percent of net asset value (MSEK 300).

Financial equity investments amounted to just under MSEK 1,500 at year-end, corresponding to 34 percent of Traction's net asset value. This can be compared with active holdings, which accounted for 31 percent, of which unlisted holdings represented 11 percent.

Traction's financial equity investments consist of a well-diversified portfolio comprising around 30 holdings, with the five largest at the beginning of 2026 being Essity (MSEK 102), Elekta (MSEK 89), Nordea (MSEK 83), Stora Enso (MSEK 78) and Protector Forsikring (MSEK 72). Over the past two years, the financial equity investments have performed well, delivering returns of 20 and 16 percent respectively.

During the year, considerable effort was devoted to recruitment, both within Traction and across several of the active holdings:

- At Softronic, a new CEO and CFO assumed their positions during the first half of the year, with a clear mandate to further develop the company's stable core business while increasing focus on profitable growth.
- At Ankarsrum Kitchen, a change of CEO was implemented in November to accelerate the company's international expansion. A new head of the German subsidiary was also appointed. Since 2017, Ankarsrum Kitchen has demonstrated profitable growth, with revenue increasing from MSEK 55 to more than MSEK 300. Over the medium term, the ambition is to triple revenue from current levels, which is not unrealistic given the company's limited market share outside the Nordic region.

- At Hifab, the CEO chose towards the end of the year to pursue a new challenge following a successful turnaround. The company's Deputy CEO assumed the role of CEO in January 2026. During the year, Hifab's parent company changed its name to Hultström Group to reflect an ambition to expand the group's operations through acquisitions and the establishment of companies within community development that do not need to be integrated into Hifab, whose operations, focus and brand remain unaffected by the name change of the listed parent company.
- In addition, a new CEO assumed office at BE Group in February 2026, where the need for profitability-enhancing measures remains pressing following recent years of weak performance. BE Group carried out a rights issue during 2025, half of which was underwritten by Traction.
- In the UK-based holdings, which developed weakly during 2025, new Chairmen were appointed with clear directives to implement more tangible measures to improve efficiency, commercial focus and shareholder value. Traction currently has no board representation in these companies.
- Traction's own organisation has also been strengthened with several new employees to enable a more dedicated focus on selected active holdings, increased emphasis on growth-driven structural transactions and enhanced capacity for new investments. In addition, a new CFO assumed office during the fourth quarter.



The current geopolitical environment, characterised by an impulsive US administration, the ongoing war in Ukraine and the recently initiated conflict in Iran, creates genuine uncertainty regarding future economic and security developments. It is reasonable to assume that expectations of a gradually strengthening economic outlook in Sweden and Europe will be pushed further into the future and that the high volatility in financial markets will persist until uncertainties subside. A near-term positive development also presupposes that the conflict involving Iran remains short-lived, that oil and gas infrastructure is not destroyed to any significant extent, and that international shipping routes remain open and secure.

Within our active holdings, we must plan for a prolonged scenario while remaining prepared to act on opportunities that may arise to strengthen our positions. With regard to new active holdings, we will continue to be selective, yet opportunistic. When appropriate opportunities arise, the ambition is to expand financial equity investments, where larger individual positions may also be considered, thereby putting a greater share of Traction's capital to work.

Stockholm, 27 March 2026

Petter Stillström, CEO

2025 in summary

- » Profit after tax amounted to MSEK 195 (477), distributed as follows:
 - Active listed holdings MSEK -34 (-35)
 - Unlisted holdings MSEK -13 (262)
 - Financial investments MSEK 256 (262)
- » Earnings per share amounted to SEK 13.2 (32.2).
- » Net asset value per share amounted to SEK 291 (287).
- » Net asset value per share increased by 5 percent (13), adjusted for dividends paid.
- » Return on active listed holdings amounted to approximately -4 percent (-2).
- » Return on other listed equities amounted to approximately 16 percent (-2).
- » The Stockholm stock exchange, including dividends (SBX), increased by approximately 14 percent (8).
- » Shares in OEM International were divested for MSEK 401.
- » BE Group carried out a rights issue of MSEK 143, half of which was underwritten by Traction, which also subscribed for shares amounting to MSEK 40.

Events in early 2026

- » The change in value, including dividends received, on listed equity holdings after the end of the quarter amounted to MSEK -20 as of 16 February 2026, of which active holdings MSEK -56 and other listed equities MSEK 36.
- » The Board of Directors proposes a dividend of 8.30 SEK per share (9.00), corresponding to MSEK 123 (133).

Key financial indicators

	2025	2024	2023	2022	2021
Profit for the year, MSEK	195	477	270	-378	1,344
Net asset value, MSEK	4,309	4,247	3,925	3,785	4,235
Net asset value per share, SEK	291	287	265	256	286
Earnings per share, SEK	13	32	18	-26	91
Market price at end of period, SEK	253	263	242	211	277
Change in net asset value per share, %	5	13	7	-9	47
Dividend per share, SEK ¹	8.30	9.00	10.45	8.80	4.85
Dividend yield, % ¹	3.3	3.4	4.3	4.2	1.8

¹Dividend for 2025 refers to the Board's proposal.

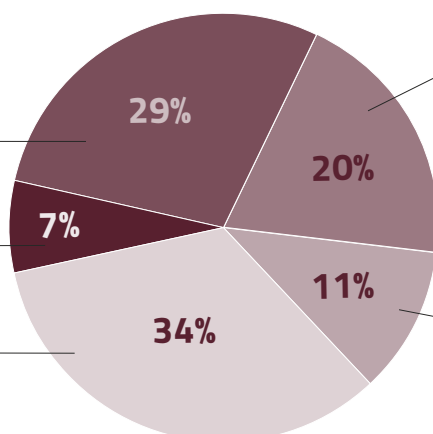
Distribution of Traction's net asset value

Financial investments:

Cash and cash equivalents and interest-bearing investments with maturity < 1 year: MSEK 1,230

Interest-bearing investments with maturity > 1 year: MSEK 286

Other listed shares: MSEK 1,465



Active listed holdings: MSEK 848



Unlisted holdings: MSEK 476



Traction develops and improves companies

Traction is a listed investment company with active ownership interests in listed and unlisted smaller and medium-sized companies. Traction also conducts investment activities for the purpose of obtaining a good return on the Company's capital by making financial investments, mainly in other listed companies and interest-bearing assets.

Traction's role as owner is based on active and long-term engagement in close co-operation with other active owners, entrepreneurs and corporate managements. Traction has no particular focus on specific industries, but conducts development and transformation work that is applicable in all companies intending to give priority to professionalism, long-term thinking, and sound business principles.

Business concept

- » To conduct development and change work through active ownership of wholly and partly owned companies in order to achieve a high return and value growth.
- » To run an investment business in order to achieve a good return on the company's capital.

Business philosophy

- » We take a long-term view.
- » We do not seek to build up a group, but work with a number of independent companies whose added value will be realised over time.
- » Our field of work is change and development of companies in general. Necessary technical and industry knowledge must be available in the company.

Objectives

- » To sustainably generate an increase in Traction's net asset value per share, including dividends, that significantly exceeds the general development of the Stockholm Stock Exchange.
- » To create profitable growth in our wholly and partly owned companies.

Strategy

In order to achieve Traction's objectives, the following is necessary:

- » The ability to identify interesting business projects, situations and attractive investment opportunities.
- » The ability to select the right partners; primarily business leaders/entrepreneurs, but also other active partners.
- » The ability to provide business leaders with the support and complementary expertise they need.
- » Partners who can act as board member, CEO and/or owner.
- » Financial resources.

Exit strategy

For Traction it is important that our companies have long-term growth and earnings capacity. Traction has no strategic holdings or motives for its ownership other than purely commercial ones. In principle, our holdings are thus always for sale at the right price and to a suitable owner. In companies where we have owner partners, the exit strategy varies depending on the companies' development phase and specific conditions, and not least the intentions of other owners.

Traction and the outside world

Traction has several target groups.

Entrepreneurs who:

- » Possess the right qualities, i.e. people who are extremely diligent and resilient, who can get things done, hold the money and ensure that the customer pays, is satisfied and buys again.
- » Are willing to give up strategic plans in favour of what the outside world – the customer – is willing to pay for and are always prepared to continually reassess and adapt the business concept.
- » Run businesses that have the potential to expand.
- » Have a long-term goal for their involvement.

Active partners who, in co-operation with Traction:

- » Have the possibility to act as chairman, board member or CEO.
- » Act as an active shareholder.
- » Want to finance a buyout, a new issue or participate in a refinancing of a business.

