

# TRACTION

*Traction is an investment company the operations of which are based on its own methodology for developing and refining the companies in which Traction is an owner. Traction's role as owner is based on an active and long-term engagement, together with an entrepreneur or corporate management and other joint owners. At present, Traction is involved in some 15 companies, several of which are publicly traded. In addition, Traction is engaged in investment activities for the purpose of obtaining a good yield on the Company's capital. Traction's share is traded on the NASDAQ OMX Nordic Exchange in Stockholm (the Mid Cap list). Read more about Traction at [www.traction.se](http://www.traction.se)*

## Year-end Report January - December 2015

### **Period October - December**

- Profit after taxes amounted to MSEK 16 (16), of which from:
  - Active holdings, listed MSEK 1 (37)
  - Active holdings, unlisted MSEK –10 (77)
  - Financial investments MSEK 27 (–8).
- Earnings per share amounted to SEK 1.09 (1.10).
- Net asset value per share increased by 0.8 (0.8) percent.

### **Period January - December**

- Profit after taxes amounted to MSEK 174 (122), of which from:
  - Active holdings, listed MSEK –6 (–9)
  - Active holdings, unlisted MSEK 130 (139)
  - Financial investments MSEK 51 (7)
- Earnings per share amounted to SEK 11.75 (8.18)
- Net asset value per share increased by 9.0 (6.6) percent adjusted for dividend paid.
- Net asset value per share amounted to SEK 143 (133).

### **Events during the quarter**

Traction acquired 500,000 class A shares in Nilörngruppen for just over MSEK 18. Ownership thereby increased to 41.1 percent of capital and 66.5 percent of votes.

- Because of a significant legal loss Hifab Group decided to float a new issue in the amount of MSEK 53, of which Traction subscribed for its share (54 percent), guaranteeing the remaining portion of the issue.

### **Events after the end of the period under review**

- Hifab Group's new issue was oversubscribed. Traction's guarantee undertaking therefore did not have to be utilised.
- Patrik Schelin assumes the role of CEO effective as of 1 March 2016.
- Patrik Rylander assumes the role of new CEO of Drillcon effective as of April 2016.
- Traction's class B share moved to the Mid Cap list of Nasdaq OMX Nordic Exchange in Stockholm.
- The Board of Directors proposes a dividend of SEK 2.55 (2.00) per share, equivalent to MSEK 38 (30).
- The change in value of listed securities since 31 December amounts to MSEK -39 as of 16 February.

## ***PRESIDENT'S STATEMENT***

Traction reports a mediocre result of MSEK 16 for the quarter. The performance of the active listed holdings was slightly negative with significant advances in OEM International, Softronic and Waterman, while Hifab Group, Nilörngruppen and BE Group had an overall negative effect on earnings.

It is gratifying that other listed holdings generated a return of 14 percent, in part explained by a bid for our holding in Proffice. Less pleasing and even outrageous was that Hifab Group unexpectedly lost a legal dispute resulting in an expense of MSEK 68. The legal dispute has nothing to do with Hifab's business. Instead it relates to an acquisition made by Hifab's parent company long before Hifab's business was added. Hifab has appealed the decision to HD, the Swedish supreme court. In order to finance the judgement Hifab has floated a new issue in the amount of MSEK 53 to allow Hifab to effect payment pending appeal and a possibly changed ruling. Traction guaranteed the entire new issue, which was oversubscribed and completed in January 2016.

All outstanding class A shares in Nilörngruppen were acquired during the quarter. This transaction increased ownership of class A shares to 41.1 percent of the shares outstanding and 66.5 percent of the votes. The market performance of the Nilörngruppen share since the listing in June of 2015 has been weak despite the fact that the company's business as such shows continued stable development.

Traction's full-year result amounted to MSEK 174 which, adjusted for dividend paid and repurchase of shares, is equivalent to an increase of the net asset value of 9 percent. The result is a mix of positive as well as negative events, at the same time as the proportion of liquid assets, which currently generates no return at all, has increased from 25 percent to 33 percent of total assets, or just over MSEK 700. In the current uncertain climate our focus remains on creating greater stability, a higher level of proactivity and a higher level of growth in several of the existing holdings, while also making efforts to locate new active engagements and attractive investments.

## ***PERIOD OCTOBER - DECEMBER***

### **Summary**

Profit amounted to MSEK 16 (16), which includes changes in value in the amount of MSEK 6 (1) and dividend income of MSEK 5 (29). Financial income amounted to MSEK 6 (2).

