

Period October - December

- Profit after taxes amounted to MSEK 207 (155), distributed as follows:
 - Active holdings, listed MSEK 114 (107)
 - Active holdings, unlisted MSEK 0 (9)
 - Financial investments MSEK 94 (42)
- Earnings per share amounted to SEK 14.00 (10.46)
- Net asset value per share increased by 8 percent adjusted for dividend paid
- The return on listed active holdings amounted to 12 percent

Period January - December

- Profit after taxes amounted to MSEK -19 (416), distributed as follows:
 - Active holdings, listed MSEK 32 (209)
 - Active holdings, unlisted MSEK 30 (10)
 - Financial investments MSEK -72 (204)
- Earnings per share amounted to SEK -1.25 (28.12)
- The return on listed active holdings was 4 percent
- Net asset value per share amounted to SEK 197 (203)
- Net asset value per share decreased by 1 (+16) percent adjusted for dividend paid

Events after the end of the period

- The change in value, including dividend income on listed holdings since 31 December amounts to MSEK 136 as of 12 February 2021
- The Board of Directors proposes a dividend of SEK 2.00 (4.20)

Traction in brief

Traction is an investment company with active ownership interest in listed and unlisted small- and medium-sized companies. Traction is also engaged in investment activities for the purpose of obtaining a good yield on the Company's capital through financial investments, mainly in other listed companies and interest-bearing assets. Traction's role as owner is based on an active and long-term engagement in close cooperation with other active owners, entrepreneurs and corporate management groups. Traction does not focus on singular industries. Traction instead is engaged in development and transformation work applicable to all companies intending to prioritize business sense, a long-term approach and sound business principles. Traction's shares are traded on NASDAQ Stockholm (the Mid Cap list). More information is available at www.traction.se.

Traction's net asset value

The table below shows Traction's net asset value as of 31 December 2021.

Holdings	Number of shares thousands	Price per share	Percentage of capital	Percentage of votes	Market value MSEK	Percentage of total	SEK/share
Listed active holdings							
BE Group	3,078	37.60	24%	24%	116	4%	8
Drillcon	24,000	6.88	54%	54%	165	6%	11
Driver Group Plc	9,038	5.86	17%	17%	53	2%	4
Hifab Group	32,944	3.10	54%	55%	102	3%	7
Nilörngruppen	3,000	40.30	26%	58%	121	4%	8
OEM International	886	309.00	4%	10%	274	9%	19
Softronic	11,589	21.35	22%	20%	247	8%	17
Total					1,078	37%	73
Unlisted active holdings							
Unlisted holdings					114	4%	8
Loan receivables active holdings					12	0%	1
Total					126	4%	9
Total active holdings					1,204	41%	81
Financial investments, cash and cash equivalents							
Other listed shares ¹					553	19%	37
Interest-bearing investments ²					914	31%	62
Cash and cash equivalents					250	9%	17
Total					1,716	59%	116
TOTAL					2,920	100%	197

¹Since 1 July 2020, Duroc has been reclassified from the category Listed active holdings to Other listed shares as Traction is no longer involved in the Board and the ownership is already less than 10% of the voting rights. The market value as of 31 December 2021 amounted to SEK 92 million. The ownership amounts to 3,138,026 shares, corresponding to 8% of the shares and votes. Traction's view of Duroc is not affected by this reclassification, which is only a consequence of the accounting principles that Traction applies.

²Including interest-bearing investments with a maturity of less than one year in the amount of MSEK 387 and other net asset/liabilities in the amount of MSEK -0.4.

KEY FINANCIAL INDICATORS	2020 Full year	2019 Full year
Change in value of net asset value per share, %	-1	16
Net asset value per share, SEK	197	203
Market price at end of period, SEK	187	195
Discount to net asset value, %	5	4

President's Statement

Traction's profit for the fourth quarter amounted to MSEK 207, which means that most of the weak result for the first quarter has been recovered. The active listed holdings contributed positively during the full year, at the same time as the other listed holdings developed negatively, despite a strong recovery during the autumn. The result for the full year amounted to MSEK -19, compared with the previous year's result of MSEK 416.