Company executives, CEOs, owners who:

- » Lack an active joint owner.
- » Need help in conjunction with a management buy-out, spin-off, or sale, acquisition of a business or a change of generations.
- » Otherwise need a financially strong owner and engaged owner in conjunction with a major transaction.

Financiers, owners, reconstruction specialists who:

- » Require support in specific situations where urgent operational measures are needed to restructure businesses in critical phases.
- » Require a partner with the financial capacity to engage in larger projects.



Business organisation



Petter Stillström

CEO, MSc in Economics. Active in Traction since 1999, CEO since 2001. Previously active in corporate finance.



Joakim Skoglund

Asset manager and analyst, MSc in Business and Economics. Active in Traction since 2015. Previously portfolio manager and equity strategist at fund companies and banks.



Linda Hentze

CFO. With Traction since November 2025. Previously responsible for finance within asset management, pension foundations, and corporate finance/real estate.



Jesper Klingberg

Analyst, MSc in Business and Economics. With Traction since August 2025. Background in corporate finance.



Peter Wennerstein

Investment Director, MSc in Business and Economics. With Traction since August 2025. Previously held operational management roles in distribution, trade, and industry, and has worked as a management consultant.

Board of directors



Bengt Stillström

Bengt Stillström, born 1943. MSc (Eng.) and Master of Management. Chairman of the Board. Founded Traction in 1974. CEO during 1974-2001. Chairman of the Board of Profilgruppen and board member of Ringvägen Venture. Board member since 1974. Shareholding including spouse's part: 330 000 A shares, 5,451,450 B shares.

Henrik Lange, born 1961. MSc in Economics. Henrik is currently advisor and board member of Alfa Laval, Trelleborg, Dunkerstiftelserna, BDR Thermea Group, and Velux A/S. Board member since 2020. Extensive experience of senior positions in industrial companies, including CEO of Gunnebo and Johnson Pump, as well as leading positions at SKF such as division manager and CFO. Shareholding: 500 shares.

Jonas Olavi, born 1967. MA in Economics. CIO and fund manager at Alpcot Equities. Stock columnist for the



Henrik Lange



Jonas Olavi

newspaper Aktiespararen. Board member since 2020. Former Head of Allocation at Alfred Berg Kapitalförvaltning AB. Previously Chief Equity and Fixed Income Strategist at Nordea, as well as CEO and fund manager at Michael Östlund & Company Fonder AB and Delphi Fonder AB. Shareholding: 0 shares.

Petter Stillström, born 1972, MSc in Economics. CEO since 2001 and board member since 1997. Chairman of the boards of Ankarsrum Kitchen, Hultström Group and Nilörngruppen, and board member of BE Group and Softronic. Shareholding, via wholly-owned company and closely related parties: 1,095,000 class A shares, 1,678,150 class B shares and partner in Niveau Holding AB.

Attest auditor: Forvis Mazars AB. Forvis Mazars has been Traction's auditors since May 2015, with Martin Kraft serving as the lead auditor since May 2022.

Traction's central business organisation also includes a network of co-operation partners who participate actively or have participated in the development of Traction's portfolio companies such as external directors, entrepreneurs, owners, members of senior management and financiers. Traction's book-keeping is handled by an external consultant.

Ownership policy for listed holdings

Below is a summary of Traction's ownership policy for listed holdings.

- » A company shall always be run on behalf of its owners and to afford the maximum possible return to those owners.
- » Major shareholders should be represented on the Board of Directors.
- » A principal owner has the ultimate responsibility to initiate changes to operations, the company's management, the composition of its Board of Directors, major transactions and acquisitions.
- » A principal owner should consult with other major owners and explain the owners' intentions to the Board of Directors and corporate management, and ensure that suggestions for new board members are presented.
- » The Board of Directors and management shall gather and embrace the intentions of the owner and work in line with the specified orientation.
- » Takeover bids, mergers and major acquisitions should in the first instance be handled by the principal owner.
- » The Chairman of the Board of Directors, or the principal owner, must obtain support for major structural changes from the largest owners.
- » In the absence of a principal owner it shall be incumbent upon the major shareholders to compensate for such lack by conferring about and designing a corporate governance programme.
- » In the absence of a principal owner or a responsible group of major owners, the chairman of the board should together with the board compensate for this lack to the best of their ability.
- » The Board of Directors should be composed of persons with personal shareholdings and other persons who can contribute to the development, and who have time to be actively involved.
- » The composition of the Board of Directors should be such that it includes numerous different skills, fields of experience and contact interfaces.
- » Traction wants to see a business-like and active Board of Directors that knows its company and its business environment well, and who can complement and support the CEO.
- » The Board of Directors shall make decisions regarding the company's strategies, orientation, major transactions and other significant changes.
- » The Board of Directors shall exercise effective control over the company's finances, risks and opportunities.
- » In its capacity of major owner, Traction always wants to participate in the work of the nomination committee.



Active listed holdings

Traction is a major owner in a number of small and medium-sized listed companies. We invest in companies where we see a significant revaluation potential and where the risks are deemed to be manageable. In some of the companies listed below, Traction was a partner before they became publicly listed and we actively participated in their respective listing processes.

BE Group

Year of investment: 2011
Traction's share of capital and votes: 26%
Revenue 2025: MSEK 3,934
Operating profit 2025: MSEK -586 (MSEK -113 underlying)
Other owners: Svedulf Förvaltnings AB 26%, Johan Ahldin 5%, Försäkringsaktiebolaget Avanza Pension 5%
CEO: Johan Wiig



BE Group is a leading independent steel service company that stocks, processes and distributes steel, stainless steel, aluminium and reinforcement to customers in the construction and manufacturing industries in Sweden and Finland. The product range includes commercial steel, steel tubing, special steel, reinforcement, stainless steel and aluminium. In addition to distribution, the company offers value adding production services including cutting, sawing, blasting, drilling and flame cutting, enabling customers to streamline their processes, free up resources and minimise their own inventories. BE Group is a professional partner supporting customer development through avail-

ability, expertise and reliable delivery. In addition to its core operations, the company conducts joint venture activities in the thin sheet segment through ArcelorMittal BE Group SSC AB. BE Group works actively with sustainability and offers green steel with a low carbon footprint under the BELOW brand, partly in response to the European carbon border adjustment mechanism, CBAM.

For the full year 2025, net sales amounted to MSEK 3,934 (4,667), with an underlying operating result of MSEK -113 (51), corresponding to an underlying operating margin of -2.9 percent (1.1). Earnings were further impacted by significant items affecting comparability, mainly related to impairment of

goodwill, capitalised expenditure for a new business system and implemented restructuring measures. To strengthen its financial position, a rights issue was carried out during 2025, half of which was underwritten by Traction. A new CEO assumed office on 1 February 2026.

BE Group has been listed on Nasdaq Stockholm, Small Cap, since November 2006. Traction is represented on the Board of Directors and holds 26.5 percent of the shares in the company, representing the same proportion of the voting rights.

Further information:
begroup.com

Drillcon

Year of investment: 2008
Traction's share of capital and votes: 54%
Revenue 2025: MSEK 395
Operating profit 2025: MSEK 34 (EBITDA MSEK 41)
Other owners: Försäkringsaktiebolaget Avanza Pension 5%, Mikael Berglund 4%
CEO: Patrik Rylander



Drillcon is a leading partner in drilling services for mining and infrastructure projects, with more than 60 years of experience and a strong international presence. The company specialises in exploration drilling, core drilling, production drilling and raise boring. Core drilling is used to extract rock samples, while raise boring is used to drill shafts, including for ventilation and mine hoisting systems.

With safety, sustainability and service quality as guiding principles, Drillcon delivers long-term value to customers in

the mining and construction industries globally. The company was founded in 1963 and is headquartered in Örebro.

For the full year 2025, Drillcon reported revenue of MSEK 395 (416) and EBITDA of MSEK 41 (57), corresponding to an EBITDA margin of 10.5 percent (13.7), and operating profit of MSEK 8.3 (27.1), corresponding to an operating margin of 2.1 percent (6.5).

Drillcon is listed on Nasdaq Stockholm First North. Traction is represented on the Board of Directors and holds 53.8 percent of the shares

in the company, representing the same proportion of the voting rights.

Further information:
drillcon.se

Softronic

Year of investment: 2001
Traction's share of capital and votes: 22% and 21%
Revenue 2025: MSEK 916
Operating profit 2025: MSEK 83
Other owners: Andreas Eriksson 20% and 30%,
 Stig Martin 8% and 15%
CEO: Mattias Flock



Softronic is an IT and management consulting company that delivers innovative digital solutions that generate tangible societal value, an approach the company refers to as GoodTech. Its offering ranges from advisory and strategy to systems development, management and long-term outsourcing engagements.

