

TRACTION

ANNUAL REPORT
2024



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Shareholder information

- 8 May, 2025 Interim Report January-March 2025
- 8 May, 2025 Regular AGM 2025, 17:00 in Stockholm
- 18 July, 2025 Interim Report January-June 2025
- 28 October, 2025 Interim Report January-September 2025
- 17 February, 2026 Year-end Report 2025

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 2024 annual report, available on Traction's website.

Dear shareholders,

Traction's results for 2024 amounted to MSEK 477, representing an increase in net asset value of approximately 13 percent, adjusted for dividends paid. While the result is one of Traction's highest in nominal terms, it falls significantly short of previous records in terms of return on equity.

The actively managed listed holdings as a group remained flat, delivering a return of -2 percent (MSEK -35), while unlisted holdings contributed over MSEK 260 and financial investments MSEK 262. The financial equity investments performed particularly well, generating a return of approximately 20 percent, while the bond portfolio yielded just over 10 percent—during a year when the Stockholm Stock Exchange (SBX) rose by 8 percent. The start of 2025 has been positive, and as of 12 February, the change in value of Traction's listed holdings amounted to MSEK 127, of which the actively managed listed holdings accounted for MSEK 72 and other listed equities for MSEK 56.

Traction's larger unlisted holdings—Ankarsrum, Recco, and Sigicom—showed strong positive development during the year, leading to significant revaluations. Ankarsrum Industries achieved 44 percent growth with solid profitability, with its US market expanding by over 90 percent. Recco's revenue increased by nearly 50 percent, accompanied by a substantial improvement in profitability, while Sigicom grew by 22 percent, including a small complementary acquisition completed in the fourth quarter. The long-term growth potential for these companies remains considerable.

The lacklustre value development of the actively managed listed holdings was primarily due to weak performance from BE Group (MSEK -85), Drillcon (MSEK -38), and Portmeirion (MSEK -20), which was not offset by the positive performance of Softronic (MSEK 47), OEM International (MSEK 29), Nilörngruppen (MSEK 20), Hifab Group (MSEK 10), and Diales (MSEK 3). Share price fluctuations can sometimes be attributed to market interest or lack thereof in specific stocks, rather than the operational performance of the underlying companies. However, the above changes clearly reflect how these businesses evolved over the past year, with BE Group's profitability

particularly affected by falling steel prices in a weak construction market.



In November 2024, EQT announced a cash offer for OEM International. At the same time, it was disclosed that EQT, through agreements with Traction and other A-shareholders, would acquire a majority of the voting rights in OEM, provided the offer was completed. The transaction was finalised in February 2025, with EQT assuming the role of principal owner replacing the company's founding families. Traction will divest all its A-shares for MSEK 420 while acquiring nearly 1.8 million B-shares at the same price, totalling MSEK 195.

By the undersigned, Traction has been actively involved on OEM's board since 2010 and has served as chairman since 2017. During this period, thanks to its outstanding leadership and corporate culture, OEM has demonstrated exceptional performance, with revenue increasing by nearly 300 percent, profit by nearly 500 percent, and market capitalisation by over 1,000 percent—excluding dividends and multiple capital distributions. If managed effectively, EQT is well positioned to accelerate OEM's growth, thereby creating continued value appreciation.

The transaction in OEM strengthens Traction's already robust financial capacity. The ambition for 2025 is to reinforce Traction's organisation to accelerate development and transformation within several of its active holdings, as well as to identify new business opportunities. These opportunities may include both active holdings and financial investments where we see an attractive revaluation potential.

Petter Stillström, CEO

2024 in summary

- » Net profit after tax amounted to MSEK 477 (270), distributed as follows:
 - Active listed holdings: MSEK -35 (140)
 - Unlisted holdings: MSEK 262 (-21)
 - Financial investments: MSEK 262 (164)
- » The return on the bond portfolio was just over 10 percent.
- » Received dividends totalled MSEK 89 (127), of which MSEK 35 (75) came from active holdings.
- » Net asset value per share increased by 13 (7) percent, including distributed dividends.
- » Traction's net asset value amounted to MSEK 4,247 (3,925), corresponding to SEK 287 (265) per share.
- » The return on active listed holdings was approximately -2 (10) percent.
- » The return on other listed equities was approximately 20 (13) percent.

- » Traction's larger unlisted holdings—Ankarsrum, Recco, and Sigicom—showed strong positive development during the year.
- » Offer for OEM International.

Events in early 2025

- » The offer for OEM International was declared unconditional on 7 February, whereby Traction will divest all its A-shares for MSEK 420 and acquire nearly 1.8 million B-shares at the same price, totalling MSEK 195.
- » The Board proposes a dividend of SEK 9.00 (10.45) per share, corresponding to MSEK 133 (155).
- » Changes in the value of listed equity holdings in 2025 up to 12 February amount to MSEK 127, of which active listed holdings account for MSEK 72.

Key financial indicators

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|--|-------|-------|-------|-------|-------|
| Profit for the year, MSEK | 477 | 270 | -378 | 1,344 | -19 |
| Net asset value, MSEK | 4,247 | 3,925 | 3,785 | 4,235 | 2,920 |
| Net asset value per share, SEK | 287 | 265 | 256 | 286 | 197 |
| Earnings per share, SEK | 32 | 18 | -26 | 91 | -1 |
| Market price at end of period, SEK | 263 | 242 | 211 | 277 | 187 |
| Change in net asset value per share, % | 13 | 7 | -9 | 47 | -1 |
| Dividend per share, SEK ¹ | 9.00 | 10.45 | 8.80 | 4.85 | 2.00 |
| Dividend yield, % ¹ | 3.4 | 4.3 | 4.2 | 1.8 | 1.1 |

¹Dividend for 2024 refers to the Board's proposal.

