

Period April - June

- Profit after taxes amounted to MSEK 160 (167), distributed as follows:
 - Active listed holdings MSEK 110 (71)
 - Unlisted holdings MSEK 1 (0)
 - Financial investments MSEK 50 (98)
- Earnings per share amounted to SEK 10.79 (11.26)
- Net asset value per share increased by 5 percent adjusted for dividend paid
- The return on listed active holdings amounted to approximately 8 percent

Period January - June

- Profit after taxes amounted to MSEK 660 (-496), distributed as follows:
 - Active listed holdings MSEK 415 (-246)
 - Unlisted holdings MSEK 51 (-12)
 - Financial investments MSEK 198 (-232)
- Earnings per share amounted to SEK 44.65 (-33.52)
- The return on listed active holdings was approximately 39 percent
- Net asset value per share amounted to SEK 240 (165)
- Net asset value per share increased by 23 (-17) percent adjusted for dividend paid

Events after the end of the period

- The change in value, including dividend income on listed holdings since 30 June amounts to MSEK 146 as of 15 July 2021, of which from active holdings MSEK 126.

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 30 June 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	3,156	60.20	24%	24%	190	5%	13
Drillcon	24,000	8.80	54%	54%	211	6%	14
Driver Group Plc	10,203	7.21	20%	20%	74	2%	5
Hifab Group	32,944	2.80	54%	55%	92	3%	6
Nilörngruppen	3,000	80.20	26%	58%	241	7%	16
OEM International	2,658	128.20	4%	10%	341	10%	23
Softronic	11,589	24.15	22%	20%	280	8%	19
Total					1,428	40%	97
Unlisted holdings							
Unlisted holdings					169	5%	11
Due from unlisted holdings					12	0%	1
Total					181	5%	12
Total listed active and unlisted holdings					1,609	45%	109
Financial investments, cash and cash equivalents							
Other listed shares ¹					769	22%	52
Interest-bearing investments ²					703	20%	48
Cash and cash equivalents					471	13%	32
Total					1,942	55%	131
TOTAL					3,551	100%	240

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	Value change Q 2 MSEK
Alternus Energy	1,275	6%	41	3
Duroc	3,138	8%	108	21
Poolia	3,743	8%	39	2
Portmeirion Plc	610	4%	51	10
TOTAL			239	36

²Including interest-bearing investments with a maturity of less than one year in the amount of MSEK 220 and other net asset/liabilities in the amount of MSEK -0.8.

President's Statement

After a strong first quarter for Traction's active holdings and financial investments, the development during the second quarter is stable but relatively modest compared to the previous year. The net asset value increased by 5 percent adjusted for dividends paid and a profit of MSEK 160. For the half-year period, the change in net asset value amounts to 23 percent and a profit of MSEK 660.

After the end of the reporting period, some of Traction's larger holdings have reported record-breaking earnings reports, including BE Group, Nilörngruppen and OEM International. Furthermore, Duroc has announced that the result for the quarter will significantly exceed the previous year.

BE Group's result is particularly positive with operating profit of MSEK 158 for the second quarter and MSEK 244 for the half-year period. The underlying operating margin was 9.5 percent, which is the greatest since the company went public in 2006. Evidently, sharply rising steel prices support the positive development, but it is also gratifying to note that the management's solid efforts have strongly contributed to the improvement.

Most of the earnings releases have been well received by the market, which has contributed to an increase in the value of Traction's listed holdings since 30 June of MSEK 146 as of 15 July, of which active holdings account for MSEK 126.

PERIOD APRIL - JUNE

Summary

Profit after tax amounted to MSEK 160 (167), which includes changes in value of MSEK 83 (161) and dividend income of MSEK 72 (1). Financial income amounted to MSEK 8 (8).

Active listed holdings

Active listed holdings contributed MSEK 110 (71), equivalent to a return of 8 percent. Changes in value amounted to MSEK 46 (64) and dividend income was MSEK 64 (0). Of the change in value, sale of redemption shares in OEM International accounts for MSEK 11. OEM also executed a 3-for-1 stock split. Nilörngruppen contributed MSEK 71, OEM International MSEK 57 and BE Group MSEK 17. Softronic burdened the result by MSEK -45. The ownership in Driver Group increased to approximately 20 percent of the shares outstanding due to a purchase of MSEK 7. In BE Group, shares of MSEK 1 was acquired during the period.