### **Active holdings – listed**

Active listed holdings constituted a drag on earnings in the amount of MSEK –1 (–37). OEM International contributed MSEK 23, Softronic MSEK 18 and Waterman Group MSEK 10. Hifab Group generated a charge to earnings of MSEK –33, Nilörngruppen MSEK –120, BE Group MSEK –11. Other holdings produced a profit of MSEK 4.

### **Active holdings – unlisted**

Active unlisted holdings generated a charge to earnings of MSEK –10 (77), due to a revaluation of Ankarsrum Diecasting. No other significant revaluations were made during the period.

### **Financial investments**

Other listed holdings contributed MSEK 23 (–9), of which the holding in Proffice contributed MSEK 13 with changes in value of interest-bearing investments, including commercial paper, giving rise to a charge against earnings of MSEK 8. Financial income amounted to MSEK 6 (2). This amount includes interest income on financial investments.

As of 31 December, investments in short term certificates of deposit and similar instruments amounted to MSEK 164. Since the maturity of these investments is less than 12 months and they are liquid, these assets are included in Traction's cash and cash equivalents in

the net asset value compilation on page 5. Other interest-bearing investments in the amount of MSEK 205 consist of several holdings of corporate bonds and similar instruments where the largest exposure to a single counterparty is in the amount of MSEK 20.

## **Capital expenditures and disposals**

Investments in listed shares amounted to MSEK 66 (78), of which Hifab Group accounted for MSEK 28 and Nilörngruppen for MSEK 18. Total disposals were made in the amount of MSEK 86 (152), of which SCA accounted for MSEK 37. Net purchases were also made of commercial paper, corporate bonds and other financial assets in the amount of MSEK 8 (10).

## ***PERIOD JANUARY - DECEMBER***

### **Summary**

Profit amounted to MSEK 174 (122), which includes changes in value in the amount of MSEK 83 (10) and dividend income of MSEK 74 (118). Other revenue amounted to MSEK 10 (5), of which MSEK 7 (3) refers to underwriting fees. Financial income amounted to MSEK 19 (13). The net asset value increased by 9.0 (6.6) percent adjusted for dividend paid.

### **Active holdings - listed**

Active listed holdings burdened the result by MSEK –6 (–9), of which changes in value amounted to MSEK –34 (–26) and dividends were MSEK 28 (16). PartnerTech contributed MSEK 28, OEM International MSEK 32, Softronic MSEK 25 and Waterman MSEK 19.

Nilörngruppen burdened the result by MSEK –50 (after the listing on First North). BE Group burdened the result by MSEK –49 (not including underwriting fee earned in a net amount of MSEK 6) and Hifab Group burdened the result by MSEK –47 (not including underwriting fee earned in an amount of MSEK 1).

### **Active holdings - unlisted**

Active unlisted holdings contributed MSEK 130 (139), of which changes in value amounted to MSEK 91 (50) and dividend income was MSEK 38 (89). Nilörngruppen contributed MSEK 150, of which MSEK 122 consists of revaluation and capital gains in connection with the listing, MSEK 28 in dividend income.

Ankarsrum Motors recorded net revenue of MSEK 194 (208) and a profit before depreciation and amortization in the amount of MSEK 16 (24). The lower volume is essentially linked to lower sales to two major customers. The value of the holding was lowered by MSEK 23 during the year. In the medium term the company continues to offer good opportunities of growing volumes to existing as well as new customers.

Ankarsrum Diecasting phased out a number of discontinued products during the year. Capacity utilization suffered as a result and conversion costs were incurred at the same time as management actively solicited new business opportunities. Several new articles were added during the quarter and many of these are scheduled for production in 2016 and 2017. This has created opportunities for profitability in a slightly longer perspective. The holding was revalued during the year, which burdened the result by MSEK 12.

The cash flow from all Ankarsrum companies, including interest income, amounted to MSEK 23.

Banking Automation showed a very positive development as the company has delivered a large number of ATMs to a major international bank. The year's revaluation, including dividend income, amounts to MSEK 11.

## Financial investments

Other listed holdings contributed MSEK 34 (–2), of which dividends amounted to MSEK 8 (13) and changes in value were MSEK 26 (–15). MSEK 19 of the changes in value referred to interest-bearing investments, including commercial paper. These investments generated interest income and foreign exchange gains in the amount of MSEK 18. The holding in SCA contributed MSEK 32. Financial income amounted to MSEK 19 (13).