Its clients are primarily medium-sized and large companies as well as organisations in Sweden, and relationships are characterised by longevity, with most clients having worked with Softronic for decades. The company's consultants combine deep operational expertise with knowledge of the latest technology and have an average of more than ten years of industry experience. One example of

Softronic's offering is the anti money laundering service CM1, which processes more than 100 million customers per day and helps financial institutions identify transactions linked to criminal activity.

Softronic was founded in 1984, has grown to approximately 430 employees and is listed on Nasdaq Stockholm. Its headquarters are located in Stockholm.

In 2025, revenue amounted to MSEK 916 (842). Operating profit totalled MSEK 83 (100) and the operating margin was 9.1 percent (11.9). During the year, a new CEO and CFO assumed their positions, and in addition a minor acquisition was completed of Innofactor's membership system MMS.

Softronic is listed on Nasdaq Stockholm, Small Cap. Traction is represented on the Board of Directors

and holds 22.0 percent of the shares in the company, representing 21.2 percent of the voting rights.

Further information:
[softronic.se](https://www.softronic.se)

Diales

Year of investment: 2019
Traction's share of capital and votes: 27%
Revenue 2024/25: MGBP 43
Operating profit 2024/25: MGBP 1.3
Other owners: Gresham House 20%, Adrian J Williams 10%,
 John P Mullen 4%
CEO: Mark Wheeler



Bild: Shutterstock

Diales Plc is a UK-based consultancy and one of the global leaders in dispute resolution, primarily focused on the construction, infrastructure and energy sectors under the Diales brand. The company also provides traditional technical project management services under the Driver Project Services brand. Its geographical presence spans 13 countries across five continents.

For the financial year 2024/25, the company reported revenue of 43 (43) MGBP, with an operating profit of 1.3 (0.9) MGBP, corresponding to an operating margin of 3.0 (2.0) percent.

The company is listed on the AIM market of the London Stock Exchange. Traction's ownership amounts to 27.4 percent.

Ytterligare information:
[diales.com](https://www.diales.com)

Portmeirion Group

Year of investment: 2020
Traction's share of capital and votes: 16%
Revenue 2024: MGBP 91
Operating profit 2024: MGBP 3.1
Other owners: Trustees of Caroline Fulbright Settlement 13%, Peter Gyllenhammar 12%, Charles Stanley Group Plc 11%
CEO: Mike Raybould



Portmeirion Botanic Garden

Portmeirion Group Plc is a UK-based company specialising in tableware and homeware. The company owns and markets several well-established brands, including Portmeirion, Spode, Royal Worcester and Pimpernel. In total, Portmeirion Group owns six global brands with sales in more than 80 countries. The brands have a combined heritage spanning over 750 years. For example, the Spode Blue Italian collection, launched in 1816, is an iconic British design classic within tableware and dinner sets. The company operates

two factories in the UK, with distribution primarily handled through its distribution centres in the UK and the United States. A clear strategic focus lies on growth in its own e-commerce, D2C offerings for retail customers, and building partnerships with national wholesalers and independent retailers, many of which operate omnichannel models combining physical stores and e-commerce platforms.

In 2024, the company reported revenue of 91.2 (102.7) MGBP, with an operating profit of 3.1 (5.1) MGBP,

corresponding to an operating margin of 3.4 (5.0) percent.

Portmeirion Group is listed on the AIM market of the London Stock Exchange. Traction's ownership amounts to 16 percent.

Ytterligare information:
portmeiriongroup.com

Revenue and operating profit for 2025 had not yet been published at the time of finalising this Annual Report.



Spode Green Italian

Unlisted holdings

Traction's unlisted holdings may consist of both wholly and majority-owned companies as well as minority-owned companies. In the minority-owned companies, we cooperate with entrepreneurs and other active partners. The business concept is to develop successful companies as an active partner. Over the years, Traction has participated in the listing of several unlisted companies.

Ankarsrum Kitchen

Year of investment: 2009
Traction's share of capital and votes: 100%
Revenue 2025: MSEK 305
CEO: Fredrik Berg



Ankarsrum Kitchen develops, manufactures and sells the Ankarsrum Assistent Original® kitchen machine, a Swedish classic originally designed by Alvar Lenning in 1940 and produced in Sweden ever since. The machine stands out as a high quality product, featuring a powerful motor, a large 7 litre bowl, a range of 17 accessories and 16 different colours. America's Test Kitchen named Ankarsrum the best stand mixer for three consecutive years from 2023 to 2025. Norway's largest consumer technology website Tek.no has ranked Ankarsrum as the best kitchen machine for seven consecutive years, and in 2025 the product received top marks from the German publication ETM Testmagazin.

Since its inception, approximately

two million units have been sold, and the product is now available in more than 30 countries. Slightly more than half of volumes are sold in the Nordic home market, while export sales are conducted through wholly-owned subsidiaries in the United States and Germany, as well as through distributors. Since 2017, revenue has grown from MSEK 55 to more than MSEK 300 in 2025, primarily driven by growth in the Nordic countries and the United States.

In 2025, the Ankarsrum Group reported slightly declining revenue while maintaining solid profitability in a challenging market environment for discretionary consumer goods, combined with a stronger Swedish krona. During the year, Fredrik Berg was appointed

as new CEO, bringing extensive experience in building premium brands internationally, in line with the company's continued expansion plans.

In 2025, the company reported revenue of approximately MSEK 305 (347), with an adjusted operating margin of approximately 14 percent. Traction is represented on the Board of Directors and holds 100 percent of the shares in the company through Ankarsrum Industries.

Further information:
ankarsrum.com



Recco Holding

Year of investment: 1988
Traction's share of capital and votes: 49.9%
Revenue 2025: MSEK 112
Financial net assets 2025: MSEK 60
Other owners: Magnus Granhed 50.1%
CEO: Fredrik Steinwall



Recco Holding owns RECCO AB, a rescue system used by more than 900 rescue organisations and helicopter units worldwide to locate avalanche victims and missing persons year round. The system consists of two parts: RECCO detectors used by professional rescue services and RECCO reflectors integrated into equipment such as clothing, helmets, boots, backpacks and ski boots. The RECCO system is based on radar technology, enabling faster location of a

person carrying a RECCO reflector. The reflectors are entirely passive and require neither batteries nor maintenance. The RECCO system is intended for organised rescue operations and is not a substitute but a complement to avalanche transceivers used for companion rescue. By enabling faster search efforts, the RECCO system increases the likelihood of locating avalanche victims and other missing persons. The RECCO system is established in 32 countries globally.

In 2025, revenue amounted to MSEK 112 (96), with an operating margin exceeding 15 percent. Traction holds 49.9 percent of the shares in the company.

Ytterligare information:

recco.com

Sigicom

Year of investment: 1997
Traction's share of capital and votes: 21%
Revenue 2025: MSEK 269
Other owners: Rehnström/Svensson 41%
CEO: Torbjörn Rehnström



Sigicom is the leading provider in the Nordic region of field measurement systems for unattended monitoring of vibrations, noise and other environmental disturbances, such as airborne particles. These systems monitor construction and civil engineering works, mines, quarries as well as road and rail traffic wirelessly. Sigicom markets its measurement systems and services globally, with exports accounting for the majority of revenue and continuing to grow. Key markets include the United States, the United Kingdom, France, Canada, the Netherlands and the Nordic region. The company has developed one of the market's most innovative and comprehensive field measurement systems, covering everything from sensors to web based presentation and reporting. For customers, this means simple installation, automated measurements and cost efficient

monitoring. In addition to web based applications, Sigicom offers support, service and regular calibration. The company has an ambitious growth agenda based on product leadership and international expansion.

In 2025, revenue amounted to MSEK 269 (253), with an operating margin approximately 9 percent. During the year, integration of the AVA acquisition completed in 2024 continued.

Traction is represented on the Board of Directors and holds 21 percent of the shares in the company.

Ytterligare information:

sigicom.se

Medino is a fast-growing online pharmacy based in the UK. Medino sees opportunities to digitalise and streamline the pharmacy trade with the ambition to take a leading position in the country. Co-founders are Christian Jakobsson (CEO), Lars Elfversson (Chairman), Henrik Blomkvist and Viktor Holmberg. Traction's ownership share amounts to approximately 9 percent. Investment year: 2020.

