

Period April - June

- Profit after taxes amounted to MSEK -26 (-369), distributed as follows:
 - Active listed holdings MSEK -73 (-249)
 - Unlisted holdings MSEK -4 (-26)
 - Financial investments MSEK 52 (-92)
- Earnings per share amounted to SEK -1.78 (-24.94)
- Net asset value per share decreased by 1 (9) percent adjusted for paid dividend
- The return on active listed holdings was approximately -5 percent
- The return on other listed shares was approximately 5 percent
- Stockholm Stock Exchange including dividends (SBX) increased by 3 percent

Period January - June

- Profit after taxes amounted to MSEK 185 (-388), distributed as follows:
 - Active listed holdings MSEK 110 (-223)
 - Unlisted holdings MSEK -9 (-25)
 - Financial investments MSEK 89 (-135)
- Earnings per share amounted to SEK -12.49 (-26.25)
- Net asset value per share amounted to SEK 260 (256)
- Net asset value per share increased by 5 (-9) percent adjusted for paid dividend
- The return on active listed holdings was approximately 8 percent
- The return on other listed shares was approximately 8 percent
- Stockholm Stock Exchange including dividends (SBX) increased by 12 percent

Events after the end of the period

- The change in value, including dividend income on listed holdings since 30 June amounts to MSEK -95 as of 13 July 2023, whereof active listed holdings amount to MSEK -108 and other listed shares MSEK +13.

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 co-operation with other active owners, entrepreneurs and corporate management groups. Traction does not focus on singular industries. Traction instead is engaged in development and transformation work applicable to all companies intending to prioritize business sense, a long-term approach and sound business principles. Traction's shares are traded on NASDAQ Stockholm (the Mid Cap list). More information is available at www.traction.se.

Traction's net asset value

The table below shows Traction's net asset value as of 30 June 2023.

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	94.20	25%	25%	307	8%	21
Drillcon	24,000	5.16	54%	54%	124	3%	8
Driver Group Plc	14,388	4.39	28%	28%	63	2%	4
Hifab Group	32,944	2.48	54%	55%	82	2%	6
Nilörngruppen	3,000	66.90	26%	58%	201	5%	14
OEM International	3,816	98.00	3%	10%	374	10%	25
Softronic	11,589	15.90	22%	20%	184	5%	12
Total					1,335	35%	90
Unlisted holdings							
Unlisted holdings					265	7%	18
Due from unlisted holdings					38	1%	3
Total					303	8%	21
Total active listed and unlisted holdings					1,638	43%	111
Financial investments, cash and cash equivalents							
Other listed shares ¹					827	22%	56
Interest-bearing investments ²					1,066	28%	72
Cash and cash equivalents					309	8%	21
Total					2,201	57%	149
TOTAL					3,840	100%	260

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

Holding	Number of shares thousands	Percentage of capital	Market value MSEK
Duroc	2,925	8%	57
Poolia	2,700	6%	21
Portmeirion Plc	1,155	8%	61
TOTAL			139

²Including interest-bearing investments with a maturity of less than one year in the amount of MSEK 580,0 and other net asset/liabilities in the amount of MSEK -0.5.

President's Statement

For the second quarter, Traction reports a result of MSEK -26, where the active listed and unlisted holdings burdened the result by MSEK 77, while the financial investments contributed with MSEK 52. For the half-year period, the result amounts to MSEK 185, corresponding to a net asset value increase of 5 percent.

PERIOD APRIL - JUNE

Summary

Profit after tax amounted to MSEK -26 (-369), which includes changes in value of MSEK -131 (-474) and dividend income of MSEK 72 (99). Financial income amounted to MSEK 17 (9).

Active listed holdings

Active listed holdings burdened the result with MSEK -73 (-249), equivalent to a return of approximately -5 percent. Changes in value amounted to MSEK -126 (-324) and dividend income was MSEK 53 (75). BE Group impacted the result by MSEK -70 and Softronic by MSEK -47. OEM International impacted the result by MSEK 35 and Driver Group by MSEK 11. During the period 639,292 Class B shares were divested in OEM International at an average price of SEK 98.3 per share, amounting to just below MSEK 63.

Changes in value ¹ (MSEK)	2023 Q2
BE Group	-70
Drillcon	-11
Driver Group Plc	11
Hifab Group	10
Nilörngruppen	0
OEM International	35
Softronic	-47
Profit active listed holdings	-73

¹Including dividends as amounted to MSEK 53.

Unlisted holdings

Unlisted holdings impacted profit by MSEK -4 (-26), which includes revaluation of shares by MSEK -4 (-37), revaluation of loan receivables by MSEK 0 (0) and dividend income of MSEK 0 (11).