## Capital expenditures and disposals

Investments in listed shares amounted to MSEK 435 (201), of which participation on the new issue by BE Group accounted for MSEK 49 and Hifab Group for MSEK 28. Shares were sold for a total amount of MSEK 508 (452), of which PartnerTech accounted for MSEK 103 and Switchcore for MSEK 24. Net sales of shares in unlisted companies were made in the amount of MSEK 187, most of which is attributable to Nilörngruppen. Net purchases were also made of corporate bonds and other financial assets in the amount of MSEK 253 (52).

## Liquidity

Traction's cash and cash equivalents, including investments in short-term commercial paper and similar instruments, amounted to MSEK 706 (489). In addition there were financial investments in the amount of MSEK 463 (385) in the form of listed shares and other interest-bearing investments. In February 2016 payment was received in the amount of MSEK 51 following notification that the bid for Proffice will be completed.

## Equity/Net asset value

As of 31 December till equity amounted to SEK 143 (133) per share. The number of shares outstanding as of 31 December was 16,000,000, of which 1,800,000 are Class A. During 2015 75,153 shares were repurchased for MSEK 8 (SEK 111 each). Not including previously repurchased shares (1,210,153 equivalent to 8 percent), the number of outstanding shares was 14,789,847, of which 1,800,000 are Class A.

AB Traction's profit amounted to MSEK 76 (9). As of 31 December cash and cash equivalents, including investment in short-term commercial paper and similar instruments amounted to MSEK 476 (372). As of 31 December the Parent Company's equity ratio was 100 (100) percent. The Parent Company has no external loans. However, the Parent Company has a guarantee commitment to Hifab Group's bank in the amount of MSEK 50 to allow for bridge financing until such time as the Company's new issue has been completed. This occurred in January 2016 when it was established that the new issue was oversubscribed. Traction subscribed for its share (MSEK 28) in December 2015 and guaranteed the remaining portion of the issue (MSEK 25). Traction has no other guarantee commitments to secure credits to the active holdings.

## ***Transactions with closely related parties***

Over and above the dividend paid to the Parent Company's shareholders as approved by the Annual General Meeting, 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 have been the usual transactions between wholly and majority owned companies in the Traction Group, including loans, interest charges, repayments and some charges for services provided. Payment of directors fees have also been made on accordance with the decision of the Annual General Meeting.

In connection with, and before, the listing of Nilörngruppen, Traction acquired shares from members of senior management of, Claes af Wetterstedt and Krister Magnusson (also CFO of AB Traction), in an amount of just over MSEK 13. All transactions were on market terms. The shares were acquired at a price which did not exceed the listing price set in connection with the listing of Nilörngruppen, and have therefore not significantly affected Traction's financial position and profit.

In connection with the new issue in BE Group, Traction received fees in a net amount of MSEK 6 for participating in an underwriting consortium and for a commitment to subscribe for the purpose of securing refinancing of the company. For a fee, Traction has agreed with Hifab Group to guarantee subscription of shares not subscribed for with subscription rights in connection with the company's new share issue completed in January 2016. Traction has also received a guarantee commission from Hifab Group for a guarantee undertaking towards Hifab Group's bank to allow for bridge financing until proceeds of the flotation has been received. The compensation for these undertakings amounted to approximately MSEK 1.

## ***Risks and uncertainty factors***

The Group's and the Parent Company'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 is involved or has an ownership interest. Then 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, 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.

(The comparative data refer to the corresponding year-ago period with the exception of balance sheet and liquidity numbers which refer to year-end 2014.)

## TRACTION'S NET ASSET VALUE

FRACTION'S NET ASSET VALUE							
Holdings	Number of shares thousands	Market price per share	Percentage of capital votes		Market Value MSEK	% of total	SEK/ share
Listed active holdings							
Nilörngruppen	4,685	39.00	41	66	183	9%	12
OEM International	886	141.00	4	10	125	6%	8
Softronic	11,529	8.10	22	20	93	4%	6
Hifab Group	32,129	2.30	53	54	74	4%	5
BE Group	48,768	1.49	19	19	73	3%	5
Drillcon	24,000	3.00	54	54	72	3%	5
Nordic Camping & Resort	2,458	21.00	26	26	52	2%	4
Waterman Group	3,300	12.01	11	11	39	2%	3
Duroc	2,000	16.00	27	30	32	2%	2
Total					743	35%	50
Unlisted active holdings							
Ankarsrum Motors			100	100	90	4%	6
Other unlisted holdings					113	6%	8
Total					203	10%	14
Total active holdings					946	45%	64
Financial investments, cash and cash equivalents							
Other listed shares					225	10%	15
Interest-bearing investments					205	10%	14
Due from active holdings <sup>1</sup>					33	2%	2
Cash and cash equivalents <sup>2</sup>					706	33%	48
Total					1,169	55%	79
TOTAL					2,115	100%	143