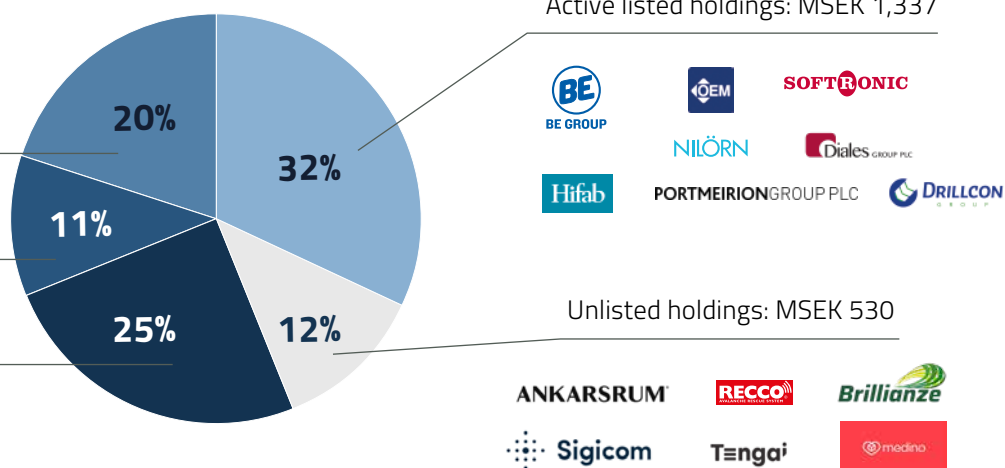
Distribution of Traction's net asset value

Financial investments

Cash and cash equivalents and interest-bearing investments with maturity < 1 year: MSEK 837

Interest-bearing investments with maturity > 1 year: MSEK 470

Other listed shares: MSEK 1,070



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.
- » Project managers who can provide business leaders with the support and complementary expertise they need.
- » Partners who can act as project manager, board member, CEO and/or partner.
- » 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:

- » Need support in specific situations when urgent operational measures are needed in critical phases of reconstruction of operations.
- » Are looking for a partner with the ability to provide a reconstruction loan to save a business from financial collapse.
- » Need a partner with the financial resources needed to enter into a major project.
- » Need a guarantor/underwriter in connection with raising capital.



Business organisation



Petter Stillström
CEO, M.Sc. in Economics. Active in Traction since 1999, CEO since 2001. Previously active in corporate finance.



Joakim Skoglund
Asset manager and analyst, B. Sc. Business & Economics. Active in Traction since 2015. Previously portfolio manager and equity strategist at fund companies and banks.



Johan Nilsson Wall
Analyst, B. Sc. in Finance and M.Sc. in Accounting. Active in Traction since 2019. Previously equity analyst at an investment bank.

Kerstin Critti

Chief Financial Officer, B. Sc. Business & Economics. Employed at Traction since March 2025. Previously Authorised Public Accountant and has worked in fund and publicly listed companies.

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.

Board of directors



Bengt Stillström



Henrik Lange



Jonas Olavi

Bengt Stillström, born 1943. M. Sc. (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. B. Sc. (Economics). Henrik is currently director of Alfa Laval, Trelleborg, Dunker-stiftelserna, 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. M. Sc. (Economics). Head of Tactical Asset Allocation and Portfolio Manager at Alpcot Equities. Owner Sprengporten 4 AB. Stock market columnist in the magazine Aktiespararen. Board member since 2020. Formerly Head of Allocation at

Alfred Berg Kapitalförvaltning AB. Before that, chief equity and fixed income strategist at Nordea, and CEO and fund manager at Michael Östlund & Company Fonder AB and Delphi Fonder AB. Shareholding: 0 shares.

Petter Stillström, born 1972. M. Sc. (Business Administration), CEO since 2001 and board member since 1997. Chairman of the boards of Ankarsrum Kitchen, Nilörngruppen, and OEM International, and board member of BE Group, Hifab, 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: Mazars AB, Chief Auditor Martin Kraft, Authorised Public Accountant. Traction's auditor since 2022.

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.
- » A principal owner may not grant favours to himself or herself at the expense of the company, but shall be entitled to reasonable compensation for his or her participation in the management of the company.
- » 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.
- » The Board of Directors works on behalf of the owners.
- » In its capacity of major owner, Traction always wants to participate in the work of the nomination committee.
- » The nomination committee should be composed of representatives of the owners. If ownership ceases, the representative in question should immediately resign from the nomination committee.
- » Traction wishes at all times to be granted the opportunity to appoint at least one director in companies in which Traction has a major shareholding.
- » Option programmes for employees should only be offered if the employee invests a market equity contribution.
- » Private placements with new, major owners may be suitable in the case of smaller companies, which thereby can avoid negative effects on the market price of the share and also get a better ownership structure.

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. Other transactions in listed companies may mean that we guarantee new issues in companies that need new capital and where we see opportunities for good returns. 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: 25%
Revenue 2024: MSEK 4,667
Operating profit 2024: MSEK -49 (MSEK 51 underlying)
Other owners: Alf Svedulf 25%, Johan Ahldin 5%, Försäkringsaktiebolaget Avanza Pension 5%
CEO: Peter Andersson



BE Group is a trading and service company in the steel and metal industry. The company's approximately 10,000 customers are primarily in the engineering and construction industry in Sweden and Finland, where BE Group is one of the market's leading suppliers.

With solid expertise and efficient processes in purchasing, logistics and simple production, BE Group offers stock sales, production service and direct deliveries based on their specific needs for steel and metal products. The head office is located in Malmö.

For the full year 2024, net sales amounted to MSEK 4,667 (5,328), with

an underlying operating result of MSEK 51 (30). Market conditions remain weak, and the decline in material prices continued throughout the year. The underlying operating margin for 2024 was 1.1 (0.6) percent, compared to 7.1 percent in 2022 and 9.8 percent in 2021.