PERIOD OCTOBER - DECEMBER

Summary

Profit after tax amounted to MSEK 207 (155), which includes changes in value of MSEK 199 (143) and dividend income of MSEK 2 (2). Financial income amounted to MSEK 7 (13).

Active holdings - listed

Active listed holdings contributed MSEK 114 (107), equivalent to a return of 12 percent. Changes in value amounted to MSEK 114 (107) and dividend income was MSEK 0 (0). Softronic contributed MSEK 32 and Hifab MSEK 22. The holding in Duroc has re-categorized from Active Holdings to Other listed shares, see note 1 on page 2.

Changes in value ¹ (MSEK)	2020 Q 4
BE Group	10
Drillcon	19
Driver Group Plc	2
Hifab Group	22
Nilörngruppen	12
OEM International	18
Softronic	32
Profit listed active holdings	114

¹Including dividends as amounted to MSEK 0.

Active holdings - unlisted

Active unlisted holdings impacted profit by MSEK 0 (9), which includes dividend income of MSEK 0 (0), revaluation of shares MSEK 0 (9) and loan receivables MSEK 0 (1).

During the quarter, approximately MSEK 11 was invested in Medino Online Ltd in connection with a private placement. Medino is an online pharmacy based in the UK (medino.com)

Financial investments

Other listed holdings contributed MSEK 94 (42), divided into shares MSEK 68 (34) and interest-bearing investments MSEK 26 (8).

The change in value of other listed shares was MSEK 66 (32) and dividend income amounted to MSEK 2 (2). Individual holdings exceeded MSEK 30 consists of Duroc (MSEK 92), Wallenius Wilhelmsen (MSEK 37), DNB (MSEK 35), Portmeirion (MSEK 34), Resurs Holding (MSEK 32) and Volkswagen (MSEK 31), which during the period increased in total value of MSEK 37.

Changes in value of interest-bearing investments amounted to MSEK 19 (-4) and interest income was MSEK 7 (13). Interest-bearing investments as of 31 December amounted to MSEK 914 (1,075), of which MSEK 387 (447) are investments in commercial paper and similar instruments with a tenor of less than one year and MSEK 527 (628) in corporate bonds and similar instrument.

PERIOD JANUARY - DECEMBER

Summary

Profit after taxes amounted to MSEK -19 (416), which includes changes in value of MSEK -48 (307) and dividend income of MSEK 6 (66). Financial income amounted to MSEK 33 (51). The net asset value decreased during the period by 1 (+16) percent adjusted for dividend paid of MSEK 62.

Active holdings - listed

Active listed holdings contributed by MSEK 32 (209), equivalent to a return of 4 percent. Changes in value amounted to MSEK 32 (164) and dividend income was less than MSEK 1 (45). Softronic contributed MSEK 55 and OEM MSEK 52. Nilörngruppen burdened the result by MSEK -76, and Duroc by MSEK -24 until June 30, after which the holding is included in other listed shares. In total, the change in value of Duroc amounts to MSEK -6 for the full year. Investments in active listed holdings amounted to MSEK 26 of which Nilörngruppen MSEK 11, Driver Group MSEK 9 and BE Group MSEK 6.

Changes in value ¹ (MSEK)	2020 Full year
BE Group	6
Drillcon	18
Driver Group Plc	-21
Duroc ²	-24
Hifab Group	22
Nilörngruppen	-76
OEM International	52
Softronic	55
Profit listed active holdings	32

¹Including dividends as amounted to MSEK 1.

²Refers to the period January-June as the holding is included in Other listed shares since 1 July. 12m change in value amounts to MSEK -6.

Active holdings - unlisted

Active unlisted holdings contributed by MSEK 30 (10), of which changes in value amounted to MSEK 32 (-3), dividend income of MSEK 0 (3) and revaluation of loan receivables MSEK -3 (9). Interest income amounted to MSEK 1 (1).

The holding in Ankarsrum Industries was revalued by MSEK 30 due to a strong increase in volumes and bright future prospects for the wholly owned kitchen machine Ankarsum Assistent Original™. Sales amounted to MSEK 123 (73) for the full year, an increase of 68 percent with significantly improved

profitability. The holding in Ankarsrum Motors was discontinued.