<sup>1</sup>Including other net assets/liabilities in the amount of SEK 1.

<sup>2</sup>Including short-term interest-bearing investments in the amount of MSEK 164.

KEY FINANCIAL INDICATORS	Accumulated	
	2015	2014
Change in net asset value per share, %	9	8
Net asset value per share, SEK	143	133
Market price per share at end of period, SEK	114.50	99.25
Discount to net asset value, %	20	25
Equity ratio, %	100	100

## ***Accounting policies***

This year-end report has been prepared for the Group in accordance with IAS 34 Interim Financial Reporting and applicable rules in the Swedish Annual Accounts Act. The Year-end Report for the Parent Company has been prepared in accordance the Swedish Annual Accounts Act. Effective as of 1 January 2014, Traction applies the new rules for investment companies. This report has been prepared in accordance with the same accounting policies and using the same calculation methods as set out 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 referring to the prior year-end.

## ***Proposed dividend***

The Board of Directors proposes a dividend of SEK 2.55 (2.00) per share, equivalent to MSEK 37.8 (29.7). The proposed dividend is in line with the Company's dividend policy according to which the dividend is adjusted so that there is no tax expense in the Parent Company.

## ***Nomination Committee***

A previous Annual General Meeting has decided that Traction shall not have a nomination committee. This is a deviation from the rules of the Swedish Code of Corporate Governance regarding nomination committee. However, shareholders are always welcome to submit their opinion and/or suggestions regarding the composition of the Board of Directors to Bengt Stillström (telephone +46-8-506 289 03).

## ***Annual General Meeting***

The Annual General Meeting will be held at 5:00 p.m., 10 May 2016 at T-House, the Christoffer Columbus Room, Engelbrektsplan 1 in Stockholm. The Annual Report will be available on the Company's website not later than three weeks before the Annual General Meeting.

## ***Schedule of future information***

Publication dates for future financial information:

10 May 2016	Interim Report January - March 2016
10 May 2016	2015 Annual General Meeting, 5:00 p.m. in Stockholm
15 July 2016	Interim Report January - June 2016
18 October 2016	Interim Report January - September 2016
15 February 2017	Year-end Report January - December 2016

The information in this Interim Report is of the type Traction is under obligation to publish in accordance with the Securities Markets Act. The information herein was provided for publication at 12:00 noon, 17 February 2016.

The President hereby confirms that this interim report provides a fair overview of the operations of the Company's and the Group's operations, financial position and results, and describes significant risks and factors of uncertainty facing the Company and the companies in the Group.

Stockholm, 17 February 2016

Petter Stillström  
President & CEO

This Year-end Report has not been subject to review by the Company's auditors.

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## SUMMARY CONSOLIDATED INCOME STATEMENT

MSEK	October - December		Accumulated	
OPERATING REVENUE	2015	2014	2015	2014
Dividend income	5.2	29.3	74.3	117.5
Change in value of securities	6.4	1.0	82.9	9.7
Financial income	5.7	1.9	18.7	12.8
Other revenue	1.8	0.7	9.5	5.4
Operating costs	-3.0	-1.8	-11.2	-9.0
<b>Profit before taxes</b>	<b>16.1</b>	<b>31.1</b>	<b>174.2</b>	<b>136.4</b>
Taxes	-	-14.7	-	-14.7
<b>Profit and comprehensive result for the period</b>	<b>16.1</b>	<b>16.4</b>	<b>174.2</b>	<b>121.7</b>
Earnings per share (SEK)	1.09	1.10	11.75	8.18
Number of shares outstanding (thousands)	14,790	14,865	14,790	14,865
Average number of shares outstanding (thousands)	14,790	14,865	14,821	14,869