BE Group's long-term margin target of exceeding 5 percent is expected to be achieved not only through a more favourable price level but also through continued supply chain optimisation, cost focus, and deeper customer collaboration. In 2024, it was decided that the Polish operations were to be relocated to Sweden and Finland, which is expected

to have an ongoing positive impact on results, with a payback period of less than one year. The Baltic operations were discontinued. In the spring, Anders Rothstein took office as the new chairman.

Traction has been involved in the company's Board of Directors since 2012. BE Group has been listed on the Nasdaq Stockholm Small Cap list since November 2006.

Further information:
begroup.com

Drillcon

Year of investment: 2008
Traction's share of capital and votes: 54%
Revenue 2024: MSEK 416
Operating profit 2024: MSEK 34 (EBITDA MSEK 57)
Other owners: Försäkringsaktiebolaget Avanza Pension 5%, Mikael Berglund 5%
CEO: Patrik Rylander



Drillcon is Europe's largest core drilling company and a major raise boring contractor. The company's market consists of customers in the mining and construction industry. The Nordics segment accounts for just over half of the Group's sales. The remaining sales are from the Iberia segment, which includes Portugal and Spain.

The main operations are currently run through subsidiaries in Sweden, Portugal and Spain. Through these subsidiaries, Drillcon provides services to customers in several countries. In Sweden, Drillcon supplies drilling services

to Boliden, LKAB and Lundin Mining, among others. Core drilling is used to take material samples in rock and can also be used for concrete reinforcement, while raise boring is a method for drilling shafts in rock, including for ventilation and mine lifts. The services are offered in all geographical markets. Drillcon has been in business since 1963 and is headquartered in Örebro, Sweden.

For the full year 2024, Drillcon reported net sales of MSEK 416 (474) with an adjusted operating result of MSEK 34.0 (34.6). Despite lower sales in 2024 compared to 2023, efforts to

improve internal processes and reduce costs have resulted in maintained profitability, with a return on equity of 12.0 (13.5) percent and an adjusted operating margin of 8.2 (7.3) percent. Drillcon's financial target is an operating margin exceeding 10 percent.

Traction has been a co-owner of Drillcon since autumn 2008 and since 2013 owns more than 50 percent of the shares. Drillcon is listed on Nasdaq Stockholm First North.

Further information:
drillcon.se

Hifab Group

Year of investment: 2004
Traction's share of capital and votes: 52% and 54%
Revenue 2024: MSEK 328
Operating profit 2024: MSEK 26
Other owners: Niras AB 9 and 8%, Zirkona AB 7% and 6%, Niveau Holding AB 5% and 12%
CEO: Nicke Rydgren



Hifab Group is one of Sweden's leading project management groups, with over 75 years of experience in the property industry and all its disciplines.

Hifab offers independent advice and project management where the company helps clients with strategy, projects and management. Hifab's clients own, invest in, develop and manage land, buildings, premises, facilities, infrastructure and social resources such as energy and water.

To meet the civil engineering industry's increasing need for strategic advice, Hifab Advisory was launched at the end of 2022, which is a wholly owned start-up in the Hifab Group. Hifab Advisory is growing rapidly with

several large assignments with real estate companies and offers advice in business development, sustainability, energy strategy and digitalisation to management teams and decision-makers in the industry.

Through Hifab OY, the company also has a presence in the Finnish market with an increased focus on energy consultancy and project management.

For the full year 2024, Hifab reported net sales of MSEK 328 (309), corresponding to a growth of 6 percent. The operating result amounted to MSEK 25 (13), resulting in an operating margin of 7.6 (4.2) percent. The turnaround that began in 2022 has clearly materialised in 2024, with margin improvement

achieved despite a cautious market. Hifab's target is a sustainable operating margin exceeding 10 percent.

During the year, Hifab increased its focus on Advisory, launched Hifab Tech, established an office in Uppsala, and strengthened its presence in Gothenburg. In 2024, Traction sold shares to Hifab's CEO Nicke Rydgren and other management personnel for approximately MSEK 3.

The company is listed on Nasdaq Stockholm First North.

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

Nilörngruppen

Year of investment: 2005
Traction's share of capital and votes: 26% and 58%
Revenue 2024: MSEK 945
Operating profit 2024: MSEK 83
Other owners: Fondfinans Kapitalförvaltning 7% and 4%, Protector Forsikring 4% and 3%
CEO: Krister Magnusson



Nilörngruppen is an international group, founded in 1977, which adds value to brands through branding and design in the form of labels, packaging and accessories for customers primarily in the fashion and clothing industry. The customers can simply be categorised as brand owners and retail chain companies. Nilörngruppen endeavours to increase its customers' competitiveness by offering services that cover all design resources, including a logistics system that guarantees reliable and short delivery times. Nilörngruppen is one of Europe's leading players with a revenue of MSEK 945, where about 90 percent of the revenue takes place outside the

Nordic region. Nilörngruppen delivers over 1.5 billion labels per year of different sizes and types.

Nilörngruppen is represented through its own companies in Sweden, Denmark, Great Britain, Germany, Belgium, Portugal, Hong Kong, India, Turkey, China, Bangladesh, Italy, Switzerland, Vietnam, USA and Pakistan. The group has its own production of printed labels in England, Turkey, India and Hong Kong, and production of woven and printed labels in Portugal and Bangladesh.

Since Traction bought out Nilörngruppen from the stock exchange in 2009, the company has developed strongly.

For the full year 2024, net sales amounted to MSEK 945 (870), and the operating result was MSEK 82.9 (63.0), corresponding to an operating margin of 8.8 (7.2) percent.

In June 2015 Nilörn was listed on Nasdaq First North in Stockholm and since April 2018 the company is listed on Nasdaq Stockholm, Small Cap list.

