

Period January - March

- Profit after taxes amounted to MSEK -19 (501), distributed as follows:
 - Active listed holdings MSEK 26 (305)
 - Unlisted holdings MSEK 0 (50)
 - Financial investments MSEK -43 (148)
- Earnings per share amounted to SEK -1.30 (33.86)
- Net asset value per share amounted to SEK 285 (286)
- Net asset value per share was unchanged (+17) percent
- The return on active listed holdings was approximately 1 percent
- The return on other listed shares was approximately -6 percent

Events after the end of the period

- The change in value, including dividend income on listed holdings since 31 March amounts to MSEK -57 as of 4 May 2022, whereof active listed holdings amount to MSEK -62 and other listed shares MSEK 5.

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 March 2022.

Holdings	Number of shares thousands	Price per share	Percentage of capital	Percentage of votes	Market value MSEK	Percentage of total	SEK/share
Active listed holdings							
BE Group	3,178	172.00	24%	24%	547	13%	37
Drillcon	24,000	6.18	54%	54%	148	4%	10
Driver Group Plc	10,753	3.70	21%	21%	40	1%	3
Hifab Group	32,944	2.70	54%	55%	89	2%	6
Nilörngruppen	3,000	99.60	26%	58%	299	7%	20
OEM International	2,228	163.20	3%	10%	364	9%	25
Softronic	11,589	25.75	22%	20%	298	7%	20
Total					1,784	42%	121
Unlisted holdings							
Unlisted holdings					317	8%	21
Due from unlisted holdings					29	1%	2
Total					346	8%	23
Total active listed and unlisted holdings					2,130	51%	144
Financial investments, cash and cash equivalents							
Other listed shares ¹					786	19%	53
Interest-bearing investments ²					1,014	24%	69
Cash and cash equivalents					286	7%	19
Total					2,085	49%	141
TOTAL					4,215	100%	285

¹Other listed shares where Traction's ownership exceeds four percent of the shares outstanding:

Holding	Number of shares thousands	Percentage of capital	Market value MSEK
Duroc	3,025	8%	75
Poolia	2,920	6%	55
Portmeirion Plc	610	4%	46
TOTAL			176

²Including interest-bearing investments with a maturity of less than one year in the amount of MSEK 516.5 and other net asset/liabilities in the amount of MSEK -0.9.

President's Statement

Traction's profit for the first quarter of 2022 amounts to MSEK -19, which means a marginal decrease in net asset value during the period in which the Stockholm Stock Exchange fell by 14 percent. The active listed holdings contributed positively with MSEK 26, while the other listed shares charged the result with MSEK 42, corresponding to a negative return of approximately 6 percent.

Most of Traction's active listed holdings continue to show strong development, and in particular BE Group, Nilörngruppen, OEM International and Softronic, all of which exceed previous earnings records.

Russia's military attack on Ukraine, with its far-reaching economic and geopolitical consequences coupled with China's persistent shutdown policy, to reduce the spread of Covid -19, poses significant uncertainty and economic challenges that are likely to persist for a long time to come. In addition, the effects of the Riksbank's monetary policy and the simultaneous lack of political initiatives to curb asset inflation that this policy has entailed are significant factors of uncertainty. It is reasonable to assume that long-term necessary interest rate hikes will result in relatively sharp price declines on properties with sad consequences for many highly indebted households whose consumption space is already affected by generally rising prices; especially for necessities such as electricity, fuel and food. Traction tries to parry all these challenges and take advantage of the business opportunities that may also arise in a generally weaker and more turbulent external climate.

PERIOD JANUARY - MARCH

Summary

Profit after tax amounted to MSEK -19 (501), which includes changes in value of MSEK -36 (488) and dividend income of MSEK 11 (6). Financial income amounted to MSEK 9 (8).

Active listed holdings

Active listed holdings contributed MSEK 26 (305), equivalent to a return of approximately 1 percent. Changes in value amounted to MSEK 25 (305) and dividend income was MSEK 1 (1). The major contributors to the result were BE Group which contributed MSEK 126 and Nilörngruppen MSEK 52. Hifab Group also contributed positively to the result. During the period, shares amounting to MSEK 21 have been divested in OEM International, at SEK 205.5 per share.

Changes in value ¹ (MSEK)	2022 Q1
BE Group	126
Drillcon	-48
Driver Group Plc	-24
Hifab Group	7
Nilörngruppen	52
OEM International	-47
Softronic	-39
Profit active listed holdings	26

¹Including dividends as amounted to MSEK 1.

Unlisted holdings

Unlisted holdings impacted profit by MSEK 0 (50), which includes revaluation of shares by MSEK 0 (50) and revaluation of loan receivables by MSEK 0 (0) and dividend income of MSEK 0 (0).

Financial investments

Other listed holdings contributed MSEK -43 (148), divided into shares MSEK -42 (114) and interest-bearing investments MSEK -1 (34).