## SUMMARY CONSOLIDATED BALANCE SHEET

MSEK	2015	2014
ASSETS	31/12	31/12
Tangible non-current assets	0.1	5.7
Shares, etc.	945.6	1 095.8
<b>Total non-current assets</b>	<b>945.7</b>	<b>1 101.5</b>
Other current assets	7.0	10.4
Financial investments in active management	593.6	324.8
Loan receivables	31.8	60.3
Cash and cash equivalents	542.5	488.6
<b>Total current assets</b>	<b>1,174.9</b>	<b>884.1</b>
<b>TOTAL ASSETS</b>	<b>2,120.6</b>	<b>1,985.6</b>
<b>EQUITY AND LIABILITIES</b>		
Equity		
Attributable to the Parent Company's equity holders	2,114.9	1 978.8
<b>Total equity</b>	<b>2,114.9</b>	<b>1 978.8</b>
Current liabilities	5.7	6.8
<b>Total liabilities</b>	<b>5.7</b>	<b>6.8</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,120.6</b>	<b>1,985.6</b>

For other financial instruments, such as trade receivables, loan receivables, and long-term and current liabilities, the carrying value is a reasonable approximation of fair value.

## Summary Report of Changes in Consolidated Equity

MSEK	2015	2014
	31/12	31/12
Amount attributable to the Parent Company's shareholders at beginning of year	1,978.8	1,676.3
Effect of change of accounting policy	-	225.0
Adjusted opening balance	1,978.8	1,901.3
Dividend to shareholders	-29.7	-36.4
Repurchase of own shares	-8.4	-7.8
Comprehensive result for the period	174.2	121.7
<b>Closing balance</b>	<b>2,114.9</b>	<b>1,978.8</b>

**SUMMARY CONSOLIDATED CASH FLOW STATEMENT**

	October - December		January - December	
<b>MSEK</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<i>Operating activities</i>				
Consolidated result before taxes	16.1	31.0	174.2	136.3
Adjustment for items not included in cash flow	-11.4	6.8	-87.9	-1.8
Paid taxes	-	-	-	-
<b>Cash flow from operating activities before changes in working capital</b>	<b>4.7</b>	<b>37.8</b>	<b>86.3</b>	<b>134.5</b>
Change in working capital	-1.4	-5.0	-2.3	-9.7
<b>Cash flow from operating activities</b>	<b>3.3</b>	<b>32.8</b>	<b>84.0</b>	<b>124.8</b>
<i>Cash flow from investment activities</i>				
Purchase of shares in unlisted companies	-4.7	-	-18.0	-3.4
Sale of shares in unlisted companies	-	0.3	200.5	0.3
Purchase of shares in listed companies	-66.3	-78.0	-434.9	-207.4
Sale of shares in unlisted companies	85.8	151.9	508.1	452.8
Purchase/sale of tangible non-current assets	-	-	5.6	1.0
Change in other financial assets	-7.5	-9.8	-253.3	-51.6
<b>Cash flow from investment activities</b>	<b>7.3</b>	<b>64.4</b>	<b>8.0</b>	<b>191.7</b>
<i>Financing activities</i>				
Dividend paid	-	-	-29.7	-36.4
Repurchase of own shares	-	-	-8.4	-7.7
<b>Cash flow from financing activities</b>	<b>0.0</b>	<b>0.0</b>	<b>-38.1</b>	<b>-44.1</b>
<b>Cash flow for the period</b>	<b>10.6</b>	<b>97.2</b>	<b>53.9</b>	<b>272.4</b>
Cash and cash equivalents at beginning of period	531.9	391.4	488.6	216.2
Cash and cash equivalents at end of period	542.5	488.6	542.5	488.6

## SPECIFICATION OF RESULT

Group 2015				
Period October - December	Active holdings listed	Active holdings unlisted	Other	Total
Dividend income	-	5.0	0.2	5.2
Changes in value	-0.8	-15.1	22.3	6.4
Financial income	-	-	5.7	5.7
Other income	-	-	1.8	1.8
Operating expenses	-	-	-3.0	-3.0
Result before taxes	-0.8	-10.1	27.0	16.1
Group 2014				
Period October - December	Active holdings listed	Active holdings unlisted	Other	Total
Dividend income	-	28.7	0.6	29.3
Changes in value	-37.2	47.9	-9.7	1.0
Financial income	-	-	1.9	1.9
Other income	-	-	0.7	0.7
Operating expenses	-	-	-1.8	-1.8
Result before taxes	-37.2	76.6	-8.3	31.1
Group 2015				
Period January - December	Active holdings listed	Active holdings unlisted	Other	Total
Dividend income	27.8	38.1	8.4	74.3
Changes in value	-34.1	91.4	25.6	82.9
Financial income	-	-	18.7	18.7
Other income	-	-	9.5	9.5
Operating expenses	-	-	-11.2	-11.2
Result before taxes	-6.3	129.5	51.0	174.2
Group 2014				
Period January - December	Active holdings listed	Active holdings unlisted	Other	Total
Dividend income	16.3	88.6	12.6	117.5
Changes in value	-25.7	50.1	-14.7	9.7
Financial income	-	-	12.8	12.8
Other income	-	-	5.4	5.4
Operating expenses	-	-	-9.0	-9.0
Result before taxes	-9.4	138.7	7.1	136.4