During the year approximately MSEK 15 was invested in the unlisted holdings Tengai AB and Medino Online Ltd. Amortization of loan receivables amounted to MSEK 8.

Financial investments

Other listed holdings burdened the result by MSEK -72 (204), divided into shares MSEK -91 (163) and interest-bearing investments MSEK 20 (41). The weak development is mainly explained by exposure to the energy sector and capital-intensive sectors such as banks, basic industry and transport.

Changes in value of other listed shares amounted to MSEK -96 (145) and dividend income amounted to MSEK 5 (18). The change in value of interest-bearing investments amounted to MSEK -13 (-8) and interest income was MSEK 33 (49).

The weak development is mainly explained by exposure to the energy sector and capital-intensive sectors such as banks, basic industry and transport.

Liquidity

Traction's cash position amounted to MSEK 250 (171). Other interest-bearing investments amounted to MSEK 914 (1,075), of which investments in short-term interest-bearing investments¹ amounted to MSEK 387 (447). Holdings in other listed shares amounted to MSEK 553 (571). During the period, dividend of SEK 4.20 (3.60) per share, MSEK 62 (53), was paid.

¹Short-term interest-bearing investments are defined as investments in commercial paper and similar instruments with a maturity of less than one year, and investments that fall due for payment within 12 months.

Equity/Net asset value

Equity amounted to MSEK 2,920 as of 31 December (3,001) equivalent to SEK 197 (203) per share. The number of shares outstanding as of 31 December was 16,000,000, of which 1,800,000 of Class A. Not including repurchased shares (1,210,153 equivalent to 8

percent), the number of shares outstanding was 14,789,847, of which 1,800,000 were Class A shares.

Proposed dividend

The Board Directors proposes a dividend of SEK 2.00 (4.20) equivalent to MSEK 30 (62). The dividend proposal is in line with the Company's dividend policy, according to which the dividend is to be adjusted so that there will be no tax expense in the Parent Company. According to the policy, dividends etc., received in the parent company shall be further distributed. Due to a decrease from MSEK 42 to MSEK 6, a lower dividend is proposed compared with the previous year.

Parent Company

AB Traction's result for the period amounted to MSEK 28 (317). The cash position amounted to MSEK 119 (54), not including investments in short-term interest-bearing investments¹ of MSEK 376 (403). The Parent Company has no external loans.

¹Short-term interest-bearing investments are defined as investments in commercial paper and similar instruments with a maturity of less than one year, and investments that fall due for payment within 12 months.

Transactions with closely related parties

There have been no transactions between Traction and closely related parties that have significantly affected the Group's and the Parent Company's financial position during the period. There were the usual transactions between wholly and majority owned companies in the Traction Group, including loans, interest charges, repayments and some charges for services provided.

Risks and uncertainty factors

Traction's significant risk and uncertainty factors include business risks in the form of exposure to certain industries, or an individual holding, as well as dependency on individual

key persons in the Companies in which Traction has an ownership interest.

In addition, there are financial risks, which primarily consist of price risks, i.e. the risk of a change in value of a financial instrument due to changes in share prices, derivatives, bonds, foreign exchange rates or interest rates. In addition to the risks described in Traction's Annual Report in general by reason of the Company's business orientation, specific reference can be made to the Report of the Board of Directors and accompanying notes for a more detailed discussion of the Group's and the Parent Company's risk exposure and risk management procedures. Beyond that, no additional significant risks are deemed to have been added beyond all risks and uncertainty factors that exist as a result of the ongoing pandemic.

Accounting policies

This year-end report for the Group has been prepared in accordance with IAS 34 - Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The year-end Report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act. Traction is an investment company in accordance with IFRS 10, which means that Traction applies the statutory exceptions to consolidation of subsidiaries.

IFRS 16 which deals with the accounting treatment of rental and leasing contracts for lessors as well as lessees, has not given rise to monetary changes in the Group's accounting since these amounts are insignificant.

In all other respects the same accounting policies and calculation methods have been applied as in the most recent annual report, which is published on the same day as this interim report. Comparative data refer to the corresponding year-ago period, except in the case of balance sheet items and liquidity metrics which refer to the prior year-end.