Further information:
medino.com



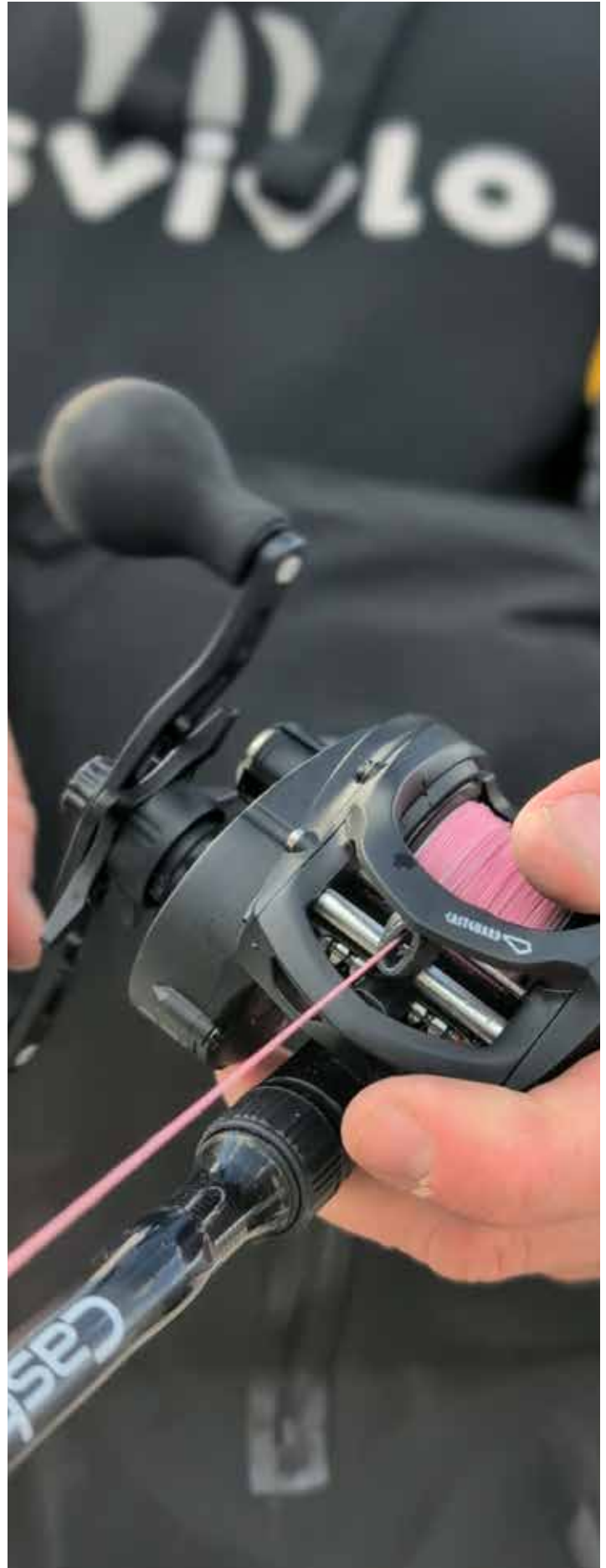
Brilliance Sweden develops and commercialises the patented Transversor technology, which in real time prevents uncontrolled motion before it causes damage or resource inefficiencies. The primary application is fishing reels under the Svivlo brand, where the technology eliminates line tangling. The company has sold more than 7,000 reels globally and has received awards as well as strong international reviews, including in Sports Illustrated. The Transversor technology has also been applied in RolloGuard, a fall protection device for rollators that has demonstrated improved quality of life in clinical studies. The company is led by entrepreneur and principal owner Patrik Zander. Traction holds approximately 13 percent of the shares in the company. Investment year: 2021.

Further information:
brilliance.com



Tengai is an AI driven recruitment tool in which a digital interview avatar conducts structured interviews and delivers objective, data driven candidate assessments. Organisations reduce the time spent on early stage screening by more than 70 percent while ensuring consistent evaluation of all candidates. Tengai also delivers a strong candidate experience by providing real time feedback. The solution is developed in line with the EU AI Act and is well positioned in an increasingly regulated market. The company was founded by Key People Group, which holds approximately 62 percent of the shares. Traction holds approximately 12 percent of the shares in the company. Investment year: 2020.

Further information:
tengai-unbiased.com



Brilliance / Svivlo

Financial investments

Traction's investments, in addition to active holdings, are classified as financial investments. These consist primarily of equities, corporate bonds and certificates. The allocation across asset classes is largely driven by prevailing market conditions.

At year-end 2025, financial investments including cash and cash equivalents amounted to just under MSEK 3,000, corresponding to 69 percent of Traction's net asset value. Of this, investments in listed equities accounted for approximately MSEK 1,465, while interest-bearing investments with a maturity of less than 12 months, including cash and cash equivalents, amounted to MSEK 1,230. The remaining MSEK 286 consisted of corporate bonds and similar instruments with varying returns, maturities and liquidity profiles.

Unlike active holdings, the purpose of financial investments is not to create value through active ownership and company building. Instead, the objective is to generate ongoing returns through more traditional asset management, including on capital not currently deployed in active holdings. The overall size of financial investments is therefore determined both by the proportion of capital not invested in active holdings at a given time and by prevailing market conditions. Financial investments are continuously evaluated and generally have a shorter investment horizon than active holdings. The size of individual financial investments may vary, with larger equity positions occasionally occurring and at times complementing the active holdings.

A significant portion of financial investments consists of liquid assets that can be readily divested when needed, which is essential to maintaining the flexibility to invest at short notice in both existing and new active holdings.

An equity investment initially classified as a financial investment may over time develop into an active listed

holding. By monitoring companies over time as a minority shareholder, Traction gains enhanced insight into both business models and management teams.

Financial equity investments also include somewhat larger ownership stakes in small- and mid-cap listed companies, where Traction may also be involved in nomination committee work. Companies in which Traction's ownership exceeds five percent of capital include Duroc (5.2%) and PION Group (5.6%), with a combined value of approximately MSEK 45.

The year 2025 was a challenging period for the global economy, characterised by the uncompromising implementation of trade tariffs by the U.S. President against the rest of the world. Expectations of a clear economic recovery were replaced by significant uncertainty regarding tariff levels and cost implications for companies operating in the U.S. market. More specifically for Europe, the trade conflict led to Chinese exports previously destined for the U.S. being redirected to Europe, resulting in increased price competition. In its wake, the discussion around European competitiveness has gained further momentum.

Despite the uncertainties in the global economy, global financial markets continued to perform strongly. Optimism surrounding artificial intelligence and, consequently, increased investments in data centres remained the primary drivers. Continued interest rate cuts by central banks, combined with abundant risk-seeking capital from investors, supported strong market risk appetite. In relative terms, however, the Swedish stock market underperformed compared to many other markets, largely due to a stronger Swedish krona during the year. The value of Traction's financial investments continued to develop positively over the period.





Foto: Michael Portmann





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Traction from an investor's perspective

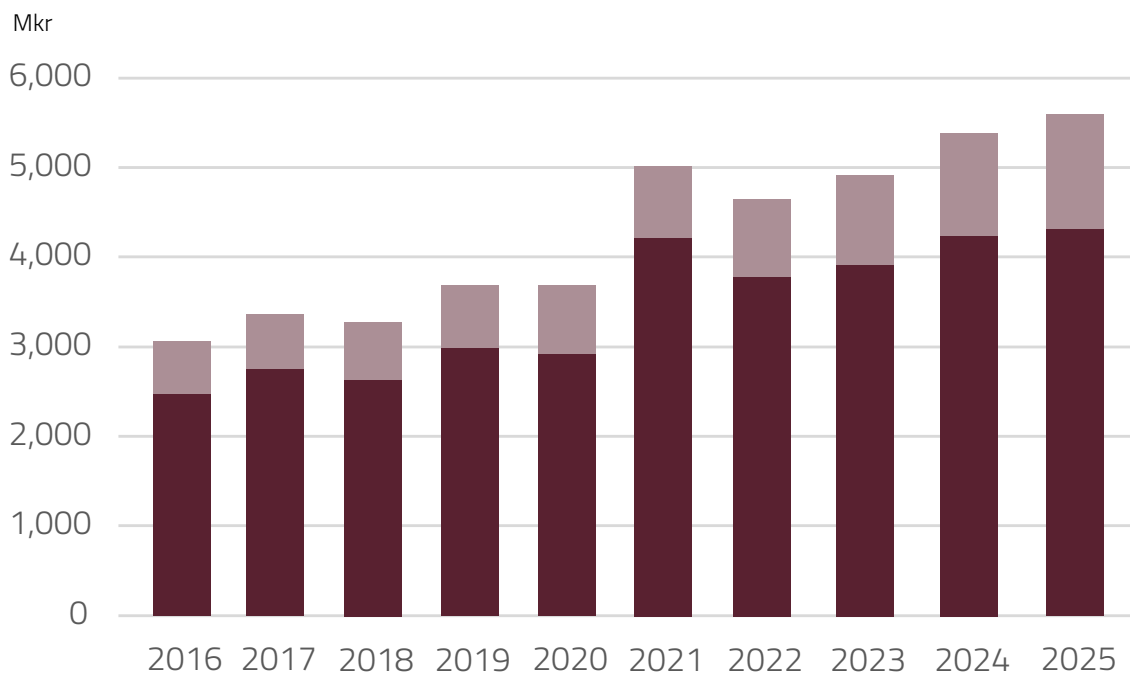
The table below shows Traction's net asset value divided into active listed holdings, active unlisted holdings, financial investments, cash and cash equivalents, and other assets as of 31 December 2025.