Financial investments

Other listed holdings contributed MSEK 52 (-92), divided into shares MSEK 32 (-80) and interest-bearing investments MSEK 20 (-12).

The change in value of other listed shares was MSEK 14 (-93) and dividend income amounted to MSEK 19 (13), of which Portmeirion contributed MSEK 7. PION Group and Duroc burdened the result with MSEK -5 each.

Holdings in other listed shares amounted to MSEK 827 (794). The top five holdings as of June 30 in terms of market cap consist of Swedbank (MSEK 68), Wallenius Wilhelmsen (MSEK 64), Portmeirion (MSEK 61), Volkswagen (MSEK 58) and Duroc (MSEK 57). In total, shares have been divested for a net amount of MSEK 10, of which Hennes & Mauritz accounts for MSEK 18. Changes in value of interest-bearing investments amounted to MSEK 3 (-21) and interest income was MSEK 17 (9).

Traction's cash position as of 30 June amounted to MSEK 309 (186). Interest-bearing investments amounted to MSEK 1,066 (1,175), of which MSEK 580 (606) are investments in

commercial papers and similar instruments with a tenor of less than one year and MSEK 486 (569) in corporate bonds and similar instruments. During the period, a dividend of MSEK 130 (72) has been distributed to the shareholders.

PERIOD JANUARY - JUNE

Summary

Profit after tax amounted to MSEK 185 (-388), which includes changes in value of MSEK 74 (-510) and dividend income of MSEK 85 (109). Financial income amounted to MSEK 31 (18).

Active listed holdings

Active listed holdings contributed MSEK 110 (-223), equivalent to a return of approximately 8 percent. Changes in value amounted to MSEK 56 (-299) and dividend income was MSEK 54 (76). The largest contributors to the result were OEM International with MSEK 121 and BE Group with MSEK 63. The largest burden on the result was Softronic with MSEK -54 and Nilörngruppen with MSEK -36. During the period, shares in active listed holdings were divested for a net amount of MSEK 50, of which divestments in OEM International accounted for MSEK 63, and acquisitions in Driver Group accounted for MSEK 13.

Changes in value ¹ (MSEK)	2023 6 months
BE Group	63
Drillcon	-3
Driver Group Plc	18
Hifab Group	1
Nilörngruppen	-36
OEM International	121
Softronic	-54
Profit active listed holdings	110

¹Including dividends as amounted to MSEK 54.

Unlisted holdings

Unlisted holdings impacted profit by MSEK -9 (-26), which includes revaluation of shares by MSEK -12 (-37) and revaluation of loan

receivables by MSEK 0 (0) and dividend income of MSEK 2 (11). Of the revaluation of shares, Ankarsrum Industries accounts for MSEK -8.

Financial investments

Other listed holdings contributed MSEK 89 (-135), divided into shares MSEK 55 (-122) and interest-bearing investments MSEK 34 (-13).

The change in value of other listed shares was MSEK 26 (-145) and dividend income amounted to MSEK 29 (23), of which Portmeirion had an impact of MSEK 18, Wallenius Wilhelmsen MSEK -17 and Hennes & Maurtiz MSEK +11. Shares amounting to approximately MSEK 39 have been divested in Hennes & Maurtiz and acquired in Elekta by approximately MSEK 22. In total, shares have been acquired for a net amount of MSEK 7. Changes in value of interest-bearing investments amounted to MSEK 5 (-30) and interest income was MSEK 30 (17). Change in value of convertible bonds amounts to MSEK 2 (2).

Equity/Net asset value

Equity amounted to MSEK 3,840 as of 30 June (3,785) equivalent to SEK 260 (256) per share. The number of shares outstanding as of 30 June was 16,000,000, of which 1,800,000 of Class A. Not including repurchased shares (1,210,153 equivalent to 8 percent), the number of shares outstanding was 14,789,847, of which 1,800,000 were Class A shares.

Parent Company

AB Traction's result for the period January-June amounted to MSEK 239 (-288). The cash position amounted to MSEK 230 (138), not including investments in short-term interest-bearing investments with a maturity of less than one year of MSEK 540 (448). 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 half-year report for the Group has been prepared in accordance with IAS 34 - Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The 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.

Publication dates for future financial information:

23 Oct 2023	Interim Report January-September 2023
9 Feb 2024	Year-end Report 2023

The information in this half-year report is such that Traction is obliged to publish in accordance with the Securities Market Act. The information was submitted for publication at 1 pm CET, 14 July 2023.

The board of Directors and the President hereby confirm that this half-year report provides a fair overview of the operations of the Company's and the Group's operations, financial position and results, and describes significant risks and factors of uncertainty facing the Company and the companies in the Group.