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

OEM International

Year of investment: 2009
Traction's share of capital and votes: 3% and 10%
 (Ownership following completion of the offer in February 2025: 1.3% and 0.5%)
Revenue 2024: MSEK 5,239
Operating profit 2024: MSEK 763 (EBITA MSEK 800)
Other owners: EQT 26% and 73% (following completion of the offer in February 2025), Lannebo Fonder 11 and 4%, Nordea Fonder 7% and 3%, SEB Fonder 7% and 3%
CEO: Jörgen Zahlin



OEM International is one of Europe's leading technology trading groups in industrial components and systems. In total, the group sells to over 30,000 customers in selected markets in Europe and the British Isles. OEM offers a broad and deep range of more than 60,000 products from more than 400 leading and specialised suppliers in electrical components, fluid power, motors and transmissions, bearings and seals, appliance components and lighting.

By having a well-developed local market organisation and efficient logistics, OEM is a better alternative for suppliers than their own sales companies. OEM provides a high level of knowledge and service and markets the

products based on the specific conditions of each market. In addition, the product range is adapted to each individual market and the local organisation is tasked with continuously searching for new products and companies to further increase the competitiveness of the customer offering.

For the full year 2024, OEM International reported net sales of MSEK 5,239 (5,145), and adjusted EBITA, excluding one-off costs of MSEK 11, amounted to MSEK 774 (811), corresponding to an adjusted EBITA margin of 15.4 (15.8) percent.

Traction has been a major shareholder in OEM since the end of 2009 and has been involved in the Board of

Directors since spring 2010.

In February 2025, EQT's offer for OEM International was completed, and Traction sold all of its A shares for MSEK 420 while simultaneously acquiring nearly 1.8 million B shares at the same price, totalling MSEK 195. Through the offer, EQT assumed majority ownership of OEM from Orvaus and the founding families of Hans Franzén and Agne Svenberg.

OEM International is listed on Nasdaq Stockholm, Large Cap list.

Further information:
oem.se

Softronic

Year of investment: 2001
Traction's share of capital and votes: 22% and 21%
Revenue 2024: MSEK 842
Operating profit 2024: MSEK 100
Other owners: Andreas Eriksson 20% and 30%, Stig Martin 8% and 15%
CEO: Mattias Flock (takes office on May 26, 2025)



Softronic is an IT and management consultancy whose services range from consultancy and new development to management and operation. Softronic has a holistic approach to change, which means that the company can support customers in everything from strategy to structure, including organisation, processes and IT. Its customers are mainly medium-sized and large companies and organisations in Sweden. Customer relationships are characterised by a long-term approach and the company's partnerships often extend back 10-20 years.

One example of Softronic's offering is the anti-money laundering service

CM1, which helps customers to monitor and identify transactions that may be associated with criminal activity and terrorism. The service is available 24/7/365 and processes more than 100 million transactions per day. CM1 handles all information in accordance with anti-money laundering regulations and GDPR.

In 2024, net sales amounted to MSEK 842 (838). The operating result was MSEK 100 (105), and the operating margin was 11.9 (12.5) percent. In 2025, Mattias Flock takes office as the new CEO and Johan Ahlgren as the new CFO.

Most of Softronic's 438 employees are represented in Stockholm. The

company also operates in Gothenburg, Malmö, Sundsvall, Arjeplog, Karlstad and Visby. Softronic is listed on Nasdaq Stockholm, Small Cap list.

Further information:
softronic.se

Diales

Year of investment: 2019
Traction's share of capital and votes: 27%
Revenue 2023/24: MGBP 43
Underlying operating profit 2023/24: MGBP 1.2
Other owners: Gresham House 20%, Adrian J Williams 9%, Allianz Global Investors 7%
CEO: Mark Wheeler



Bild: Shutterstock

Diales Plc is a British consultancy and one of the global leaders in dispute management, primarily focusing on the construction, infrastructure, and energy sectors under the Diales brand. The company also offers services in traditional project management under the Driver Project Services brand.

Diales has the expertise to provide tailored services across all stages of the project cycle.

The company operates across five continents in 15 countries. The operational segments include Europe & Americas (EuAm), the Middle East, and Asia Pacific, with EuAm accounting for approximately 50 percent of the group's revenue.

For the financial year 2023/24, the company achieved a turnover of MGBP 43. Diales was founded in 1978, with its headquarters located in London,

UK. Traction acquired a stake in Diales at the end of 2019 and currently owns 27 percent of the company. The company is listed on the AIM market of the London Stock Exchange.

Further information:
diales.com

Portmeirion Group

Year of investment: 2020, >10% since 2023
Traction's share of capital and votes: 15%
Revenue 2023: MGBP 103
Operating profit 2023: MGBP 4.8
Other owners: Trustees of Caroline Fulbright Settlement 13%, Charles Stanley Group 11%, Henry Spain Investment Services 8%
CEO: Mike Raybould



Portmeirion Minerals

Portmeirion Group Plc is a British company within tableware and homeware. The company owns and markets a number of well-established brands such as Portmeirion, Spode, Royal Worcester and Pimpernel. In total, Portmeirion Group owns six global brands with sales in over 80 countries.

The brands have an accumulated history of over 750 years. For instance, Spode brand's Blue Italian collection, launched in 1816, is an iconic British design classic of crockery and plates.

The company has two factories in the UK and primarily delivers through its distribution centres in the UK and

USA. Clear focus is on growth in direct-to-consumer (D2C), e-commerce for retail customers, as well as building partnerships with wholesale national and independent retailers, many of whom are omnichannel with both physical stores and e-commerce sites.

Portmeirion's FY24 revenue is expected to be approximately MGBP 90, with a profit before tax at MGBP1.

Traction acquired just over four percent of the company in connection with a directed rights issue in 2020. During 2023, ownership exceeded 10 percent, resulting in its reclassification as active listed holdings.

Ownership has since gradually increased and amounted to just over 15% as of March 2025. Portmeirion Group is listed on the AIM list of the London Stock Exchange.

New Chairman Peter Tracey took office at the beginning of 2025.

