

Period January - March

- Profit after taxes amounted to MSEK 128 (211), distributed as follows:
 - Active listed holdings MSEK 20 (183)
 - Unlisted holdings MSEK 1 (-5)
 - Financial investments MSEK 109 (36)
- Earnings per share amounted to SEK 8.67 (14.27)
- Net asset value per share amounted to SEK 274 (270)
- Net asset value per share increased by 3 (6) percent
- The return on active listed holdings was approximately 1 (14) percent
- The return on other listed shares was approximately 9 (3) percent
- Stockholm Stock Exchange including dividends (SBX) increased by 8 (9) percent
- The Board of Directors proposes a dividend of SEK 10.45 (8.80) per share

Events after the end of the period

- The change in value, including dividend income on listed holdings since 31 March amounts to MSEK 69 as of 30 April 2024, whereof active listed holdings amount to MSEK 30 and other listed shares MSEK 38.

Traction in brief

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

Traction's net asset value

The table below shows Traction's net asset value as of 31 March 2024.

Holdings	Number of shares thousands	Price per share	Percentage of capital	Percentage of votes	Market value MSEK	Percentage of total	SEK/share
Active listed holdings							
BE Group	3,260	56.40	25%	25%	178	4%	12
Drillcon	24,000	6.46	54%	54%	155	4%	10
Driver Group Plc	14,388	3.31	27%	27%	48	1%	3
Hifab Group	32,789	2.50	54%	55%	82	2%	6
Nilörngruppen	3,000	65.00	26%	58%	195	5%	13
OEM International	3,816	105.00	3%	10%	401	10%	27
Portmeirion Group Plc	1,675	32.42	12%	12%	54	1%	4
Softronic	11,589	26.20	22%	21%	304	7%	21
Total					1,416	35%	96
Unlisted holdings							
Unlisted holdings					242	6%	16
Due from unlisted holdings					36	1%	2
Total					278	7%	19
Total active listed and unlisted holdings					1,694	42%	115
Financial investments, cash and cash equivalents							
Other listed shares ¹					970	24%	66
Interest-bearing investments ²					900	22%	61
Cash and cash equivalents					489	12%	33
Total					2,359	58%	159
TOTAL					4,053	100%	274

¹Other listed shares where Traction's ownership exceeds five percent of shares outstanding are Duroc (8%) and PION Group (6%).

²Including interest-bearing investments with a maturity of less than one year in the amount of MSEK 396.8 and other net asset/liabilities in the amount of MSEK 5.7.

President's Statement

Traction's profit for the first quarter amounts to MSEK 128, which represents an increase in net asset value of 3 percent. The return on the financial investments in shares amounted to 9 percent, marginally exceeding the performance of the Stockholm Stock Exchange (SBX), which increased by 8 percent. Traction's active listed holdings overall developed sideways and returned 1 percent. The interest-bearing investments continued to develop steadily, contributing MSEK 33 to the result, including interest earned on cash and cash equivalents.

PERIOD JANUARY - MARCH

Summary

Profit after tax amounted to MSEK 128 (211), which includes changes in value of MSEK 91 (187) and dividend income of MSEK 21 (13). Financial income amounted to MSEK 18 (14).

Active listed holdings

Active listed holdings contributed MSEK 20 (183), equivalent to a return of approximately 1 (14) percent. Changes in value amounted to MSEK 19 (181) and dividend income was MSEK 1 (1). The major contributors to the result were Softronic which contributed MSEK 74 and Nilörngruppen MSEK 15. The largest burden on the result was BE Group with MSEK -54 followed by Portmeirion Group Plc with MSEK -7. During the period, shares amounting to MSEK 3 have been acquired in Portmeirion Group Plc, whereon the ownership amounts to 12 (11) percent.

Changes in value ¹ (MSEK)	2024 Q1
BE Group	-54
Drillcon	4
Driver Group Plc	-3
Hifab Group	-7
Nilörngruppen	15
OEM International	-2
Portmeirion Group Plc	-7
Softronic	74
Profit active listed holdings	20

¹Including dividends as amounted to MSEK 1.