Holdings	Number of shares thousands	Price per share	Proportion of total		Market value MSEK	Proportion of total	SEK per share
			Capital	Votes			
Active listed holdings							
BE Group	5,165	27.00	26%	26%	139	3.2%	9.4
Drillcon	24,000	3.71	54%	54%	89	2.1%	6.0
Diales Group Plc	14,438	2.72	27%	27%	39	0.9%	2.7
Hultström Group ¹	31,754	3.16	52%	54%	100	2.3%	6.8
Nilörngruppen	3,000	66.30	26%	58%	199	4.6%	13.4
Portmeirion Group Plc	2,233	11.64	16%	16%	26	0.6%	1.8
Softronic	11,589	22.00	22%	21%	255	5.9%	17.2
Total					848	19.7%	57.3
Unlisted holdings							
Ankarsrum Industries			100%	100%	280	6.5%	18.9
Recco Holding			50%	50%	100	2.3%	6.8
Sigicom			21%	21%	91	2.1%	6.2
Other unlisted holdings					5	0.1%	0.3
Total					476	11.0%	32.2
Total active and unlisted holdings					1,324	31.0%	89.5
Financial investments, cash and cash equivalents							
Other listed shares ²					1,465	34.0%	99.1
Interest-bearing investments ³					767	17.8%	51.9
Cash and cash equivalents					753	17.5%	50.9
Total					2,985	69.3%	201.9
TOTAL					4,309	100%	291

¹Hifab AB changed its name to Hultström Group AB in November 2025.

²Other listed shares where ownership exceeds five percent of the shares include Duroc (5.2%) and PION Group (5.6%), with a total value of MSEK 46.

³Including interest-bearing investments with a maturity of less than 1 year amounting to MSEK 477, as well as other net assets/liabilities of MSEK 4.



■ Net asset value
■ Accumulated dividends and repurchases

Traction applies investment company accounting (IFRS 10), which means that all operational holdings are continuously market valued instead of being consolidated in the Traction Group. For more detailed explanations, please refer to Traction's formal annual report. Accumulated dividends and repurchases refer to the period since the company's listing in 1997.

Ten-year review

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Profit for the year, MSEK	401	304	-71	416	-19	1,344	-378	270	477	195
Net asset value, MSEK	2,478	2,751	2,638	3,001	2,920	4,235	3,785	3,925	4,247	4,309
Net asset value per share, SEK	168	186	178	203	197	286	256	265	287	291
Increase in net asset value per share, including dividend, %	19	12	-3	16	-1	47	-9	7	13	5
Earnings per share, SEK	27	21	-5	28	-1	91	-25	18	32	13
Dividend per share, SEK ¹	2.15	2.75	3.60	4.20	2.00	4.85	8.80	10.45	9.00	8.30
Dividend yield, % ¹	1.5	1.6	2.2	2.2	1.1	1.8	4.2	4.3	3.4	3.3
Market price at year-end, SEK	146	175	165	195	187	277	211	242	263	253
Net asset value discount, %	13	6	7	4	5	3	18	9	8	13
Number of shares outstanding at year-end (not incl. repurchased shares), thousands	14,790	14,790	14,790	14,790	14,790	14,790	14,790	14,790	14,790	14,790

¹ Dividend for 2025 refers to the Board's proposal.

Traction's return

Return on net asset value per share, including dividends, 2021–2025.

Traction's return on net asset value

	2025	Five-year average
Increase in net asset value per share including dividends (%)	4.8	12.5
Dividend yield (%)	3.3	3.4
Discount to net asset value (%)	13.0	10.2

Definitions and alternative key financial indicators

The following definitions and alternative key figures are essential for understanding and assessing Traction's operations. Only earnings per share before and after dilution below are defined according to IFRS. All alternative performance measures refer to the Group.

The Traction Group

The Traction Group consists, in addition to the parent company AB Traction, of wholly-owned companies that manage securities and conduct consulting activities, mainly for Traction's project companies.

Financial investments

Refers to equity and interest-bearing investments where Traction's ownership is less than 10 percent of the votes or where Traction does not have an active role by being represented on the board. Financial investments are shown in the list of Traction's net asset value. A previously actively listed holding is recognised as a financial investment on the day ownership falls below 10 percent of the votes or, if ownership falls below 10 percent of the votes, from the day Traction's representative leaves the board.

Listed active holdings

Holdings in listed companies where Traction's ownership exceeds 10 percent of the votes or where Traction has an active role by being represented on the board. Active holdings are shown in the list of Traction's net asset value. A holding is recognised as active from the day Traction's ownership exceeds 10 percent of the votes or the day Traction has representation on the board.

Unlisted active holdings

Wholly and partly owned unlisted companies where any remaining shares are usually owned by one or more entrepreneurs or other active shareholders. Unlisted

holdings are companies whose shares are not subject to organised daily trading, although not necessarily on a regulated market. Upon listing of an unlisted holding or delisting of a listed company, the holding changes category on the day of the change.

Dividend yield

Dividend as a percentage of the year-end share price.

Equity per share and net asset value per share

Equity at the end of the period divided by the number of shares outstanding on the same day.

NAV discount

Traction's market value, where unlisted A-shares are valued at the same price as the listed B-share at the end of the period, minus the net asset value divided by the net asset value at the end of the period in percent.

Net asset value and equity capital

The net of assets and liabilities at market value, which for Traction corresponds to the Traction Group's equity.

Change in net asset value per share adjusted for dividend paid in percent/Return on net asset value per share

Earnings per share divided by opening equity per share after deducting dividends paid per share during the period in percent.

Basic and diluted earnings per share

Diluted earnings for the period divided by the average number of shares during the period. The number of shares in 2025 has not changed.

Sustainability in Traction's active holdings

Traction is an investment company with ownership interests in a number of companies in different industries, varying stages of development and geographical focus. Traction's ability to influence the development of the holdings varies depending on the percentage of ownership and the willingness of other partners to follow Traction's approach, but Traction's employees as well as the board members of the project companies are always expected to ensure that the management of the companies attaches great importance to the ongoing sustainability work, which must be adapted to the respective company's situation and local conditions.

Traction's development model is based on each company's management and board taking full responsibility for ensuring that each company complies with prevailing laws and regulations and always acts in an ethically and commercially sound manner. This means that Traction expects that it never tolerates violations of human rights, extortion, corruption, child and forced labour, discrimination, etc. Traction further expects that it analyses risks and formulates goals and has appropriate processes in place to manage and follow up sustainability-related risks.

Practically every human activity and business activity involves some kind of burden on the environment. A sustainable business, according to Traction, ensures that the environmental burden is minimised and balanced against the benefit the business provides.

Traction avoids engaging in companies that, according to Traction, do not provide any real benefit to their customers or society at large, but instead mostly contribute to tragedies in the form of dependence, poverty, death or other unnecessary suffering. Examples of this are companies dealing with alcohol, drugs, tobacco and gambling companies where the purpose is to incorporate the customer into a gambling addiction where the customer gambles away their savings. Credit companies whose existence is based on customers' desperate need for liquidity also do not fit into Traction's investment criteria. Traction also avoids involvement in companies that develop and sell military equipment, even though such companies are unfortunately needed to ensure free and open societies.

Traction does not need to prepare a statutory sustainability report under the current regulations.