Further information:
portmeiriongroup.com



Spode Blue 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 2024: MSEK 347
CEO: Marcus Grimerö



Ankarsrum Kitchen markets, develops and sells the Ankarsrum Assistent Original® household appliance. The company is a wholly owned subsidiary of Ankarsrum Industries, which is 100 percent owned by Traction. Ankarsrum Assistent Original® is a Swedish classic from 1940.

Over the years, the machine has been improved with a more powerful motor, equipped with stepless speed control and overload protection, which has made it stronger and more reliable. The machine comes with a wide range of accessories such as a meat grinder,

blender, vegetable slicer, pasta roller and ice cream maker. The plan is to launch more accessories in the coming years to further expand the machine's areas of use.

The company markets Ankarsrum Assistent Original® through physical and digital channels globally. The company has a strong established presence in its Nordic domestic market, with export sales through distributors as well as its own subsidiaries in the US and Germany. Ankarsrum Assistent Original® is sold primarily in the Nordic countries, the US, Germany, and other European markets. In

2024, revenue increased by 44 percent to MSEK 347 (241) with strong profitability. Growth in the US exceeded 90 percent.

Further information:
ankarsrum.com



Recco Holding

Year of investment: 1988
Traction's share of capital and votes: 49.9%
Revenue 2024: MSEK 96
Financial net assets 2024: MSEK 66
Other owners: Magnus Granhed 50.1%
CEO: Fredrik Steinwall



Recco Holding owns RECCO, which is a rescue system used by more than 800 rescue organisations, mountain rescue services and helicopter companies worldwide to find avalanche victims and missing persons. The two-part system consists of RECCO detectors used by professional rescue teams and RECCO reflectors which are built into ski equipment such as clothing, helmets and boots. RECCO is based on a radar technology that enables a quick and accurate localisation of a person wearing a RECCO reflector. The reflectors are completely passive and require no battery or expertise to operate. The RECCO system is intended for organised

rescue and is not an alternative but a complement to the use of search equipment enabling peer rescue. Because the RECCO system enables a faster search effort, skiers and snowboarders caught in an avalanche have an additional chance of being rescued in time. The RECCO system is established in every major ski resort in the world.

For several years, Recco has been developing a system that will enable searches over large areas of land in an efficient manner, and for some years now the RECCO SAR Helicopter Detector has been established in several markets around the world. With RECCO SAR,

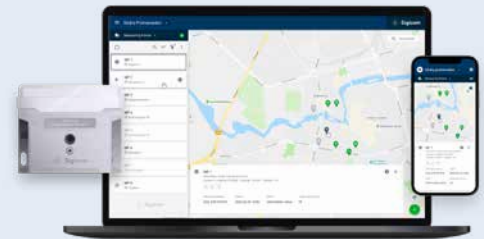
which is attached to a helicopter as shown on page 15, searches can be made at a speed of up to 100 km/h over an area 100 metres wide. This means that an area of 1 km² can be searched within six minutes. The company has a presence in over 900 ski resorts in 32 countries.

In 2024, revenue increased by 48 percent to MSEK 96 (65) with significantly improved profitability.

Further information:
recco.com

Sigicom

Year of investment: 1997
Traction's share of capital and votes: 21%
Revenue 2024: MSEK 251
Other owners: Rehnström/Svensson 41%
CEO: Torbjörn Rehnström



Sigicom is the Nordic region's leading supplier of field measurement systems for unmanned monitoring of vibrations, noise and other environmental disturbances—such as particles in the air. The field measurement systems wirelessly monitor construction and civil engineering works, mines, quarries and road and rail traffic.

Sigicom sells its measurement systems and services on a global market, with exports accounting for the majority of its revenue and continuing to grow. Major markets for Sigicom are the USA, the UK, France, Canada and the Nordic region.

The company has developed

the market's most innovative and complete field measurement system from sensor to web presentation and reporting. For Sigicom's customers, this means simple installation, automated measurements and cost-effective monitoring. The sensors continuously measure what is happening and can be triggered by a certain disturbance and can then record detailed signal sequences and alert selected users. The measuring instruments withstand harsh environments and have very high accuracy and reliability.

In addition to web-based application programmes, Sigicom also offers support, service and regular calibration.

Sigicom has an ambitious growth agenda based on product leadership and internationalisation. Sigicom is in an intensive internationalisation phase with its own operations in the UK, France, USA and Canada, and a growing number of customers globally.

In 2024, revenue increased by 23 percent to MSEK 251 (203) with a double-digit operating margin. A small complementary acquisition was completed in the fourth quarter of 2024.

Further 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

The Pharmacy
In Your Phone



Brilliance Sweden has invented and patented the Transversor technology. A Transversor detects and prevents movement before it causes damage or waste of resources. The first product to use a Transversor is the RolloGuard Instant Fall Protection for walkers. Here the technology acts as fall protection and prevents dangerous movement from occurring, enabling a better walking aid which in turn creates safety. The Transversor technology has the potential to be used in several other applications, such as fishing reels, in order to create a controlled movement that is both safer and more sustainable. The company is led by entrepreneur and major shareholder Patrik Zander. Traction's ownership share amounts to approximately 14 percent. Investment year: 2021.

Further information:
brilliance.com



Tengai is a start-up company specialising in AI technology for recruitment and personal assessment. The company offers an automated interview software that ensures an unbiased and efficient recruitment process. The founder of Tengai is the recruitment and staffing group Key People/ TNG Group, which owns approximately 56 percent of the shares. Traction's ownership amounts to approximately 14 percent. Investment year: 2020.

Further information:
tengai-unbiased.com



Financial investments

Traction's investments, in addition to active holdings, are classified as financial investments. These consist mainly of shares, corporate bonds and commercial paper. The composition of different asset classes is largely governed by prevailing market conditions.

At the end of 2024, financial investments, including cash and cash equivalents, amounted to just under MSEK 2,400, corresponding to 56 percent of Traction's net asset value. Of this, investments in listed equities accounted for MSEK 1,070, while interest-bearing investments with a maturity of less than 12 months, including cash and cash equivalents, totalled MSEK 837. The remaining MSEK 470 consisted of corporate bonds and similar instruments with varying returns, maturities, and liquidity.

