

STRAX

PRESS RELEASE

July 13, 2023

STRAX brings an investor into its European distribution business in a transaction valuing that business unit at MEUR 32.

STRAX, the mobile accessories specialist, has secured MEUR 10 investment from ZEBRA Invest GmbH, a Germany based investment company, for 50.1% ownership of its European based distribution business. The enterprise value of the Strax European distribution business in the transaction is MEUR 32 and the transaction will furthermore reduce debt within remaining STRAX by MEUR 12. The transaction is the first of several STRAX is working in parallel, most of which are expected to close in 2023.

The MEUR 10 investment by ZEBRA is executed by way of a share capital increase in STRAX GmbH, the parent company of the European Distribution business. Subsequently ZEBRA will own 50.1% of STRAX GmbH with STRAX AB owning the remaining 49.9%. The effective transaction date is 1 July 2023 and from that date onwards the European distribution business of STRAX will no longer be considered as part of the consolidated financial statements of STRAX AB but accounted for using the equity method. The MEUR 10 consideration will significantly improve the liquidity of the distribution business. The transaction is subject to customary closing conditions.

STRAX GmbH will continue to distribute all STRAX brands in Europe, including Urbanista, Clckr and Planet Buddies.

The European distribution business generated sales of MEUR 70.2 and EBIT of MEUR 6.9 in 2022. While the transaction will reduce STRAX's consolidated annual sales and EBIT it will also reduce headcount by 105 FTEs and OPEX by 50% and contribute with a share of profit through the equity method, therefore mitigating the EBIT impact on a consolidated basis. Additionally, STRAX interest bearing debt will effectively be reduced by MEUR 12.

Commenting on the transaction, Gudmundur Palmason, CEO, STRAX Group, says:

"We acquired STRAX GmbH for MEUR 15 back in 2006 and we have managed to grow and develop that business through several challenging macro cycles. Selling the majority of the European distribution business today marks a change in direction for STRAX, whereby we are transitioning towards a pure house of brands retaining significant ownership in a respected European based value-added distributor. Bringing in Zebra, whom we know well, will additionally

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enable the European Distribution business to expand its value proposition in the field of logistics services and the MEUR 10 capital injection will also support growth in the core distribution of mobile accessories. This truly is a win-win transaction for all parties involved. This is only the first transaction to close out of the ones that have been communicated as being worked on and as such provides for good momentum to bring the others over the line."

ZEBRA Invest GmbH' Managing Directors, Yannick Todtenhöfer and Julius Franz commented: "We have developed a strong partnership with STRAX and they have proven to be a reliable logistics partner, judging from the mutual success we enjoyed delivering Covid-19 antigen tests in Germany. We are reviewing several new logistics opportunities with STRAX and look forward to being an integrated part of delivering those as well as being a considered part of the next chapter in the STRAX European distribution business."

For further information please contact Gudmundur Palmason, CEO, Strax AB, +46 8 545 01750

This information is information that STRAX is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on July 13, 2023 at 04:25 CEST.

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About STRAX

STRAX is a global leader in accessories that empower mobile lifestyles. Our portfolio of branded accessories covers all major mobile accessory categories: Protection, Power, Connectivity, as well as Personal Audio.

Own brands are Urbanista, Clckr, Planet Buddies and RichmondFinch. Our distribution business reaches a broad customer base, through 70 000 brick and mortar stores around the globe, as well as through online marketplaces and direct-to-consumers. Our distribution business also services over 40 other major mobile accessory brands.

Founded as a trading company in 1995, STRAX has since expanded worldwide and evolved into a global brand and distribution business. Today we have over 200 employees in 13 countries. STRAX is listed on the Nasdaq Stockholm stock exchange.

Discontinued operations include Health & Wellness, own brands Dóttir and grell, and licenced brand portfolio of adidas and Diesel.

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Attachments

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