This year-end report has not been subject to review by the Company's auditors.

The President hereby confirms that this interim report provides a fair overview of the operations of the Company's and the Group's operations, financial position and results, and describes significant risks and factors of uncertainty facing the Company and the companies in the Group.

Publication dates for future financial information

26 Apr 2021	Interim Report January-March 2021
26 Apr 2021	AGM 2020, 5:00 p.m. in Stockholm
16 July 2021	Interim Report January-June 2021
21 Oct 2021	Interim Report January-September 2021
21 Feb 2022	Year-end Report 2021

This year-end report is a translation of the Swedish version. In case of any discrepancy between the Swedish or English translation, the Swedish version shall prevail.

The information herein is of the type Traction is under obligation to publish in accordance with the EU Market Abuse Regulation. The information was submitted for publication at 13:00 a.m., 15 February 2021.

Stockholm, 15 February 2021

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Summary Consolidated Income Statement

MSEK	2020 Q 4	2019 Q 4	2020 Full year	2019 Full year
Dividend income	2.3	1.8	5.5	66.2
Changes in value	198.6	143.1	-48.1	307.4
Financial income/expense	7.1	13.2	33.1	51.0
Other income	0,4	0.4	1.9	3.1
Operating expenses	-1.4	-3.7	-11.0	-11.7
Result before taxes	207.1	154.8	-18.5	415.9
Taxes	-	-	-	-
Result for the period¹	207.1	154.8	-18.5	415.9
Earnings per share before and after dilution ² (SEK)	14.00	10.46	-1.25	28.12
Number of shares outstanding (thousands)	14,790	14,790	14,790	14,790
Average number of shares outstanding (thousands)	14,790	14,790	14,790	14,790

¹The information on the period's profit is in the case of Traction consistent with the comprehensive result. No separate report on comprehensive result is therefore presented-

²There are no instruments outstanding that may lead to dilutive effects.

Summary Consolidated Balance Sheet

MSEK	2020 31 Dec	2019 31 Dec
ASSETS		
Tangible non-current assets	-	-
Loan receivables	11.9	22.0
Equities	1,192.2	1,166.1
Total non-current assets	1,204.1	1,188.1
Other current assets	1.0	1.0
Financial investments	1,467.1	1,645.7
Loan receivables	-	-
Cash and cash equivalents	249.6	171.4
Total current assets	1,717.7	1,818.1
TOTAL ASSETS	2,921.8	3,006.2
EQUITY AND LIABILITIES		
Equity		
Attributable to Parent Company's equity holders	2,920.4	3,001.1
Total equity	2,920.4	3,001.1
Current liabilities	1.4	5.1
Total liabilities	1.4	5.1
TOTAL LIABILITIES AND EQUITY	2,921.8	3,006.2

Summary Report of Changes in Consolidated Equity

MSEK	2020 31 Dec	2019 31-Dec
Amount attributable to the Parent Company's shareholders at the beginning of the year	3,001.1	2,638.4
Dividend to shareholders	-62.1	-53.2
Repurchase of own shares	-	-
Profit for the period	-18.5	415.9
Closing balance	2,920.4	3,001.1

Summary Consolidated Cash Flow Statement

MSEK	2020 Q 4	2019 Q 4	2020 Full year	2019 Full year
Operating activities				
Consolidated profit before taxes	207.1	154.8	-18.5	415.9
Adjustment for items not included in cash flow	-198.7	-143.1	49.4	-307.4
Paid taxes	-	-	-	-
Cash flow from operating activities	8.4	11.7	30.8	108.5
Change in working capital	-3.5	1.0	-3.6	3.6
Cash flow from operating activities	4.8	12.7	27.2	112.2
Cash flow from investment activities				
Purchase of shares in unlisted companies	-11.5	-	-15.6	-
Sale of shares in unlisted companies	-	-	-	-
Purchase of shares in listed companies	-97.1	-130.6	-234.0	-315.3
Sale of shares in listed companies	23.3	72.5	215.3	346.3
Purchase/sale of tangible non-current assets	-	-	-	-
Change in other financial assets	-3.7	60.0	147.3	-46.5
Cash flow from investment activities	-89.0	2.0	113.1	-15.6
Financing activities				
Dividend paid	-	-	-62.1	-53.2
Repurchase of own shares	-	-	-	-
Cash flow from financing activities	-	-	-62.1	-53.2
Cash flow for the period	-84.2	14.6	78.2	43.4
Cash and cash equivalents at beginning of period	333.8	156.8	171.4	128.0
Cash and cash equivalents at end of period	249.6	171.4	249.6	171.4