Unlike active holdings, the purpose of financial investments is not to create value through active ownership and company building. Rather, the goal is to create ongoing returns through more traditional management even on the part of the capital that is not employed in the active holdings. The size of the total financial investments thus depends partly on how much of the capital is not invested in active holdings at any given time, and partly on prevailing market conditions. The financial investments are evaluated on an ongoing basis and on average have a shorter investment horizon than active holdings. The size of individual financial investments may vary, where primarily larger equity investments may occur and during periods constitute a complement to the active holdings.

A large part of the financial investments consist of liquid holdings that can be quickly sold. This is important in order to maintain the flexibility to be able to support existing active holdings at short notice, invest in new active holdings and participate in guarantee consortiums prior to new share issues.

An equity investment that is initially classified as a financial investment may over time develop into an actively listed holding. By following companies over time as a smaller owner, we are given better opportunities to evaluate both business models and company management.

Financial equity investments also consist of slightly larger holdings in small and medium-sized listed companies where Traction can also be involved in the nomination committee work. Companies in which Traction holds more than five percent of the capital include Duroc (8%) and PION Group (6%), with a total value of MSEK 64.5.

In 2024, most of the world's central banks initiated a "normalization process," gradually lowering key interest rates from high levels. However, this process has been complicated by inflation remaining above pre-pandemic levels and slightly exceeding central banks' targets. During the year, the U.S. economy continued to deliver positive surprises, while most other regions faced challenges. The European automotive industry, in particular, encountered strong headwinds due to high energy costs, stringent environmental regulations, and concerns over Chinese competition.

Global equity markets maintained strong momentum throughout 2024, primarily driven by the U.S. stock markets. Lower interest rates, optimism surrounding the adoption of artificial intelligence, and, toward the end of the year, Donald Trump's re-election as U.S. president contributed to increased risk appetite in the markets. Following several years of strong performance in U.S. equities, the concept of "American exceptionalism" gained traction during the year. Whether this theory holds or proves to be an indication of over-optimism will likely be tested in 2025. The value of Traction's financial investments developed positively during the period.

Underwriting

Traction has a long history as an underwriter of public issues. This has occurred in a number of different situations, such as in connection with widening ownership through private placements, initial public offerings, financing acquisitions and expansion, refinancing maturing debt, saving the company from insolvency, or simply strengthening the balance sheet in general.

- » Traction has issued guarantees for companies where we are already part owners, or merely to safeguard the Issue itself. On occasion we have been the sole underwriter and sometimes we are part of an underwriting consortium.
- » Traction has also been engaged in ancillary services, such as being a lender until the company has completed the issue.
- » Related services include subscribing for securities in private placements, without pre-emptive rights, and to purchase a major shareholder's lot of shares.
- » Traction sees this as a financial service but is also prepared to become a long-term owner.

Over the years, Traction has participated in more than 30 underwriting consortia.



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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 2024.

| Holdings | Number of shares thousands | Price per share | Proportion of total | | Market value MSEK | Proportion of total | SEK/share |
|---|----------------------------|-----------------|---------------------|-------|-------------------|---------------------|------------|
| | | | Capital | Votes | | | |
| Active listed holdings | | | | | | | |
| BE Group | 3,300 | 44.75 | 25% | 25% | 148 | 3% | 10 |
| Drillcon | 24,000 | 4.45 | 54% | 54% | 107 | 3% | 7 |
| Diales Plc ¹ | 14,388 | 3.60 | 27% | 27% | 52 | 1% | 3 |
| Hifab Group | 31,854 | 3.02 | 52% | 54% | 96 | 2% | 7 |
| Nilörngruppen | 3,000 | 65.80 | 26% | 58% | 197 | 5% | 13 |
| OEM International ² | 3,816 | 110.00 | 3% | 10% | 425 | 10% | 29 |
| Portmeirion Group Plc | 2,063 | 24.91 | 15% | 15% | 51 | 1% | 3 |
| Softronic | 11,589 | 22.55 | 22% | 21% | 261 | 6% | 18 |
| Total | | | | | 1,337 | 31% | 90 |
| Unlisted holdings | | | | | | | |
| Unlisted holdings ³ | | | | | 496 | 12% | 34 |
| Due from unlisted holdings | | | | | 34 | 1% | 2 |
| Total | | | | | 530 | 12% | 36 |
| Total active and unlisted holdings | | | | | 1,868 | 44% | 126 |
| Financial investments, cash and cash equivalents | | | | | | | |
| Other listed shares ⁴ | | | | | 1,070 | 25% | 72 |
| Interest-bearing investments ⁵ | | | | | 807 | 19% | 55 |
| Cash and cash equivalents | | | | | 502 | 12% | 34 |
| Total | | | | | 2,380 | 56% | 161 |
| TOTAL | | | | | 4,247 | 100% | 287 |