The change in value of other listed shares was MSEK -52 (108) and dividend income

amounted to MSEK 10 (5), of which Wallenius Wilhelmsen contributed by MSEK 20 whereas Duroc had a negative impact of MSEK 22. The top five holdings as of March 31 in terms of market cap consist of Duroc (MSEK 75), Wallenius Wilhelmsen (MSEK 66), Volkswagen (MSEK 65), Poolia (MSEK 55) and Portmeirion (MSEK 46). Shares amounting to approximately MSEK 27 have been divested in Wallenius Wilhelmsen. In total, shares have been acquired for a net MSEK 68, of which MSEK 21 relates to the conversion of previous holdings of convertibles in Arise. Changes in value of interest-bearing investments amounted to MSEK -9 (26) and interest income was MSEK 9 (8), of which changes in value of convertible bonds amounts to MSEK 1 (12).

Traction's cash position amounted to MSEK 286 (467). Interest-bearing investments as of 31 March amounted to MSEK 1,015 (876), of which MSEK 517 (369) are investments in commercial papers and similar instruments with a tenor of less than one year and MSEK 498 (507) in corporate bonds and similar instruments. Holdings in other listed shares amounted to MSEK 786 (769).

Proposed dividends from active listed holdings including redemption of shares in OEM International amounts to MSEK 82 (82) in the second quarter. The dividend proposal to Traction's shareholders amounts to SEK 4.85 (2.00) per share equivalent to MSEK 72 (30).

Equity/Net asset value

Equity amounted to MSEK 4,215 as of 31 March (4,235) equivalent to SEK 285 (286) per share. The number of shares outstanding as of 31 March 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.

Parent Company

AB Traction's result for the period amounted to MSEK 31 (321). The cash position amounted to MSEK 223 (410), not including investments in short-term interest-bearing investments with a maturity of less than one year of MSEK 443 (301). The Parent Company has no external loans.

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, dividends/Group contributions 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.

Accounting policies

This interim 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 interim 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.

In all other respects the same accounting policies and calculation methods have been applied as in the most recent annual 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.

The information in this interim report was submitted for publication, through the agency of the CEO, at 3 pm., 5 May 2022.

Stockholm, 5 May 2022

Petter Stillström
CEO

This interim report has not been subject to review by the Company's auditors.

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Proposal by the Board of Directors and Annual General Meeting

A notice for the Annual General Meeting was published on April 4, 2022. Henrik Lange, Jonas Olavi, Bengt Stillström (CoB), and Petter Stillström are proposed for re-election to the board. Further information on traction.se.

The AGM will take place on Thursday, May 5, 2022, 5 pm.

Publication dates for future financial information:

15 July 2022	Interim Report January-June 2022
25 Oct 2022	Interim Report January-September 2022
10 Feb 2023	Year-end Report 2022

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

Summary Consolidated Income Statement

MSEK	2022 Q 1	2021 Q 1	2021 Full year
Dividend income	10.6	5.9	108.1
Changes in value	-36.1	488.4	1,212.8
Financial income/expense	8.8	8.4	31.2
Other income	0.3	0.5	1.6
Operating expenses	-2.8	-2.4	-10.0
Result before taxes	-19.3	500.8	1,343.7
Taxes	-	-	-
Result for the period¹	-19.3	500.8	1,343.7
Earnings per share before and after dilution ² (SEK)	-1.30	33.86	90.85
Number of shares outstanding (thousands)	14,790	14,790	14,790
Average number of shares outstanding (thousands)	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	2022 31-Mar	2021 31-Mar	2021 31-Dec
ASSETS			
Loan receivables	28.8	11.8	28.8
Equities	2,101.5	1,554.1	2,093.1
Total non-current assets	2,130.3	1,565.8	2,122.0
Other current assets	0.8	0.7	4.0
Financial investments	1,800.3	1,577.4	1,644.6
Cash and cash equivalents	285.5	278.6	466.9
Total current assets	2,086.6	1,856.8	2,115.5
TOTAL ASSETS	4,217.0	3,422.6	4,237.5
EQUITY AND LIABILITIES			
Equity attributable to Parent Company's equity holders	4,215.3	3,421.2	4,234.5
Total equity	4,215.3	3,421.2	4,234.5
Current liabilities	1.7	1.4	2.9
Total liabilities	1.7	1.4	2.9
TOTAL EQUITY AND LIABILITIES	4,217.0	3,422.6	4,237.5

Summary Report of Changes in Consolidated Equity

MSEK	2022 31-Mar	2021 31-Mar	2021 31-Dec
Amount attributable to the Parent Company's shareholders at the beginning of the year	4,234.5	2,920.4	2,920.4
Dividend to shareholders	-	-	-29.6
Repurchase of own shares	-	-	-
Profit for the period	-19.3	500.8	1,343.7
Closing balance	4,215.3	3,421.2	4,234.5