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

Stockholm, 14 July 2023

Petter Stillström
CEO

Bengt Stillstöm
Chairman

Henrik Lange
Director

Jonas Olavi
Director

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

AB Traction
Box 3314
SE-103 66 Stockholm
Corporate ID number: 556029-8654
Telephone: +46-8-506 289 00
E-mail: post@traction.se
traction.se

Summary Consolidated Income Statement

MSEK	2023 Q 2	2022 Q 2	2023 Jan-Jun	2022 Jan-Jun	2022 Full year
Dividend income	71.8	98.6	84.9	109.2	123.1
Changes in value	-113.0	-474.2	74.1	-510.3	-529.2
Financial income/expense	17.2	8.9	30.7	17.7	42.8
Other income	0.3	0.3	0.6	0.6	1.2
Operating expenses	-2.6	-2.6	-5.6	-5.4	-11.0
Result before taxes	-26.3	-368.9	184.7	-388.2	-373.1
Taxes					-4.7
Result for the period¹	-26.3	-368.9	184.7	-388.2	-377.8
Earnings per share before and after dilution ² (SEK)	-1.78	-24.94	12.49	-26.25	-25.54
Number of shares outstanding (thousands)	14,790	14,790	14,790	14,790	14,790
Average number of shares outstanding (thousands)	14,790	14,790	14,790	14,790	14,790

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

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

Summary Consolidated Balance Sheet

MSEK	2023 30-Jun	2022 30-Jun	2022 31-Dec
ASSETS			
Loan receivables	38.3	28.8	28.3
Equities	1,599.7	1,740.3	1,604.1
Total non-current assets	1,638.1	1,769.1	1,632.5
Other current assets	4.3	0.9	4.1
Financial investments	1,892.9	1,766.3	1,969.4
Cash and cash equivalents	309.1	240.1	186.4
Total current assets	2,206.2	2,007.3	2,160.0
TOTAL ASSETS	3,844.3	3,776.4	3,792.5
EQUITY AND LIABILITIES			
Equity attributable to Parent Company's equity holders	3,839.5	3,774.6	3,785.0
Total equity	3,839.5	3,774.6	3,785.0
Current liabilities	4.7	1.8	7.5
Total liabilities	4.7	1.8	7.5
TOTAL EQUITY AND LIABILITIES	3,844.3	3,776.4	3,792.5

Summary Report of Changes in Consolidated Equity

MSEK	2023 30-Jun	2022 30-Jun	2022 31-Dec
Amount attributable to the Parent Company's shareholders at the beginning of the year	3,785.0	4,234.5	4,234.5
Dividend to shareholders	-130.2	-71.7	-71.7
Repurchase of own shares	-	-	-
Profit for the period	-184.7	-388.2	-377.8
Closing balance	3,839.5	3,774.6	3,785.0

Summary Consolidated Cash Flow Statement

MSEK	2023 Q 2	2022 Q 2	2023 Jan-Jun	2022 Jan-Jun	2022 Full year
Operating activities					
Consolidated profit before taxes	-26.3	-368.9	184.7	-388.2	-373.1
Adjustment for items not included in cash flow	113.0	474.2	-74.1	510.3	529.2
Paid taxes	-	-	-	-	-1.2
Cash flow from operating activities	86.7	105.3	110.6	122.1	154.9
Change in working capital	-0.2	0.0	-2.9	2.0	1.0
Cash flow from operating activities	86.5	105.3	107.7	124.0	155.9
Cash flow from investment activities					
Purchase of shares in unlisted companies	-1.7	-	-1.7	-4.0	-4.0
Sale of shares in unlisted companies	-	-	-	-	-
Purchase of shares in listed companies	-36.1	-63.7	-141.1	-195.8	-229.5
Sale of shares in listed companies	109.1	45.7	184.1	130.2	192.3
Change in other financial assets	-71.2	-61.0	103.9	-209.4	-323.5
Cash flow from investment activities	0.0	-79.0	145.1	-279.1	-364.6
Financing activities					
Dividend paid	-130.2	-71.7	-130.2	-71.7	-71.7
Repurchase of own shares	-	-	-	-	-
Cash flow from financing activities	-130.2	-71.7	-130.2	-71.7	-71.7
Cash flow for the period	-40.1	-45.4	122.7	-226.8	-280.5
Cash and cash equivalents at beginning of period	349.2	285.5	186.4	466.9	466.9
Cash and cash equivalents at end of period	309.1	240.1	309.1	240.1	186.4

Performance Specification

Group 2023, MSEK Q 2	Active listed holdings	Unlisted holdings	Financial investments / other	Total
Dividend income	52.8	-	19.0	71.8
Changes in value	-125.7	-4.2	16.8	-113.0
Financial income/expense	-	0.7	16.6	17.2
Other revenue	-	-	0.3	0.3
Operating expenses	-	-	-2.6	-2.6
Profit before taxes	-72.9	-3.6	50.2	-26.3