Changes in value ¹ (MSEK)	2021 Q 2
BE Group	17
Drillcon	-1
Driver Group Plc	12
Hifab Group	-1
Nilörngruppen	71
OEM International	57
Softronic	-45
Profit listed active holdings	110

¹Including dividends as amounted to MSEK 64.

Unlisted holdings

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

Financial investments

Other listed holdings contributed MSEK 50 (98), divided into shares MSEK 36 (48) and interest-bearing investments MSEK 14 (50).

Changes in value of other listed shares amounted to MSEK 31 (47) and dividend income amounted to MSEK 6 (1), of which Duroc contributed by MSEK 21 and Portmeirion by MSEK 10. The top five holdings in terms of market cap consist of Duroc (MSEK 108), Portmeirion (MSEK 51), Nordea (MSEK 48), Wallenius Wilhelmsen

(MSEK 44) and Volkswagen (MSEK 43). Changes in value of interest-bearing investments amounted to MSEK 7 (42) and interest income to MSEK 8 (8).

Traction's cash and cash equivalents amounted to MSEK 471 (250). Interest-bearing investments as of 30 June amounted to MSEK 703 (914), of which MSEK 220 (387) consist of investments in commercial paper and similar instruments with a tenor of less than one year, and MSEK 483 (527) in corporate bonds and similar instruments. Holdings in other listed shares amounted to MSEK 769 (553). During the period, dividend of SEK 2.00 (4.200) per share, MSEK 30 (62), was paid.

PERIOD JANUARY - JUNE

Summary

Profit after taxes amounted to MSEK 660 (-496), which includes changes in value of MSEK 571 (-512) and dividend income of MSEK 77 (3). Financial income amounted to MSEK 16 (19). The net asset value increased by 23 (-17) percent adjusted for dividend paid of MSEK 30 (62).

Active listed holdings

Active listed holdings contributed by MSEK 415 (-246), equivalent to a return of approximately 39 percent. Changes in value amounted to MSEK 350 (-247) and dividend income was MSEK 65 (1). Nilörngruppen impacted the result by MSEK 126 and BE Group by MSEK 71. Hifab Group burdened the result by MSEK -10. During the period, shares in active listed holdings were net acquired to an amount of MSEK 11, of which Driver Group MSEK 7 and BE Group just below MSEK 4.

Changes in value ¹ (MSEK)	2021 6 months
BE Group	71
Drillcon	63
Driver Group Plc	14
Hifab Group	-10
Nilörngruppen	126
OEM International	85
Softronic	-67
Profit listed active holdings	415

¹Including dividends of MSEK 65.

Unlisted holdings

Unlisted holdings contributed by MSEK 51 (-12), of which changes in value amounted to MSEK 50 (-12), dividend income of MSEK 1 (0) and revaluation of loan receivables MSEK 0 (0). Ankarsrum Industries was revaluated by MSEK +40.

Financial investments

Other listed holdings impacted the result by MSEK 198 (-232), divided into shares of MSEK 150 (-197) and interest-bearing investments MSEK 48 (-35).

Changes in value of other listed shares amounted to MSEK 139 (-199) and dividend income amounted to MSEK 11 (2). Duroc and Portmeirion contributed by MSEK 16 each, and Nordea by MSEK 13. The change in value of interest-bearing investments amounted to MSEK 32 (-54) and interest income was MSEK 16 (19).

Equity/Net asset value

Equity amounted to MSEK 3,551 (2,920) as of 30 June equivalent to SEK 240 (197) per share. The number of shares outstanding as of 30 June 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 515 (-300). The cash position amounted to MSEK 362 (119 not including investments in certificates and other short-term interest-bearing investments in the amount of MSEK 189 (376). 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 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 half-year 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.

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.

Publication dates for future financial information:

Oct 22 2021	Interim Report January-September 2021
Feb 21 2022	Year-end Report 2021

This half-year 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 in this half-year report is such that Traction is obliged to publish in accordance with the Securities Market Act. The information was submitted for publication at 13:00 a.m., 16 July 2021.

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

The board of Directors and the President hereby confirms that this half-year 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.