Performance Specification

Group 2020 Q 4	Active holdings, listed	Active holdings unlisted	Financial investments / other	Total
Dividend income	-	-	2.3	2.3
Changes in value	114.3	-0.3	84.6	198.6
Financial income/expense	-	0.1	7.0	7.1
Other revenue	-	-	0.4	0.4
Operating expenses	-	-	-1.4	-1.4
Profit before taxes	114.3	-0.2	92.9	207.1

Group 2019 Q 4	Active holdings, listed	Active holdings unlisted	Financial investments / other	Total
Dividend income	-	-	1.8	1.8
Changes in value	106.5	8.8	27.8	143.1
Financial income/expense	-	0.7	12.7	13.2
Other revenue	-	-	0.4	0.4
Operating expenses	-	-	-3.7	-3.7
Profit before taxes	106.5	9.4	39.0	154.8

Group 2020 Full year	Active holdings, listed	Active holdings unlisted	Financial investments / other	Total
Dividend income	0.7	0.0	4.8	5.5
Changes in value	31.5	29.5	-109.0	-48.1
Financial income/expense	-	0.6	32.6	33.1
Other revenue	-	-	1.9	1.9
Operating expenses	-	-	-11.0	-11.0
Profit before taxes	32.2	30.1	-80.8	-18.5

Group 2019 Full year	Active holdings, listed	Active holdings unlisted	Financial investments / other	Total
Dividend income	45.1	2.7	18.4	66.2
Changes in value	164.2	6.0	137.3	307.4
Financial income/expense	-	1.2	49.8	51.0
Other revenue	-	-	3.1	3.1
Operating expenses	-	-	-11.7	-11.7
Profit before taxes	209.3	9.9	196.8	415.9

Financial Assets

Group 31 December 2020 MSEK	Level 1	Level 2	Level 3	Total
Financial assets				
Shares in unlisted holdings	-	-	114.3	114.3
Shares in listed active holdings	1,078.1	-	-	1,078.1
Financial investments	1,467.1	-	-	1,467.1
Total	2,545.3	-	114.3	2,659.4

Group 31 December 2019 MSEK	Level 1	Level 2	Level 3	Total
Financial assets				
Shares in unlisted holdings	-	-	66.5	66.5
Shares in listed active holdings	1,099.6	-	-	1,099.6
Financial investments	1,645.7	-	-	1,645.7
Total	2,745.3	-	66.5	2,811.8

Fair value valuation of financial instruments

Level 1: According to prices quoted in active markets for the same instrument

Level 2: Based on directly or indirectly observable market data not included in level 1

Level 3: Based on input data not observable in the market.

Changes in Level 3 Financial Assets

Group MSEK	2020
Opening carrying value	66.5
Purchases/shareholder contributions	15.6
Sales	0.0
Change in value	32.2
Total	114.3

Valuation of Level 3 Financial Instruments

Valuation of unlisted holdings is made based on International Private Equity and Venture Capital Valuation Guidelines as developed and published jointly by risk capital organisations EVCA, BVCA and AFIC. For directly owned investments, an overall assessment is made to determine which valuation method is appropriate for each individual holding. Taken into account will be whether any financing or transaction “at armslength distance” has been made and an evaluation is also made by applying relevant multiples to the company’s key financial indicators from a selected group of similar companies, less an adjustment for, for instance, difference in size between the company in question and the group of comparable companies. In cases where there are other methods that better reflect the fair value of an individual holding, such methods are used which

means that individual holdings may be value by other than the methods described above. All level 3 assets consist of shares in unlisted companies and are valued in accordance with the following valuation methods and non-observable data used for determining the carrying value. The data in the table below represent a selection and is therefore not all input data used in the valuation.