Summary Consolidated Cash Flow Statement

MSEK	2022 Q 1	2021 Q 1	2021 Full year
Operating activities			
Consolidated profit before taxes	-19.3	500.8	1,343.7
Adjustment for items not included in cash flow	-36.1	-488.4	-1,230.1
Paid taxes	-	-	-
Cash flow from operating activities	16.8	12.4	113.7
Change in working capital	2.0	0.3	-1.5
Cash flow from operating activities	18.8	12.6	112.2
Cash flow from investment activities			
Purchase of shares in unlisted companies	-4.0	-5.0	-12.8
Sale of shares in unlisted companies	-	-	-
Purchase of shares in listed companies	-132.2	-92.2	-308.8
Sale of shares in listed companies	84.4	84.4	381.6
Change in other financial assets	-148.4	29.2	74.8
Cash flow from investment activities	-200.1	16.4	134.7
Financing activities			
Dividend paid	-	-	-29.6
Repurchase of own shares	-	-	-
Cash flow from financing activities	-	-	-29.6
Cash flow for the period	-181.4	29.1	217.3
Cash and cash equivalents at beginning of period	466.9	249.6	249.6
Cash and cash equivalents at end of period	285.5	278.6	466.9

Performance Specification

Group 2022, MSEK	Active listed holdings	Unlisted holdings	Financial investments / other	Total
Q 1				
Dividend income	1.0	-	9.6	10.6
Changes in value	24.7	0.1	-61.0	-36.1
Financial income/expense	-	0.2	8.7	8.8
Other revenue	-	-	0.3	0.3
Operating expenses	-	-	-2.8	-2.8
Profit before taxes	25.7	0.4	-45.3	-19.3

Group 2021, MSEK	Active listed holdings	Unlisted holdings	Financial investments / other	Total
Q 1				
Dividend income	0.8	-	5.1	5.9
Changes in value	304.5	49.9	134.2	488.4
Financial income/expense	-	0.1	8.3	8.4
Other revenue	-	-	0.5	0.5
Operating expenses	-	-	-2.4	-2.4
Profit before taxes	305.3	49.9	145.7	500.8

Group 2021, MSEK	Active listed holdings	Unlisted holdings	Financial investments / other	Total
Full year				
Dividend income	65.9	20.7	21.5	108.1
Changes in value	754.5	187.3	271.0	1,212.8
Financial income/expense	-	0.3	30.8	31.2
Other revenue	-	-	1.6	1.6
Operating expenses	-	-	-10.0	-10.0
Profit before taxes	820.4	208.3	314.9	1,343.7

Financial Assets

Group 31 March 2022, MSEK	Level 1	Level 2	Level 3	Total
Financial assets				
Shares in unlisted holdings	-	-	317.0	317.0
Shares in active listed holdings	1,784.5	-	-	1,784.5
Financial investments	1,800.3	-	-	1,800.3
Total	3,584.8	-	317.0	3,901.8

Group 31 December 2021, MSEK	Level 1	Level 2	Level 3	Total
Financial assets				
Shares in unlisted holdings	-	-	312.9	312.9
Shares in active listed holdings	1,780.2	-	-	1,780.2
Financial investments	1,644.6	-	-	1,644.6
Total	3,424.8	-	312.9	3,737.7

Key Financial Indicators

	2022 Q 1	2021 Q 1	2021 Full year
Change in value of net asset value per share, %	0	17	47
Net asset value per share, SEK	285	231	286
Market price at end of period, SEK	257	204	277
Discount to net asset value, %	10	12	3

Changes in Level 3 Financial Assets

Group, MSEK	2022 Q1
Opening carrying value	312.9
Purchases/shareholder contributions	4.0
Sales	-
Change in value	0.1
Total	317.0

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.

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	2022 Q 1	2021 Q 1	2021 Full year
Dividend income	10.6	5.9	52.6
Changes in value	19.7	313.5	966.4
Other external costs	-0.6	-0.4	-0.9
Operating result	29.7	319.0	1,018.1
Other interest income/expense and similar items	1.7	2.2	9.0
Result after financial items	31.4	321.2	1,027.1
Taxes	-	-	-
Result for the period¹	31.4	321.2	1,027.1

¹The information on the period's result 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	2022 31-Mar	2021 31-Mar	2021 31-Dec
ASSETS			
Equities	1,646.2	1,175.9	1,648.5
Total non-current assets	1,646.2	1,175.9	1,648.5
Due from Group companies	168.2	253.9	187.1
Financial investments	1,376.4	1,114.8	1,137.2
Cash and cash equivalents	223.3	161.8	410.0
Total current assets	1,768.0	1,530.5	1,734.2
TOTAL ASSETS	3,414.2	2,706.5	3,382.8
EQUITY AND LIABILITIES			
Equity	3,413.8	2,706.0	3,382.3
Current liabilities	0.4	0.4	0.4
Total current liabilities	0.4	0.4	0.4
TOTAL EQUITY AND LIABILITIES	3,414.2	2,706.5	3,382.8

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.

Active listed 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 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. $4,215 \times 1,000,000 / 14,789,847 = \text{SEK } 285$.

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. $((257 - 285) / 285 \times 100) \times -1 = 10\%$

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 4,215 as of 31 March 2022.

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: $-1.30 / (286) \times 100 = 0\%$.

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. $-19.3 \times 1,000,000 / 14,789,847 = -1.30 \text{ SEK}$. The number of shares outstanding during the period was unchanged.