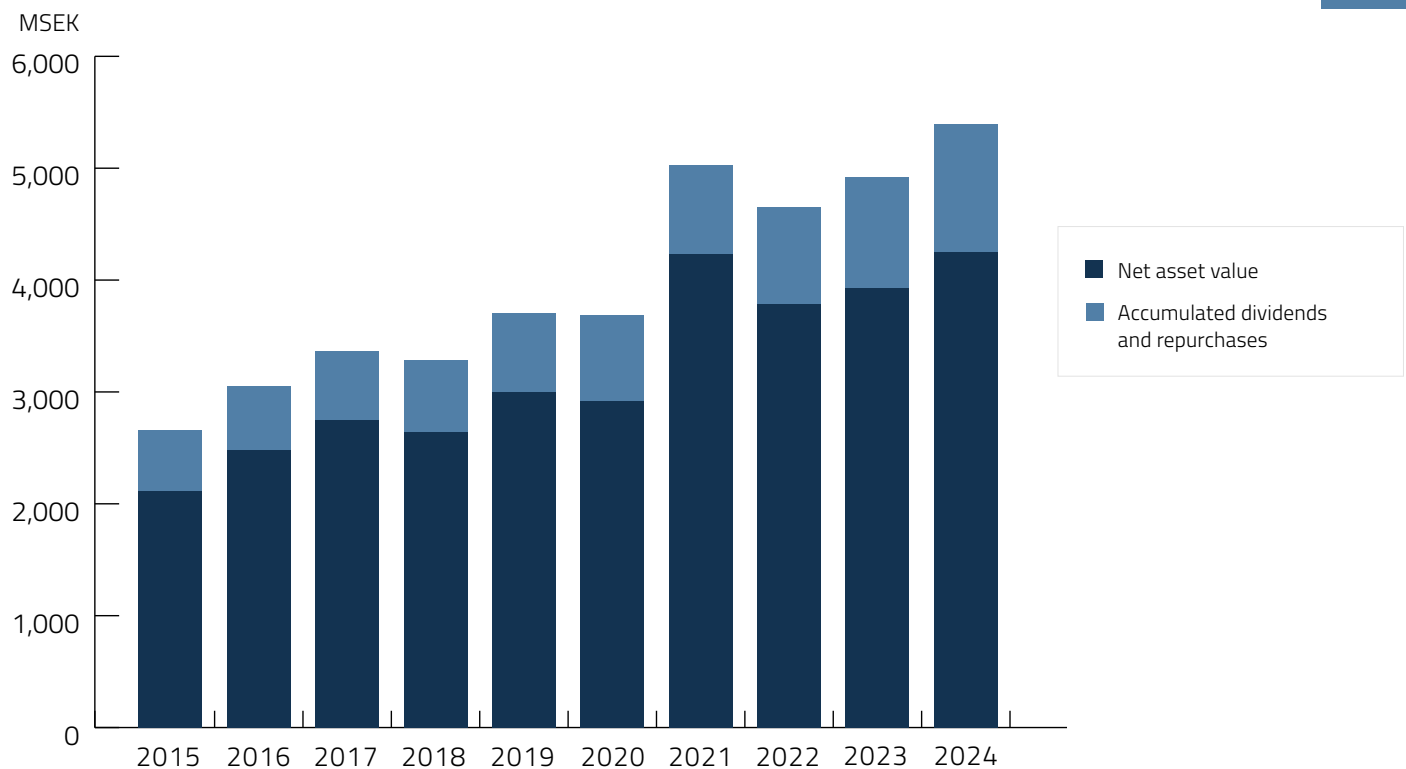
¹Driver Group Plc changed its name to Diales Plc in June 2024.

²Following the completion of the bid in February 2025, all A-shares were divested, and 1,772,820 B-shares were acquired at the same price. The net divestment amounted to MSEK 225.

³Of which, Ankarsrum Industries, Recco Holding, and Sigicom accounted for MSEK 491. Ankarsrum represents over 50 percent of this value.

⁴Other listed shares where ownership exceeds five percent of the shares include Duroc (8%) and PION Group (6%), with a total value of MSEK 64.5.

⁵Including interest-bearing investments with a maturity of less than 1 year amounting to MSEK 334.9, as well as other net assets/liabilities of MSEK 2.5.



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

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Profit for the year, MSEK | 174 | 401 | 304 | -71 | 416 | -19 | 1,344 | -378 | 270 | 477 |
| Net asset value, MSEK | 2,115 | 2,478 | 2,751 | 2,638 | 3,001 | 2,920 | 4,235 | 3,785 | 3,925 | 4,247 |
| Net asset value per share, SEK | 143 | 168 | 186 | 178 | 203 | 197 | 286 | 256 | 265 | 287 |
| Increase in net asset value per share, including dividend, % | 9 | 19 | 12 | -3 | 16 | -1 | 47 | -9 | 7 | 13 |
| Earnings per share, SEK | 12 | 27 | 21 | -5 | 28 | -1 | 91 | -25 | 18 | 32 |
| Dividend per share, SEK ¹ | 2.55 | 2.15 | 2.75 | 3.60 | 4.20 | 2.00 | 4.85 | 8.80 | 10.45 | 9.00 |
| Dividend yield, % ¹ | 2.2 | 1.5 | 1.6 | 2.2 | 2.2 | 1.1 | 1.8 | 4.2 | 4.3 | 3.4 |
| Market price at year-end, SEK | 115 | 146 | 175 | 165 | 195 | 187 | 277 | 211 | 242 | 263 |
| Net asset value discount, % | 20 | 13 | 6 | 7 | 4 | 5 | 3 | 18 | 9 | 8 |
| 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 2024 refers to the Board's proposal.

Traction's return

Return on net asset value per share, including dividends, 2020-2024.

| | Annual return | Year |
|----------------|---------------|-----------|
| 2024 | 12.7% | 2024 |
| Best year | 46.6% | 2021 |
| Worst year | -9.1% | 2022 |
| 5-year average | 9.9% | 2020-2024 |

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, conduct lending activities, provide new issue guarantees 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.

Substance 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 2024 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 2024, Traction's share price increased by

9% (-12%) excluding the dividend of SEK 10.45 per share. At the end of 2024, the price was SEK 263 per share. The highest share price during the year was SEK 304 and the lowest was SEK 232. 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, 2024, was 4,954 (4,818).