Stockholm, July 16 2021

Petter Stillström
CEO

Bengt Stillström
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Summary Consolidated Income Statement

MSEK	2021 Q 2	2020 Q 2	2021 6 months	2020 6 months	2020 Full year
Dividend income	71.5	0.8	77.3	2.6	5.5
Changes in value	82.5	160.5	570.9	-511.8	-48.1
Financial income/expense	7.5	7.8	15.9	18.8	33.1
Other income	0,4	0.8	0.9	1.1	1.9
Operating expenses	-2.4	-3.3	-4.8	-6.3	-11.0
Result before taxes	159.6	166.5	660.4	-495.8	-18.5
Taxes	-	-	-	-	-
Result for the period¹	159.6	166.5	660.4	-495.8	-18.5
Earnings per share before and after dilution ² (SEK)	10.79	11.26	44.65	-33.52	-1.25
Number of shares outstanding (thousands)	14,790	14,790	14,790	14,790	14,790
Average number of shares outstanding (thousands)	14,790	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	2021 30-Jun	2020 30-Jun	2020 31-Dec
ASSETS			
Tangible non-current assets	-	-	-
Loan receivables	11.8	22.3	11.9
Equities	1,597.2	921.3	1,192.2
Total non-current assets	1,609.0	943.6	1,204.1
Other current assets	0.7	0.9	1.0
Financial investments	1,472.4	1,039.9	1,467.1
Cash and cash equivalents	470.6	463.0	249.6
Total current assets	1,943.7	1,503.8	1,717.7
TOTAL ASSETS	3,552.7	2,447.5	2,921.8
EQUITY AND LIABILITIES			
Equity			
Attributable to Parent Company's equity holders	3,551.2	2,443.2	2,920.4
Total equity	3,551.2	2,443.2	2,920.4
Current liabilities	1.5	4.2	1.4
Total liabilities	1.5	4.2	1.4
TOTAL LIABILITIES AND EQUITY	3,552.7	2,447.5	2,921.8

Summary Report of Changes in Consolidated Equity

MSEK	2021 30-Jun	2020 30-Jun	2020 31-Dec
Amount attributable to the Parent Company's shareholders at the beginning of the year	2,920.4	3,001.1	3,001.1
Dividend to shareholders	-29.6	-62.1	-62.1
Repurchase of own shares	-	-	-
Profit for the period	660.4	-495.8	-18.5
Closing balance	3,551.2	2,443.2	2,920.4

Summary Consolidated Cash Flow Statement

MSEK	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Full year
Operating activities					
Consolidated profit before taxes	159.6	166.5	660.4	-495.8	-18.5
Adjustment for items not included in cash flow	-82.5	-160.5	-570.9	511.8	49.4
Paid taxes	-	-	-	-	-
Cash flow from operating activities	77.1	6.1	89.5	16.1	30.8
Change in working capital	0.1	0.8	0.4	-0.8	-3.6
Cash flow from operating activities	77.2	6.8	89.8	15.2	27.2
Cash flow from investment activities					
Purchase of shares in unlisted companies	-	-	-5.0	-	-15.6
Sale of shares in unlisted companies	-	-	-	-	-
Purchase of shares in listed companies	-109.8	-50.7	-200.4	-119.0	-234.0
Sale of shares in listed companies	40.5	58.9	124.9	191.3	215.3
Change in other financial assets	213.7	-119.7	241.2	266.2	147.3
Cash flow from investment activities	144.4	-111.5	160.7	338.5	113.1
Financing activities					
Dividend paid	-29.6	-62.1	-29.6	-62.1	-62.1
Repurchase of own shares	-	-	-	-	-
Cash flow from financing activities	-29.6	-62.1	-29.6	-62.1	-62.1
Cash flow for the period	192.0	-166.8	221.0	291.6	78.2
Cash and cash equivalents at beginning of period	278.6	629.8	249.6	171.4	171.4
Cash and cash equivalents at end of period	470.6	463.0	470.6	463.0	249.6

Performance Specification

Group 2021 Q2 MSEK	Active listed holdings	Unlisted holdings	Financial investments /other	Total
Dividend income	64.2	1.4	5.9	71.5
Changes in value	45.9	-0.2	37.0	82.5
Financial income/expense	-	0.1	7.5	7.5
Other revenue	-	-	0.4	0.4
Operating expenses	-	-	-2.4	-2.4
Profit before taxes	110.1	1.3	48.2	159.6