Unlisted holdings

Unlisted holdings impacted profit by MSEK 1 (-5), which includes revaluation of shares by MSEK 0 (-8) and dividend income of MSEK 0 (0).

Financial investments

Other listed holdings contributed MSEK 109 (36), divided into shares MSEK 77 (22) and interest-bearing investments MSEK 33 (14).

The change in value of other listed shares was MSEK 57 (12) and dividend income amounted to MSEK 20 (10).

Holdings in other listed shares amounted to MSEK 970 (873). The top five holdings as of March 31 in terms of market cap consist of Volkswagen (MSEK 71), Subsea 7 (MSEK 68), Swedbank (MSEK 68), Wallenius Wilhelmsen (MSEK 65) and Protector Forsikring (MSEK 56). In total, shares have been acquired for a net MSEK 41.

Changes in value of interest-bearing investments amounted to MSEK 15 (1) and interest income was MSEK 18 (13), of which changes in value of convertible bonds amounts to MSEK 2 (0).

Traction's cash position amounted to MSEK 489 (306). Interest-bearing investments as of 31 March amounted to MSEK 894 (1,055), of which MSEK 348 (574) are investments in commercial papers and similar instruments with a tenor of less than one year and MSEK 546 (481) in corporate bonds and similar instruments.

Proposed dividends from active listed holdings amounts to MSEK 32 (72). The dividend proposal to Traction's shareholders amounts to SEK 10.45 (8.80) per share equivalent to MSEK 155 (130).

Equity/Net asset value

Equity amounted to MSEK 4,053 (3,925) as of 31 March equivalent to SEK 274 (270) per share. The number of shares outstanding as of 31 March was 16,000,000, of which 1,800,000 of Class A. Not including repurchased shares (1,210,153 equivalent to 8 percent), the number of shares outstanding was 14,789,847, of which 1,800,000 were Class A shares.

Parent Company

AB Traction's result for the period amounted to MSEK 47 (220). The cash position amounted to MSEK 359 (222), not including investments in short-term interest-bearing investments with a maturity of less than one year of MSEK 348 (486). The Parent Company has no external loans.

Transactions with closely related parties

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

Risks and uncertainty factors

Traction's significant risk and uncertainty factors include business risks in the form of exposure to certain industries, or an individual holding, as well as dependency on individual key persons in the companies in which Traction has an ownership interest. In addition, there are financial risks, which primarily consist of price risks, i.e. the risk of a change in value of a financial instrument due to changes in share prices, derivatives, bonds, foreign exchange rates or interest rates. In addition to the risks described in Traction's Annual Report in general by reason of the Company's business orientation, specific reference can be made to the Report of the Board of Directors and accompanying notes for a more detailed discussion of the Group's and the Parent Company's risk exposure and risk management procedures. Beyond that, no additional significant risks are deemed to have been added.

Accounting policies

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

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

The information in this interim report was submitted for publication, through the agency of the CEO, at 3 pm., 2 May 2024.

Stockholm, 2 May 2024

Petter Stillström
CEO

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

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Proposal by the Board of Directors and Annual General Meeting

A notice for the Annual General Meeting was published on March 26, 2024. Henrik Lange, Jonas Olavi, Bengt Stillström (CoB), and Petter Stillström are proposed for re-election to the board. Further information on traction.se.

The AGM will take place on Thursday, May 2, 2024, 5 pm.

Publication dates for future financial information:

15 July 2024	Interim Report January-June 2024
24 Oct 2024	Interim Report January-September 2024
13 Feb 2025	Year-end Report 2024

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

Summary Consolidated Income Statement

MSEK	2024 Q 1	2023 Q 1	2023 Full year
Dividend income	21.3	13.1	126.6
Changes in value	90.8	187.1	92.7
Financial income/expense	18.4	13.5	63.9
Other income	0.4	0.3	1.2
Operating expenses	-2.8	-3.0	-10.8
Result before taxes	128.2	211.0	273.6
Taxes	-	-	-3.8
Result for the period¹	128.2	211.0	269.8
Earnings per share before and after dilution ² (SEK)	8.67	14.27	18.24
Number of shares outstanding (thousands)	14,790	14,790	14,790
Average number of shares outstanding (thousands)	14,790	14,790	14,790