EBIT multiples: 5 - 9

Revenue multiples: 0.5 - 3.0

Net asset valuation: Established net asset value

Most recent transaction: In the case of recently floated new issue/share offering, the price thereon is taken into account. Higher multiples may also be applied in cases of expected rapid growth.

Summary Parent Company Income Statement

MSEK	2020 Q 4	2019 Q 4	2020 Full year	2019 Full year
Dividend income	2.3	1.8	5.5	41.9
Changes in value	158.6	98.1	10.7	261.2
Financial income/expense	-	-	-	0.5
Other external costs	-0.3	-0.2	-1.4	-1.1
Operating result	160.7	99.6	14.9	302.4
Other interest income/expense and similar items	3.0	3.8	12.9	15.0
Result after financial items	163.8	103.5	27.8	317.4
Taxes	-	-	-	-
Result for the period¹	163.8	103.5	27.8	317.4

¹The information on the period's result is in the case of Traction is consistent with the comprehensive result. No separate report on comprehensive result is therefore presented.

Summary Parent Company Balance Sheet

MSEK	2020 31 Dec	2019 31 Dec
ASSETS		
Equities	980.9	825.9
Total non-current assets	980.9	825.9
Due from Group companies	252.6	428.2
Financial investments	1,032.5	1,111.8
Cash and cash equivalents	119.1	53.7
Total current assets	1,404.3	1,593.8
TOTAL ASSETS	2,385.2	2,419.6
EQUITY AND LIABILITIES		
Equity	2,384.8	2,419.2
Current liabilities	0.4	0.5
Total current liabilities	0.4	0.5
TOTAL LIABILITIES AND EQUITY	2,385.2	2,419.6

Definitions and alternative key financial indicators

The definitions and alternative key financial indicators below are significant for the understanding of Traction's operations. Only earnings per share below is defined in accordance with IFRS. All alternative key financial indicators refer to the Group. Calculations are based on exact figures, which means that differences may occur due to rounding.

The Traction Group

Aside from the AB Traction parent company, the Traction Group includes wholly owned subsidiaries managing securities, providing lending, underwriting and consultancy services, mainly to Traction's project companies.

Financial investments

Refers to investments in shares and interest-bearing financial instruments 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 of Directors. Financial investments are shown in the listing of Traction's net asset value, and in the consolidated and Parent Company balance sheets in this report. A previously active listed holding is recognized as a financial investment on the day when ownership falls below 10 percent of the votes, or from the day when Traction's representative leaves the Board of Director.

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 of Directors. Active holdings are shown in the listing of Traction's net asset value in this report. A holding is recognized as from the day when Traction's ownership exceeds 10 percent of the votes, or from the day when Traction is represented on the Board of Directors.

Unlisted active holdings

Wholly and partially owned unlisted companies where any remaining shares typically are held by one or more entrepreneurs or other active owners. Unlisted holdings are companies whose shares typically are owned by one or more entrepreneurs or other active part owners. Unlisted holdings are companies whose shares are not subject to organized daily trading, but not necessarily on a regulated market. Upon listing of an unlisted holding, or upon delisting of a listed company, the holding switches category on the day when the change occurs.

Equity per share/net asset value per share

Equity at the end of the period, divided by the number of shares outstanding on the same day, i.e. $2,920 \times 1,000,000 / 14,789,847 = \text{SEK } 197$.

Net asset value discount

Traction's market value, where unlisted class A shares are given the same value as the listed class B shares at the end of the period, less the net asset value divided by the net asset value at the end of the period in percent multiplied by -1, i.e. $((187 - 197) / 197 \times 100) \times -1 = 5\%$

Net asset value/equity

The net of assets and liabilities at market value, which in Traction's case is equivalent to the Traction Group's equity, i.e. MSEK 2,920 as of 31 December 2020.

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

Earnings per share, divided by opening equity per share after deduction of dividend paid per share during the period in percent, i.e. for the period: $-1.25 / (203 - 4.2) \times 100 = -1\%$.

Earnings per share before and after dilution

Result for the period after dilution, divided by the average number of shares outstanding during the period, i.e. $-18.5 \times 1,000,000 / 14,789,847 = \text{SEK } -1.25$. The number of shares outstanding during the period was unchanged.