The Traction share

Traction's B share has been listed on NASDAQ Stockholm since 24 May 2000, Ticker: TRAC-B. Prior to that, since July 1997, the share was traded on NGM's share list. In 2025, Traction's share price

increased by 5% (9%) excluding the dividend of SEK 9 per share. At the end of 2025, the price was SEK 253 per share. The highest share price during the year was SEK 278 and the lowest was SEK 230. There are

no convertible bonds, warrants, or other instruments that could result in an increase in the number of shares. The number of shareholders in Traction as of December 31, 2025, was 4,529 (4,954).

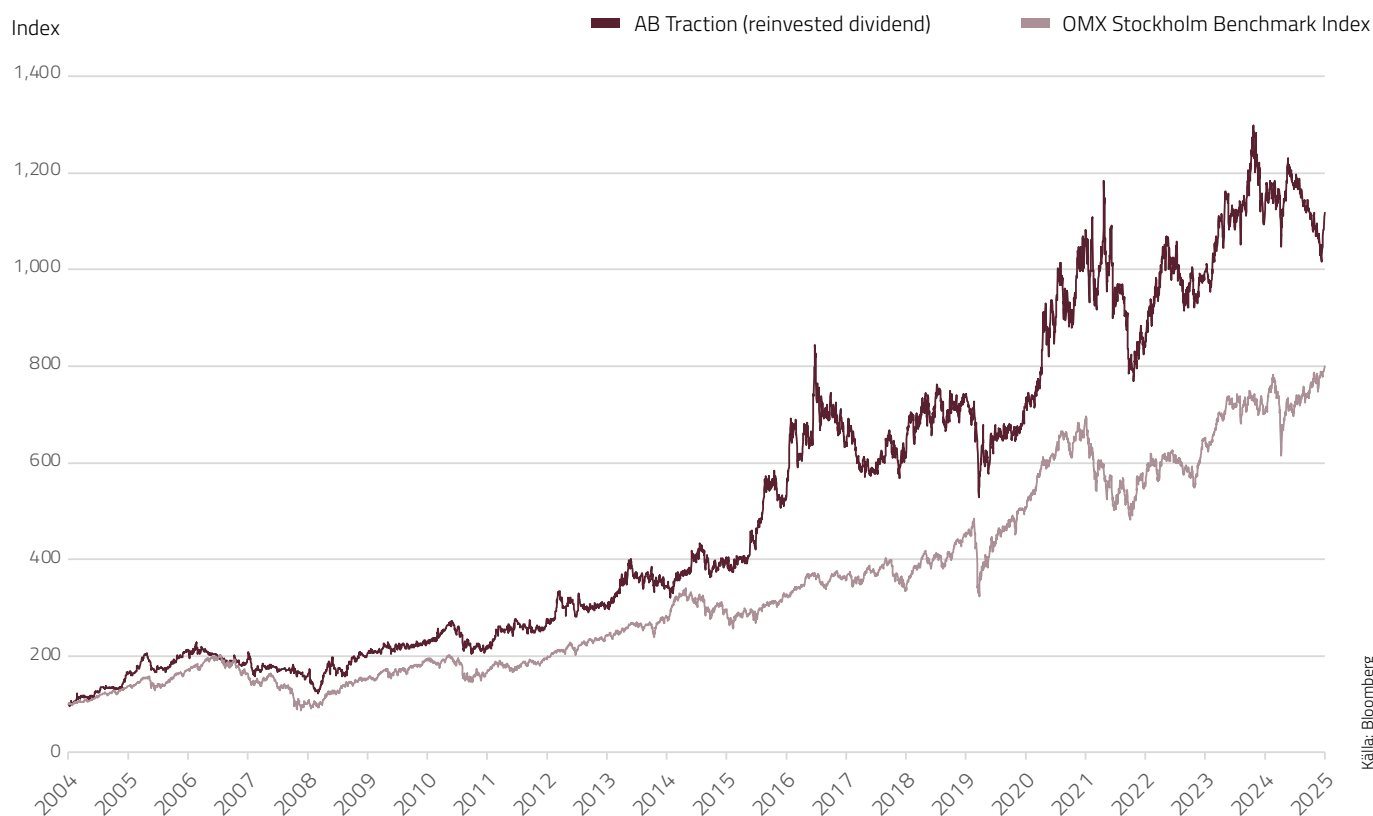
Shareholders¹ as of 31 December 2025

	Class A shares	Class B shares	Total	Proportion of capital	Proportion of votes
Ann Stillström	165,000	2,727,000	2,892,000	19.6%	14.1%
Bengt Stillström	165,000	2,724,450	2,889,450	19.5%	14.1%
Petter Stillström incl. companies	1,095,000	1,678,150	2,773,150	18.8%	40.7%
Niveau Holding AB incl. subsidiary ²	375,000	1,235,000	1,610,000	10.9%	16.1%
Hanna Kusterer		1,583,100	1,583,100	10.7%	5.1%
David Stillström		1,556,700	1,556,700	10.5%	5.0%
N.G.L Förvaltnings AB		102,900	102,900	0.7%	0.3%
Handelsbanken Fonder AB		64,000	64,000	0.4%	0.2%
Esilentio AB		86,000	86,000	0.6%	0.3%
SEB Fonder		76,283	76,283	0.5%	0.2%
Försäkringsaktiebolaget Avanza		63,658	63,658	0.4%	0.2%
Others		1,092,606	1,092,606	7.4%	3.5%
Total	1,800,000	12,989,847	14,789,847	100.0%	100.0%

¹ Shareholders, not including repurchased shares.

² Owned by members of the Stillström family.

Total return on Traction's B share



Källa: Bloomberg

Dividend and distribution policy

Traction's basic policy is that dividends and other transfers of assets to the shareholders shall be effected in a tax-efficient manner.

For the purposes of Swedish tax legislation, Traction is an investment company, which means, inter alia,

that dividends are deductible against interest income and the standard income, which comprises 1.5 percent of the company's net asset value as of the beginning of the year. Under current tax regulations, the dividend is adapted to the parent company's revenue in such a way that no tax expense arises in the parent company.

Under current regulations, there is no standard income on unlisted holdings and listed holdings where the percentage of votes exceeded 10 percent at the end of the financial year. Buyback of the company's own shares occurs when it is deemed attractive for the shareholders.

Repurchase of own shares			Size class B shares			
Year	Number	Amount, SEK	Holding	No. of owners	No. of B shares	Stake, %
2000	163,050	6,471,150				
2001	80,400	2,921,200	1-500	4,459	255,990	1.6
2002	221,550	6,616,500	501-1,000	172	129,692	0.8
2007	177,600	11,810,400	1,001-5,000	146	281,716	1.8
2009	537,400	28,462,000	5,001-10,000	13	96,605	0.6
2010	141,000	10,081,500	10,001-15,000	2	28,395	0.2
2011	80,000	5,420,000	15,001-20,000	6	98,366	0.6
2012	245,000	18,500,000	20,001-	20	13,309,236	94.4
2013	424,305	38,188,000	Total	4,818	14,200,000	100.0
2014	74,695	7,731,000				
2015	75,153	8,342,000				
Totalt	2,220,153	144,543,750				
Cancellation 2010	-610,000					
Cancellation 2014	-400,000					
Repurchased shares	1,210,153					
Quota	7.6%					

Evolution of share capital

Year	Transaction	Increase in no. of shares	Increase in share capital, SEK	Total share capital, SEK	No. of shares	Quotient value of share, SEK
1994	Bonus issue	20	10,000	460,000	920	500
1994	Split	459,080	0	460,000	460,000	1
1995	Bonus issue	0	4,140,000	4,600,000	460,000	10
1997	Split	4,140,000	0	4,600,000	4,600,000	1
1997	New issue	700,000	700,000	5,300,000	5,300,000	1
1997	New issue	370,000	370,000	5,670,000	5,670,000	1
2006	Split	11,340,000	0	5,670,000	17,010,000	0.33
2010	Cancellation	-610,000	-203,333	5,466,667	16,400,000	0.33
2014	Cancellation	-400,000	-133,333	5,333,334	16,000,000	0.33

The share capital in Traction amounts to SEK 5,333,334, distributed on 16,000,000 shares, of which 1,800,000 shares of class A 14,200,000 shares of class B. All

shares entitle their holder to equal rights to the Company's assets and profit. Class A shares entitle their holder to 10 votes and class B shares entitle their holder to one vote at

annual and extra general meetings. Every person is entitled to vote at annual and extra general meetings for the full number of shares owned and represented, without limitation.