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

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

Summary Consolidated Balance Sheet

MSEK	2024 31-Mar	2023 31-Mar	2023 31-Dec
ASSETS			
Loan receivables	3.0	38.3	57.0
Equities	1,658.2	1,790.7	1,636.4
Total non-current assets	1,694.2	1,829.0	1,693.4
Other current assets	9.1	4.5	6.8
Financial investments	1,864.3	1,818.5	1,927.7
Cash and cash equivalents	488.8	349.2	305.7
Total current assets	2,362.2	2,172.2	2,240.3
TOTAL ASSETS	4,056.4	4,001.2	3,933.6
EQUITY AND LIABILITIES			
Equity attributable to Parent Company's equity holders	4,053.0	3,996.0	3,924.7
Total equity	4,053.0	3,996.0	3,924.7
Current liabilities	3.4	5.2	8.9
Total liabilities	3.4	5.2	8.9
TOTAL EQUITY AND LIABILITIES	4,056.4	4,001.2	3,933.6

Summary Report of Changes in Consolidated Equity

MSEK	2024 31-Mar	2023 31-Mar	2023 31-Dec
Amount attributable to the Parent Company's shareholders at the beginning of the year	3,924.7	3,785.0	3,785.0
Dividend to shareholders	-	-	-130.2
Repurchase of own shares	-	-	-
Profit for the period	128.2	211.0	269.8
Closing balance	4,053.0	3,996.0	3,924.7

Summary Consolidated Cash Flow Statement

MSEK	2024 Q 1	2023 Q 1	2023 Full year
Operating activities			
Consolidated profit before taxes	128.2	211.0	273.6
Adjustment for items not included in cash flow	-90.8	-187.1	-92.7
Paid taxes	-	-3.5	-1.2
Cash flow from operating activities	37.4	20.4	179.7
Change in working capital	-7.9	-2.7	-5.1
Cash flow from operating activities	29.5	17.7	174.6
Cash flow from investment activities			
Purchase of shares in unlisted companies	-	-	-4.9
Sale of shares in unlisted companies	-	-	-
Purchase of shares in listed companies	-119.6	-105.0	-320.5
Sale of shares in listed companies	76.1	74.9	293.0
Change in other financial assets	196.9	175.1	107.3
Cash flow from investment activities	153.5	145.1	74.9
Financing activities			
Dividend paid	-	-	-130.2
Repurchase of own shares	-	-	-
Cash flow from financing activities	-	-	-130.2
Cash flow for the period	183.0	162.8	119.3
Cash and cash equivalents at beginning of period	305.7	186.4	186.4
Cash and cash equivalents at end of period	488.8	349.2	305.7

Performance Specification

Group 2024, MSEK	Active listed holdings	Unlisted holdings	Financial investments / other	Total
Q 1				
Dividend income	1.4	-	19.9	21.3
Changes in value	18.9	0.4	71.7	90.8
Financial income/expense	-	0.7	17.6	18.4
Other revenue	-	-	0.4	0.4
Operating expenses	-	-	-2.8	-2.8
Profit before taxes	20.3	1.1	106.8	128.2

Group 2023, MSEK	Active listed holdings	Unlisted holdings	Financial investments / other	Total
Q 1				
Dividend income	1.4	2.0	9.7	13.1
Changes in value	181.3	-7.8	13.7	187.1
Financial income/expense	-	0.5	13.0	13.5
Other revenue	-	-	0.3	0.3
Operating expenses	-	-	-3.0	-3.0
Profit before taxes	182.6	-5.3	33.7	211.0

Group 2023, MSEK	Active listed holdings	Unlisted holdings	Financial investments / other	Total
Full year				
Dividend income	75.2	14.8	36.6	126.6
Changes in value	65.1	-38.6	66.2	92.7
Financial income/expense	-	2.9	61.0	63.9
Other revenue	-	-	1.2	1.2
Operating expenses	-	-	-10.8	-10.8
Profit before taxes	140.3	-20.9	154.3	273.6