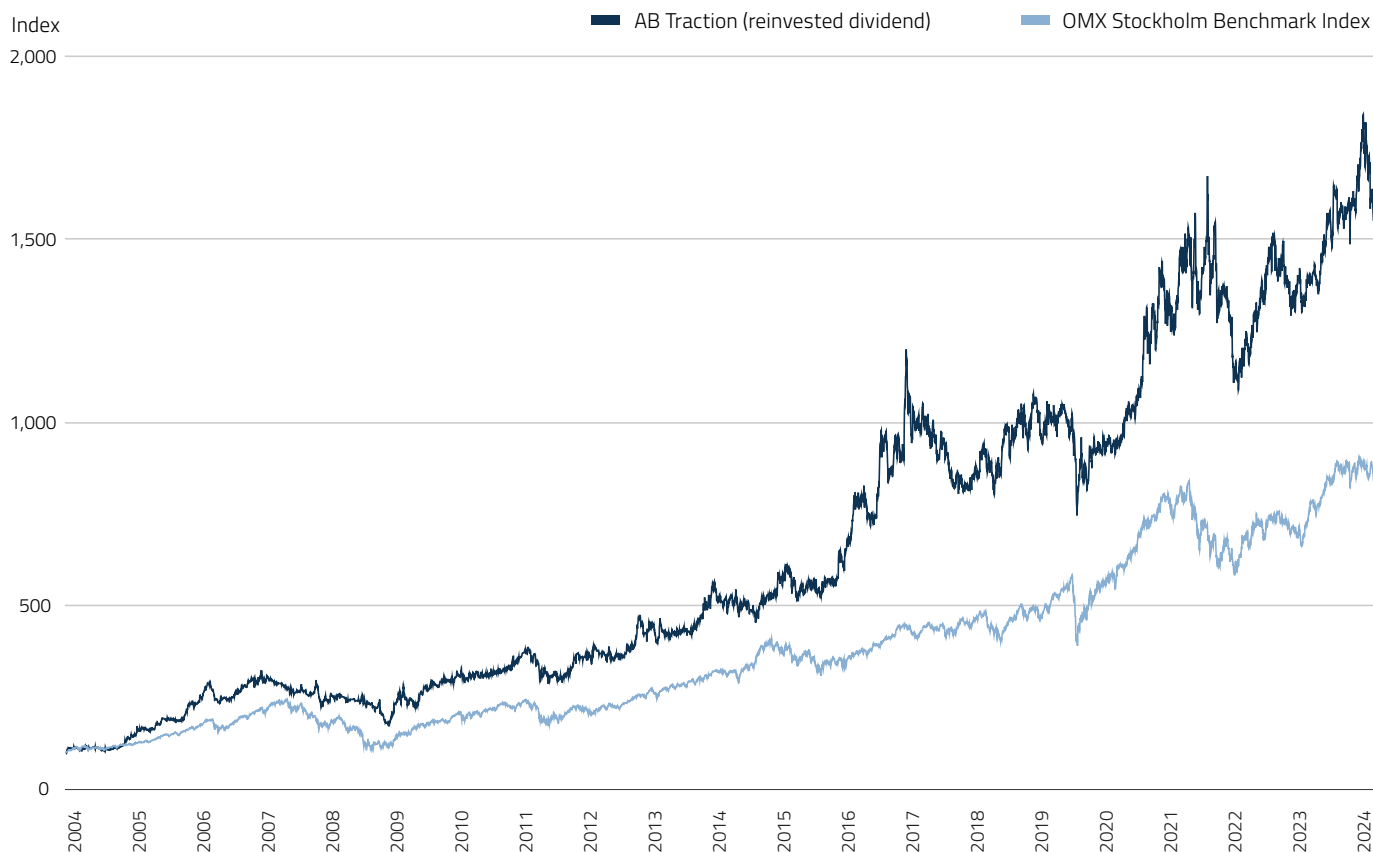
Shareholders¹ as of 31 December 2024

| | 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 | 1,225,000 | 1,600,000 | 10.8% | 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 | | 89,177 | 89,177 | 0.6% | 0.3% |
| Esilentio AB | | 86,000 | 86,000 | 0.6% | 0.3% |
| SEB Fonder | | 73,058 | 73,058 | 0.5% | 0.2% |
| Avanza Bank AB | | 61,546 | 61,546 | 0.4% | 0.2% |
| Others | | 1,082,766 | 1,082,766 | 7.3% | 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



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

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, and a new chairman assumed office at the beginning of 2025. 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 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



BE Group

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 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

Drillcon



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.

2015 The holding in PartnerTech was sold for just over MSEK 100 in connection with a bid from industry colleague Scanfil. Nordic Camping & Resort, which continued to develop well, carried out a distribution issue that strengthened the balance sheet and broadened the shareholder base. The holding in Switchcore was sold. BE Group carried out a new share issue that was to a significant extent guaranteed by Traction. A new CEO was appointed in BE Group and Traction assumed the role of chairman. Nilörngruppen was listed on First North in June at the same time that Traction sold shares for just over MSEK 180, corresponding to half the holding, which contributed significantly to the year's result. Acquired all outstanding A-shares in Nilörngruppen in the late autumn, whereby ownership increased to more than 66 percent of the votes. Nilörngruppen's share price developed weakly, unlike the business, which once again delivered a record result. Hifab Group suffered an unexpected and significant legal loss that resulted in the company carrying out a new share issue that was also guaranteed by Traction. Banking Automation had a record year. Strong share price development in OEM International, Softronic and Waterman contributed to the result, while BE Group and Hifab Group burdened the result. A major holding in the staffing company Proffice was revalued following a public offer from an international player. The holding in Modular Streams was divested. Significant divestments of active holdings and a sceptical view of the stock market's valuation level resulted in Traction's cash and cash equivalents and interest-bearing investments increasing to just over MSEK 900.

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 4,200, 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.

For the first ten years, Traction was a one-man company; then in the early 1980s a central organisation was created, which at its peak grew to about ten people. We also work with independent persons in specific projects and it is not unusual for the managers of our project companies to be involved in the board of directors of other companies in which Traction is a major owner. Bengt Stillström was CEO from the start in 1974 to 2001 and is currently Chairman of the Board. Petter Stillström joined the board in 1997 and has been Traction's 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 partners, 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.



Ankastrum Kitchen

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.
- » **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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Tengai

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