A selection of the last ten years' business transactions

2025 In 2025, Traction reported profit of MSEK 195, corresponding to a net asset value increase of five percent adjusted for dividends paid. Active listed holdings had a negative impact of MSEK 34 on earnings and unlisted holdings a negative impact of MSEK 13, while financial investments contributed MSEK 256. Of the financial investments, equities accounted for MSEK 203 and interest-bearing investments for MSEK 52, with the equity portfolio generating a return of approximately 16 percent. During the spring, EQT assumed the role of principal owner in OEM International, following which Traction's CEO stepped down from the Board of Directors after 15 years of board service, including eight years as Chairman. During the year, shares in OEM International were divested for MSEK 401, after which the remaining holding amounted to MSEK 65.

Among the active listed holdings, OEM International contributed MSEK 56, of which MSEK 46 up to the point when the holding was reclassified as a financial investment in April, while BE Group had a negative impact of MSEK 49 and Portmeirion MSEK 29. BE Group carried out a rights issue that was underwritten to 50 percent by Traction. Hifab Group changed its name to Hultström Group to reflect an ambition to expand operations through acquisitions and the establishment of companies within the community development sector that are not integrated into Hifab, whose operations, focus and brand remain unaffected by the name change of the listed parent company. Following a successful turnaround of Hifab, the CEO chose to pursue a new challenge and the company's Deputy CEO assumed the role of CEO in January 2026. New CEOs also took office at Softronic and Ankarsrum Kitchen, as well as at BE Group on 1 February 2026. New Chairmen were also appointed in the UK-based holdings.

2024 In 2024, Traction's earnings amounted to MSEK 477, representing a net asset value increase of 13 percent, adjusted for the dividend paid. Active listed holdings had a negative impact of MSEK 35, while unlisted holdings contributed MSEK 262 and financial investments also added MSEK 262. Of the financial investments, equities accounted for MSEK 174 and interest-bearing investments for MSEK 88, with returns of approximately 20 percent and just over 10 percent on the bond portfolio, respectively. Among the active listed holdings, Softronic contributed MSEK 47 and OEM International MSEK 29, while BE Group had a negative

impact of MSEK 87 and Drillcon MSEK 38. During the year, the ownership stake in Portmeirion increased to just under 15 percent through a minor acquisition. Hifab once again performed strongly, with the turnaround initiated in 2022 now completed, positioning the company for the next stage of its development.

Towards the end of the year, EQT made a bid for OEM International, while simultaneously announcing that it had entered into an agreement with Traction and other A-shareholders to acquire a majority of the votes in OEM. The bid was declared unconditional in February 2025, whereby Traction will divest all its A-shares for MSEK 420 and acquire B-shares for MSEK 195. Traction's major unlisted holdings – Ankarsrum, Recco, and Sigicom – demonstrated a strong positive performance. Ankarsrum Industries achieved 44 percent growth with solid profitability, with growth in the US exceeding 90 percent. Recco's revenue increased by nearly 50 percent with a significant improvement in profitability, while Sigicom grew by 22 percent, including a minor complementary acquisition completed in the fourth quarter.

2023 The result for 2023 of MSEK 270 represented an increase in net asset value of 7 (-9) percent compared with the Stockholm Stock Exchange's 19 (-20) percent. The return on active holdings was approximately 10 percent and other listed shares approximately 13 percent. Rising market interest rates contributed to higher interest income and earnings from interest-bearing investments totalled MSEK 75 (17). The holding in OEM International contributed MSEK 150, Drillcon MSEK 24 and Nilörngruppen MSEK 57 to the result. Additional shares were acquired in Driver Group – currently Diales – (MSEK 13), whereby the ownership increased to 27 (21) percent. Ownership in Portmeirion Group passed 10 percent to just over 11 percent, whereby the holding was reclassified as active. During the year, shares were acquired for MSEK 20. Shares in OEM International were sold for just under MSEK 63. OEM International and Softronic posted record results and Drillcon its best result since 2019. Hifab also developed strongly after several years of weak development, where the result was the best in over ten years. For BE Group and Nilörngruppen, 2023 was more challenging compared to 2021/2022 when both companies posted record results. Ankarsrum Kitchen increased sales by 14 percent to just over MSEK 240, with the newly established subsidiary in the US contributing to growth and profitability.

Dividends from the active listed holdings totalled MSEK 75 (77), with BE Group and Nilörngruppen accounting for a dominant share.

2022 In 2022 Traction showed a decrease in net asset value of 9 percent, while the Stockholm Stock Exchange as a whole developed more weakly with a return (including dividends) of minus 20 percent. Traction's active listed holdings, which contributed MSEK 870 to earnings in 2021, burdened earnings by MSEK 357, corresponding to a return of -21 percent. Traction's financial investments developed marginally positively (+1 percent) during the year, with major positive contributors being the holdings in Wallenius Wilhelmsen and the British technology consulting company RPS Group Plc, where two industry players made competing bids for the company. Meanwhile, the holdings in Duroc, PION Group (formerly Poolia) and Portmeirion developed weakly. Traction's fixed income investments developed positively in an environment where many fixed income funds showed a negative development despite rising market interest rates during the year. New CEOs took office in Hifab Group and Softronic. OEM International and Nilörngruppen posted record results and BE Group delivered another strong year in terms of earnings.

2021 In terms of earnings, 2021 developed into Traction's best year to date, with earnings of MSEK 1,344, corresponding to an increase in net asset value of 47 percent. The return on the active listed holdings amounted to about 76 percent, with changes in the value of the holdings in BE Group and OEM International being major contributors. BE Group showed a record result of almost MSEK 500 after tax and the company's share price increased by about 270 percent. Nilörngruppen, OEM International and Softronic also posted record results in an environment characterised by Covid-19, travel restrictions, component shortages and sharply rising raw material prices. Traction's financial investments, which developed weakly in 2020, recovered substantially during the year and contributed MSEK 257, corresponding to a return of about 47 percent. Traction's unlisted holdings also developed strongly, with revaluations contributing just over MSEK 200 to the result. It is primarily Ankarsrum Kitchen and Sigicom that showed continued profitable growth with sales increases of 110 and 40 percent respectively. Weak earnings development in Drillcon and Hifab. Most of the small holding in Alternus Energy was sold at the end of the year at a good profit. Minor new investment in the unlisted company Brilliance Sweden. Increased ownership in Driver Group – currently Diales – to 21 percent. Divested a small share of the holding in OEM International and marginally increased the ownership in BE Group.

2020 was a year characterised by Covid-19 and its



BE Group

impact on health and the world economy in largely closed national borders, meeting restrictions and teleworking. In addition, extremely large monetary policy and fiscal support packages contributed to continued asset inflation in shares and property. The Stockholm Stock Exchange fell sharply in March and then gradually recovered during the year, totalling an increase of 13 percent. Traction reported a loss of MSEK 19 for the full year, which is explained by the weak development of other listed shares, which largely consisted of investments in the energy sector and capital-intensive sectors such as banks and basic industry. Traction's active listed holdings made a positive contribution, as did the unlisted holdings. Overall stable development for the active holdings despite the ongoing pandemic. Krister Magnusson was appointed CEO of Nilörngruppen. Strong volume increase for the wholly-owned household assistant Ankarsrum Assistent Original™. The holding in Ankarsrum Motors was divested. The holding in Duroc was reclassified as a financial investment since Traction is not involved in the company's board of directors and the ownership since 2017 is less than ten percent of the votes. Minor new investments in the unlisted companies Tengai and Medino. Increased ownership in Driver Group – currently Diales – to 17 percent and in Nilörngruppen to 26 percent of the capital. Acquired just over four percent of the capital in the British AIM-listed company Portmeirion in connection with a directed issue and just under five percent in the Irish solar park company Alternus Energy ahead of an unofficial listing of the company's shares.

2019 In terms of earnings, a record year where Traction showed a profit of MSEK 416, corresponding to an increase in net asset value adjusted for dividends paid of 16 percent. The return on the active listed holdings amounted to about 21 percent and for other listed shares to 42 percent, in a generally strong stock market where the Stockholm Stock Exchange rose by about 35 percent. Another year with negative interest rates in Sweden and

Drillcon



several other countries. This contributed to continued asset inflation and generally challenging conditions for Traction to find new attractive investment objects to engage in as an active owner. The holding in WYG Plc was short-lived and was sold at a good profit in connection with a bid (bid premium of 244 percent) from the American consulting company TetraTech. The payment received totalled MSEK 91. The holding in Mönsterås Metall was liquidated, but this did not affect Traction financially. Record results in several of the active holdings such as Drillcon, OEM International and Softronic. Weak earnings development in Hifab where, among other things, costs for new recruitments burdened the result. Softronic's founder, principal owner and CEO Anders Eriksson handed over the CEO position to Per Adolfsson in January. Peter Andersson was appointed new CEO of BE Group in September. Acquired a major shareholding (14.2 percent) in the British AIM-listed company Driver Group – currently Diales – for approximately MSEK 52. Increased ownership marginally in Nilörngruppen and decreased slightly in Duroc.