Financial Assets

Group 31 March 2024, MSEK	Level 1	Level 2	Level 3	Total
Financial assets				
Shares in unlisted holdings	-	-	242.0	242.0
Shares in active listed holdings	1,416.2	-	-	1,416.2
Financial investments	1,864.3	-	-	1,864.3
Total	3,280.5	-	242.0	3,522.4

Group 31 December 2023, MSEK	Level 1	Level 2	Level 3	Total
Financial assets				
Shares in unlisted holdings	-	-	241.6	241.6
Shares in active listed holdings	1,394.7	-	-	1,394.7
Financial investments	1,927.7	-	-	1,927.7
Total	3,322.4	-	241.6	3,564.0

Key Financial Indicators

	2024 Q 1	2023 Q 1	2023 Full year
Change in value of net asset value per share, %	3	6	7
Net asset value per share, SEK	274	270	265
Market price at end of period, SEK	269	245	242
Discount to net asset value, %	2	9	9

Changes in Level 3 Financial Assets

Group, MSEK	2024 Q1
Opening carrying value	241.6
Purchases/shareholder contributions	-
Sales	-
Change in value	0.4
Total	242.0

Fair value valuation of financial instruments

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

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

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

Valuation of Level 3 Financial Instruments

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

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

EBIT multiples: 5 - 15

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	2024 Q 1	2023 Q 1	2023 Full year
Dividend income	21.3	11.1	100.2
Changes in value	14.5	201.4	152.5
Other external costs	-0.5	-0.5	-1.3
Operating result	35.4	212.0	251.4
Other interest income/expense and similar items	11.7	7.5	36.2
Result after financial items	47.1	219.5	287.6
Taxes	-	-	-
Result for the period¹	47.1	219.5	287.6

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	2024 31-Mar	2023 31-Mar	2023 31-Dec
ASSETS			
Equities	1,272.8	1,440.6	1,325.2
Total non-current assets	1,272.8	1,440.6	1,325.2
Financial investments	1,623.4	1,522.2	1,660.6
Cash and cash equivalents	358.5	307.1	221.8
Total current assets	1,981.9	1,829.3	1,882.4
TOTAL ASSETS	3,254.7	3,269.9	3,207.6
EQUITY AND LIABILITIES			
Equity	3,254.3	3,269.4	3,207.2
Current liabilities	0.4	0.5	0.4
Total current liabilities	0.4	0.5	0.4
TOTAL EQUITY AND LIABILITIES	3,254.7	3,269.9	3,207.6

Definitions and alternative key financial indicators

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

The Traction Group

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

Financial investments

Refers to investments in shares and interest-bearing financial instruments where Traction's ownership is less than 10 percent of the votes, or where Traction does not have an active role by being represented on the Board of Directors. Financial investments are shown in the listing of Traction's net asset value, and in the consolidated and Parent Company balance sheets in this report. A previously active listed holding is recognized as a financial investment on the day when ownership falls below 10 percent of the votes, or from the day when Traction's representative leaves the Board of Director.

Active listed holdings

Holdings in listed companies where Traction's ownership exceeds 10 percent of the votes, or where Traction has an active role by being represented on the Board of Directors. Active holdings are shown in the listing of Traction's net asset value in this report. A holding is recognized as from the day when Traction's ownership exceeds 10 percent of the votes, or from the day when Traction is represented on the Board of Directors.

Unlisted holdings

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

Equity per share/net asset value per share

Equity at the end of the period, divided by the number of shares outstanding on the same day, i.e. $4,053 \times 1,000,000 / 14,789,847 = \text{SEK } 274$.

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. $((269 - 274) / 274 \times 100) \times -1 = 2\%$

Net asset value/equity

The net of assets and liabilities at market value, which in Traction's case is equivalent to the Traction Group's equity, i.e. MSEK 4,053 as of 31 March 2024.

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: $8.67 / (265) \times 100 = 3\%$.

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. $128 \times 1,000,000 / 14,789,847 = 8.67 \text{ SEK}$. The number of shares outstanding during the period was unchanged.