Group 2020 Q2 MSEK	Active listed holdings	Unlisted holdings	Financial investments /other	Total
Dividend income	0.0	0.0	0.8	0.8
Changes in value	71.3	0.0	89.1	160.5
Financial income/expense	-	0.1	7.8	7.8
Other revenue	-	-	0.8	0.8
Operating expenses	-	-	-3.3	-3.3
Profit before taxes	71.3	0.1	95.2	166.5

Group 2021 6 months MSEK	Active listed holdings	Unlisted holdings	Financial investments /other	Total
Dividend income	65.0	1.4	10.9	77.3
Changes in value	350.4	49.7	171.0	570.9
Financial income/expense	-	0.2	15.8	15.9
Other revenue	-	-	0.9	0.9
Operating expenses	-	-	-4.8	-4.8
Profit before taxes	415.4	51.2	193.8	660.4

Group 2020 6 months MSEK	Active listed holdings	Unlisted holdings	Financial investments /other	Total
Dividend income	0.7	0.0	1.9	2.6
Changes in value	-246.9	-12.0	-253.1	-511.8
Financial income/expense	-	0.2	18.8	18.8
Other revenue	-	-	1.1	1.1
Operating expenses	-	-	-6.3	-6.3
Profit before taxes	-246.2	-11.8	-237.6	-495.8

Financial Assets

Group 30 June 2021 MSEK	Level 1	Level 2	Level 3	Total
Financial assets				
Shares in unlisted holdings	-	-	168.9	168.9
Shares in listed active holdings	1,428.3	-	-	1,428.3
Financial investments	1,472.4	-	-	1,472.4
Total	2,900.7	-	168.9	3,069.6

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

Key Financial Indicators

	2021 6m	2020 6m	2020 Full year
Change in value of net asset value per share, %	23	-17	-1
Net asset value per share, SEK	240	165	197
Market price at end of period, SEK	226	172	187
Discount to net asset value, %	6	-4	5

Changes in Level 3 Financial Assets

Group 2021 Q 2 MSEK	
Opening carrying value	169.1
Purchases/shareholder contributions	0.0
Sales	0.0
Change in value	-0.2
Total	168.9

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	2021 Q 2	2020 Q 2	2021 6 months	2020 6 months	2020 Full year
Dividend income	35.3	0.9	41.2	2.6	5.5
Changes in value	155.2	107.7	468.7	-309.1	10.7
Financial income/expense	-	-	-	-	-
Other external costs	-0.4	-0.4	-0.8	-1.0	-1.4
Operating result	190.1	108.1	509.1	-307.6	14.9
Other interest income/expense and similar items	3.3	3.3	5.5	7.6	12.9
Result after financial items	193.3	111.4	514.5	-300.0	27.8
Taxes	-	-	-	-	-
Result for the period¹	193.3	111.4	514.5	-300.0	27.8

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	2021 30-Jun	2020 30-Jun	2020 31-Dec
ASSETS			
Equities	1,298.6	850.1	980.9
Total non-current assets	1,298.6	850.1	980.9
Due from Group companies	185.2	250.2	252.6
Other receivables	-	-	-
Financial investments	1,024.1	636.4	1,032.5
Cash and cash equivalents	362.2	320.6	119.1
Total current assets	1,571.5	1,207.2	1,404.3
TOTAL ASSETS	2,870.1	2,057.4	2,385.2
EQUITY AND LIABILITIES			
Equity	2,869.7	2,057.1	2,384.8
Current liabilities	0.4	0.4	0.4
Total current liabilities	0.4	0.4	0.4
TOTAL LIABILITIES AND EQUITY	2,870.1	2,057.4	2,385.2

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 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. $3,551 \times 1,000,000 / 14,789,847 = \text{SEK } 240$.

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. $((226 - 240) / 240 \times 100) \times -1 = 6\%$

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 3,551 as of 30 June 2021.

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: $44.65 / (197 - 2.0) \times 100 = 23\%$.

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. $660.4 \times 1,000,000 / 14,789,847 = 44.65 \text{ SEK}$. The number of shares outstanding during the period was unchanged.