## FINANCIAL INSTRUMENTS

### Valuation of financial assets

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.

Group 2015	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Shares in unlisted holdings	-	-	202.9	202.9
Shares in listed active holdings	742.7	-	-	742.7
Financial investments	593.6	-	-	593.6
<b>Total</b>	<b>1,336.3</b>		<b>202.9</b>	<b>1,539.2</b>

Group 2014	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Shares in unlisted holdings	-	-	494.9	494.9
Shares in listed active holdings v	600.9	-	-	600.9
Financial investments	324.8	-	-	324.8
<b>Total</b>	<b>925.7</b>		<b>494.9</b>	<b>1,420.6</b>

### Changes in financial assets in level 3

<b>Group</b>	
Opening carrying value	494.9
Purchases/shareholder contributions	25.0
Reclassification	-207.7
Sales/redemption	-200.7
Change in value	91.4
<b>Total</b>	<b>202.9</b>

### Transfers between levels

Transfers between different levels effected during a reporting period should be presented with the value at the end of the reporting period. The reduction of assets in Level 3 relative to the year-end volume refers mainly to Nilörngruppen, the ownership of which has been reduced. The remaining shares were reclassified in connection with the company going public and the listing on First North during the second quarter.

### Valuation of financial instruments at level 3

Valuation of unlisted holdings is made on the basis of *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 arms-length 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:	4 - 10
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 rapid growth.

# SUMMARY PARENT COMPANY INCOME STATEMENT

MSEK	January - December	
	2015	2014
Dividend income	29.3	23.0
Other operating revenue	2.5	-
Change in value of securities	40.6	-14.7
Financial income/expense	4.6	2.2
Other external costs	-1.3	-1.3
<b>Profit before taxes</b>	<b>75.7</b>	<b>9.2</b>
Taxes	-	-
<b>Profit and comprehensive result for the period</b>	<b>75.7</b>	<b>9.2</b>

# SUMMARY PARENT COMPANY BALANCE SHEET

MSEK	2015	2014
ASSETS	31/12	31/12
Shares	608.3	658.7
<b>Total non-current assets</b>	<b>608.3</b>	<b>658.7</b>
Due from Group companies	15.2	21.6
Other receivables	2.1	8.3
Financial investments	378.4	218.6
Cash and cash equivalents	312.1	371.8
<b>Total non-current assets</b>	<b>707.8</b>	<b>620.3</b>
<b>TOTAL ASSETS</b>	<b>1,316.1</b>	<b>1,279.0</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>1,316.0</b>	<b>1,278.4</b>
Current liabilities	0.1	0.6
<b>Total current liabilities</b>	<b>0.1</b>	<b>0.6</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,316.1</b>	<b>1,279.0</b>
Pledged assets	-	-

## DEFINITIONS

### Traction Group

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

### Equity per share and Net asset value per share

Equity at the end of the period divided by the average number of shares outstanding.

### Financial investments

Refers to equity and interest-bearing investments in companies where Traction is not an active owner.

### Listed active holdings

Holdings where Traction's ownership exceeds 10 percent of the votes in each respective company.

### Unlisted active holdings

Holdings where Traction's ownership is less than 50 percent of the votes and where the remaining shares are usually owned by one or more entrepreneurs or other active partners.

### Net asset value discount

Traction's market value, where unlisted Class A shares are valued the same as the listed Class B share at the end of the period, less the net asset value discount, divided by the net asset value at the end of the period.

### Earnings per share

Profit for the period after dilution divided by average number of shares outstanding during the year.

### Change in net asset value of per share

Change of the net asset value during the period under, including dividend paid.