Group 2022, MSEK Q 2	Active listed holdings	Unlisted holdings	Financial investments / other	Total
Dividend income	74.9	10.7	13.0	98.6
Changes in value	-323.6	-36.7	-113.8	-474.2
Financial income/expense	-	0.3	8.6	8.9
Other revenue	-	-	0.3	0.3
Operating expenses	-	-	-2.5	-2.6
Profit before taxes	-248.7	-25.7	-94.5	-368.9

Group 2023, MSEK 6 months	Active listed holdings	Unlisted holdings	Financial investments / other	Total
Dividend income	54.2	2.0	28.7	84.9
Changes in value	55.6	-12.0	30.5	74.1
Financial income/expense	-	1.2	29.5	30.7
Other revenue	-	-	0.6	0.6
Operating expenses	-	-	-5.6	-5.6
Profit before taxes	109.7	-8.8	83.8	184.7

Group 2022, MSEK 6 months	Active listed holdings	Unlisted holdings	Financial investments / other	Total
Dividend income	75.9	10.7	22.6	109.2
Changes in value	-298.8	-36.6	-174.7	-510.3
Financial income/expense	-	0.5	17.2	17.7
Other revenue	-	-	0.6	0.6
Operating expenses	-	-	-5.4	-5.4
Profit before taxes	-222.9	-25.4	-139.8	-388.2

Financial Assets

Group 30 June 2023, MSEK	Level 1	Level 2	Level 3	Total
Financial assets				
Shares in unlisted holdings	-	-	265.0	265.0
Shares in active listed holdings	1,334.7	-	-	1,334.7
Financial investments	1,892.9	-	-	1,892.9
Total	3,227.6	-	265.0	3,492.6

Group 31 December 2022, MSEK	Level 1	Level 2	Level 3	Total
Financial assets				
Shares in unlisted holdings	-	-	275.3	275.3
Shares in active listed holdings	1,328.9	-	-	1,328.9
Financial investments	1,969.4	-	-	1,969.4
Total	3,298.3	-	275.3	3,573.6

Key Financial Indicators

	2023 Jan-Jun	2022 Jan-Jun	2022 Full year
Change in value of net asset value per share, %	5	-9	-9
Net asset value per share, SEK	260	255	256
Market price at end of period, SEK	248	233	211
Discount to net asset value, %	4	9	18

Changes in Level 3 Financial Assets

Group, MSEK	Jan-Jun 2023
Opening carrying value	275.3
Purchases/shareholder contributions	1.7
Sales	-
Change in value	-12.0
Total	265.0

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	2023 Q 2	2022 Q 2	2023 Jan-Jun	2022 Jan-Jun	2022 Full year
Dividend income	60.2	72.3	71.3	82.8	95.1
Changes in value	-50.4	-395.4	151.0	-375.6	-369.0
Other external costs	-0.4	-0.4	-0.9	-1.0	-1.6
Operating result	9.5	-323.5	221.5	-293.8	-275.5
Other interest income/expense and similar items	9.9	3.8	17.5	5.6	14.8
Result after financial items	19.4	-319.7	239.0	-288.2	-260.7
Taxes	-	-	-	-	-
Result for the period¹	19.4	-319.7	239.0	-288.2	-260.7

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	2023 30-Jun	2022 30-Jun	2022 31-Dec
ASSETS			
Equities	1,310.6	1,350.1	1,239.3
Total non-current assets	1,310.6	1,350.1	1,239.3
Due from Group companies	-	51.2	-
Financial investments	1,618.5	1,452.8	1,673.3
Cash and cash equivalents	229.9	168.6	137.8
Total current assets	1,848.4	1,672.6	1,811.1
TOTAL ASSETS	3,159.0	3,022.7	3,050.4
EQUITY AND LIABILITIES			
Equity	3,158.6	3,022.3	3,049.9
Current liabilities	0.4	0.4	0.5
Total current liabilities	0.4	0.4	0.5
TOTAL EQUITY AND LIABILITIES	3,159.0	3,022.7	3,050.4

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. $3,840 \times 1,000,000 / 14,789,847 = \text{SEK } 260$.

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. $((248 - 260) / 260 \times 100) \times -1 = 4\%$

Net asset value/equity

The net of assets and liabilities at market value, which in Traction's case is equivalent to the Traction Group's equity, i.e. MSEK 3,840 as of 30 June 2023.

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: $12.49 / (256 - 8.80) \times 100 = 5\%$.

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. $184.7 \times 1,000,000 / 14,789,847 = 12.49 \text{ SEK}$. The number of shares outstanding during the period was unchanged.