2018 The holding in Eitech Holding was formally divested in January after approval by the competition authority in Sweden. Payment received, including amortisation of receivables, totalling approximately MSEK 50 was received in 2018. The deal was agreed at the end of 2017 and also contributed positively to the result. In February Traction became a major owner of Mönsterås Metall (49 percent), which at the same time acquired Ankarsrum Diecasting from Traction. The British technology consulting company WYG became a new active holding as Traction acquired 15 percent of the shares in several rounds during the year for a total of about MSEK 48. Weak price development for both Traction's active listed holdings (-5 percent) and other listed shares, similar to the Stockholm Stock Exchange as a whole, which also developed negatively. Positive earnings and business development in several of the active holdings, including BE Group, Nilörngruppen, OEM International, Sigicom and Softronic, where the last four showed record results. BE Group posted its best result since 2008. Ownership in BE Group increased slightly to 22 percent of

the capital through acquisitions for MSEK 15. Ownership in Nilörngruppen decreased slightly in connection with the sale of shares for MSEK 25. Ankarsrum Industries with the operating companies Ankarsrum Motors and Ankarsrum Kitchen was revalued by MSEK -29 against the background of low capacity utilisation in the Group's production lines for electric motors. However, the proprietary kitchen machine Ankarsrum Assistent Original® developed stably.

2017 At the beginning of 2017 Duroc acquired International Fibres Group against payment of newly issued shares in Duroc. The holding in Waterman Group was divested after a public offer, which for Traction's part entailed a total offer value of just under MSEK 85 and a profit effect in 2017 of MSEK 40. Shares in Nilörngruppen were sold for MSEK 67, whereby the ownership decreased to 24 percent of the capital and 57 percent of the votes. The holding in Banking Automation Ltd was divested at the end of 2017. Traction has been a partner in Banking Automation Ltd since 1986. Strong share price development in Drillcon (82 percent) and Softronic (71 percent) contributed positively to the result. Weak development in the Ankarsrum companies, which burdened the result with a total of MSEK 60 in 2017. The return on listed active holdings was 29 percent and the return on other listed shares was 13 percent.

2016 Traction posted its best result ever of MSEK 401, corresponding to a return of 19 percent. Invested MSEK 30 in Eitech Holding AB in the form of shares and loans, corresponding to 10 percent of the capital and 4 percent of the votes. New CEOs were appointed in Duroc and Drillcon. Divested all shares in Nordic Camping & Resort after a bid from the Norwegian venture capitalist Norvestor Equity AS. During the year, gradually increased ownership in Waterman Group, whereby ownership increased from 11 percent to about 16 percent. Shares in Nilörngruppen were sold for MSEK 79, whereby ownership decreased to 31 percent of the capital and 61 percent of the votes. Acquired 8 percent of the capital and 4 percent of the votes in Poolia (now PION Group) and became the company's second largest owner and became involved in the company's nomination committee. Strong share price development in Nilörngruppen (99 percent), BE Group (40 percent) and Hifab Group (36 percent) contributed positively to the result. Nilörngruppen and OEM International posted record results. Ankarsrum Motors was revalued by MSEK -25 due to weaker development. The return on other equity investments amounted to 45 percent. Negative deposit rates contributed to the fact that most of Traction's liquidity was invested in short-term interest-bearing investments with marginally positive returns.

Traction's history

Traction was started in 1974 by entrepreneur Bengt Stillström as a one-man consultancy with a capital of a few thousand Swedish kronor. Today Traction is a stock exchange-listed investment company with equity of more than MSEK 4,300, while just over MSEK 1,000 has been distributed to the shareholders in the form of dividends and repurchase of shares since the listing in 1997.

Traction's service has always been to help develop companies. We have worked with the companies' unusual events. By this we mean everything except the day-to-day work in the companies, where the entrepreneur or other partners have already shown initiative and competence. Often it has been about how to exploit new ideas and how to manage operations that are not working well. To support this, we have developed a business philosophy that we know from experience works. It is our instrument and guiding principle. You could also say that it has become Traction's product. In addition to adaptation, new sales, development and production start-up of new products, the unusual events have usually involved the purchase and sale of businesses, reconstructions, reorganisation, recruitment, financing, cooperation and international expansion. We have helped the entrepreneurs and CEOs and complemented them, so that together we became strong. We have had staff with different backgrounds, sales, technology, law, finance, etc. to cope with this broad approach. Many times we have had to step in as a temporary CEO and negotiator.

During its first ten years, Traction operated as a one person business; in the early 1980s, a small central organisation was subsequently established. Bengt Stillström served as CEO from the company's founding in 1974 until 2001 and is currently Chairman of the Board. Petter Stillström joined the Board in 1997 and has been CEO since 2001.

Initially, our client base was entrepreneurs and business owners. Later, larger companies and banks were added, mainly in connection with projects to rescue businesses that had gone wrong. As a positive effect of profitable business, the capital has grown, which has enabled investments in larger and more mature companies and since the early 1990s Traction has acted as an active owner in several listed companies where we work from an active board/owner role. In parallel with the active company development, parts of the capital have also been invested in other listed companies, which over time has contributed to Traction's capital growth.

The business model started as a consultancy business, based on payment for time spent, and evolved into a partnership with the entrepreneurs - becoming part-

ners, working on a performance basis and eventually also investing equity, providing loans and guarantees. In recent years, the main focus has been on active and long-term ownership of small and medium-sized enterprises in parallel with the investment of capital in other listed shares and fixed income assets in order to generate a return on capital.

Traction's capital base has been built up over a long period of time, without borrowing in the parent company, and with low or non-existent debt in the project companies. We have a business model that is long-term and that we believe is sustainable. Traction helps to create healthy companies.



Selection of historical projects that were large, profitable, long-lasting and/or significant:

- » **Ankarsrum Motors**, highly automated electric motor production, production of welding feed motors and controls, contract manufacturing.
- » **Ankarsrum Die Casting**, aluminium die casting.
- » **Duroc**, an industrial group that during Traction's active ownership period operated in areas such as laser surface treatment, train wheel maintenance, saw blades and machine trade. Traction has been a major owner since the acquisition of International Fiber Group 2017, but has not been active in board work since 2020.
- » **AcadeMedia**, interactive education with later focus on charter schools.
- » **Allgon**, antennae and system components for mobile telephones and base stations.
- » **Arvako**, staffing and recruitment.
- » **Banking Automation Ltd**, deposit machines, payment machines and exchange machines (ATMs).
- » **Bricad**, real estate development and management.
- » **Centrum Invest**, consultancy and development company for shopping centres.
- » **CMA Computer Marketing**, rental of mainframe computers and computer sales.
- » **Eitech respektive EIAB**, electrical installations and contracting/assembly.
- » **EasyT**, internet travel agency and software.
- » **Eska Komponenter**, an attempt to structure the Swedish foundry and casting industry.
- » **Gnosjö Plast**, injection-moulding of plastic articles.
- » **Haldex**, automotive components.
- » **Inter Innovation**, development and promotion of a mechanism for dispensing banknotes from automatic teller machines.
- » **Jarl 20**, development, construction and sale of tenant-owned housing cooperatives.
- » **JC**, clothing chain.
- » **JP Bank**, brokerage, banking.
- » **Kjessler & Mannerståle**, engineering consultancy.
- » **Know IT**, IT consultancy.
- » **Maxitech**, thick-film hybrids.
- » **Mutter Media/Metronome**, TV production company.
- » **Nordic Camping & Resort**, chain of camping and cabin operations.
- » **OEM International**, one of Europe's leading technical trading companies, offering more than 60,000 products from over 400 suppliers.
- » **PartnerTech**, contract manufacturing.
- » **Standard Radio**, communication radio equipment.
- » **Svecia**, screen-printing machines.
- » **Svenska Järnvägsverkstäderna, ASJ**, specialised foundry for casting brake shoes for railway vehicles.
- » **Sweden Table Tennis**, Stiga table tennis equipment.
- » **Swedish Tool**, supplier of machine tools, machine service and support. Acquired by Duroc in 2007. Established by Bricad.
- » **Thalamus Networks**, control technology, broadband.
- » **Tolerans**, rotational stapling machines for tabloid newspapers.
- » **Waterman**, technology consultancy based in London.
- » **WYG**, technology consultancy based in Leeds.

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