



Year-end
report



**Q4
2021**

STRAX

STRAX delivered record annual sales of 123.7 MEUR in 2021, during the same time gross margin was negatively impacted due to Covid-19

- The Group's sales for the period January 1 – December 31, 2021, amounted to MEUR 124 (112) with a gross margin of 15.1 (26.3) percent.
- The Group's result for the period January 1 – December 31, 2021, amounted to MEUR -3.9 (0.7) corresponding to EUR -0.03 (0.01) per share.
- EBITDA for the period January 1 – December 31, 2021, amounted to MEUR 4.3 (8.5).
- Equity as of December 31, 2021, amounted to MEUR 14.0 (18.2) corresponding to EUR 0.12 (0.15) per share.
- Covid-19 continued to have significant impact on sales of own mobile accessories and personal audio brands leading to unfavorable brand and product mix. This development coupled with various global supply chain disruptions has caused a sharp drop in gross margin for the period.
- A bid for all outstanding shares in ZAGG shares was approved February 18, 2021. The bid level was at the current share price so will not have an effect for the P&L but will contribute with approximately 2.5 MEUR in cash, with a potential upside of USD 0.25 per share if certain conditions are met corresponding to an additional USD 159.4 thousands.
- STRAX subsidiary Urbanista, the Swedish lifestyle audio brand, announced Urbanista Los Angeles, the world's first self-charging, wireless active noise cancelling headphones, powered by Powerfoyle™ solar cell material.
- STRAX launched online only brand Dóttir, with new line of sports-focused true wireless headphones. The brand was developed with CrossFit champions Annie Thorisdottir and Katrin Davidsdottir. The first product, Dóttir Freedom On-Grid in-ear headphones has already been awarded the Red Dot Award for product design.
- STRAX launched online only brand, grell, with the first product being true wireless headphones. The brand was developed with world-renowned sound engineer and headphone designer Axel Grell, who has crafted headphones to produce world-class sound for over three decades, most notably at Sennheiser. The first product from grell won CES Innovation awards 2022.
- As a result of the compressed margin during the second half of 2021, the group did not meet one of the financial covenants in the loan agreement with PCP as of December 31, 2021. After the end of the period a waiver for the breach was granted. The fact the waiver was granted after the end of the period has the effect under IFRS that the related interest-bearing debt is reported as current in the balance sheet as of December 31, 2021.
- STRAX demonstrated its commitment to furthering sustainability by earning gold certification from Ecovadis, the largest independent provider of business sustainability ratings.

Significant events after the end of the period

- STRAX entered a partnership with a German personal protective equipment specialist company to deliver Covid-19 tests to a regional government body in Germany. Total sales of the tests are expected to exceed MEUR 32 in the first quarter of 2022 with a significant positive impact on STRAX during the quarter.
- STRAX extended its partnership with the German personal protective equipment specialist company to deliver Covid-19 tests to another regional government body in Germany. Total sales of the new contract award are expected to exceed MEUR 12, and the contract covers the first and second quarter of 2022.
- AirPop, the premium high performance face mask brand STRAX holds a five-year global exclusive distribution agreement for, recently secured key retail channels in the United States, Canada, and Australia.

"STRAX delivered 123.7 MEUR in sales in 2021, corresponding to 10.7% growth year-over-year (YoY) and record annual sales. The ongoing Covid-19 pandemic has caused challenging industry dynamics for our own personal audio and mobile accessories brands, which negatively impacted our blended average contribution profit margin during the period. We experienced product delays and increased input costs on the supply side and global smartphone shortage and drop in retail store footfall on the demand side."

Gudmundur Palmason, CEO

COMMENTS FROM THE CEO



STRAX delivered 123.7 MEUR in sales in 2021, corresponding to 10.7% growth year-over-year (YoY) and record annual sales. The ongoing Covid-19 pandemic has caused challenging industry dynamics for our own personal audio and mobile accessories brands, which negatively impacted our blended average contribution profit margin during the period. We experienced product delays and increased input costs on the supply side and global smartphone shortage and drop in retail store footfall on the demand side. These unfavorable market conditions for our core products furthermore led to an inventory profile exposure resulting in 2.2 MEUR increase in write-offs and devaluation, relative to 2020. Overly aggressive e-commerce growth tactics further compressed our margins, which has now largely been scaled back. We expect these challenging macro factors will start to normalize in H1 2022, after which our margins should return to pre-pandemic levels relatively quickly.

Q4 & FY results

Sales in Q4 amounted to MEUR 41.9 (35.1), corresponding to an increase of MEUR 6.8 or 19.4% compared to last year, mainly driven by Covid-19 tests delivered at the back end of the quarter. EBITDA during the quarter decreased to MEUR 1.6 (3.7), a decrease of 56.4% YoY. Total sales in 2021 were MEUR 123.7 (111.8), a YoY increase of 10.7%. Mobile accessories sales were MEUR 85.3 (86.4) in 2021 representing a decrease of 1.3% YoY, whilst sales from Health & Wellness product category were MEUR 38.4 (25.3), equaling 31% (22.7%) of total sales in 2021. EBITDA for the year was MEUR 4.3 (8.5), representing a YoY decrease of 49.6%.

Split & separate listing of Distribution

Our European distribution business (Distribution) has delivered strong results throughout the Covid-19 pandemic and provided its partners with uninterrupted services day-in and day-out. This business unit has long standing relationships with a broad and diversified customer base throughout Europe, from telecom operators to consumer electronic stores and mass retailers, as well as large enterprises. STRAX is widely recognized as one of the leading specialist distributors of tech accessories in Europe and the business is well positioned to pursue growth through product category expansion and active acquisition strategy in a fragmented distribution landscape.

The evaluation of a full separation and stock exchange listing of segment Distribution, excluding Brandvault, the online marketplace specialist, is progressing well. Our hypothesis is that a split and subsequent listing of our Distribution business will realize value in both businesses as each unit will develop more favorably as fully independent businesses and therefore create better foundation for them to reach their full potential. A split would furthermore provide investors with complete transparency of the performance of each business unit, enabling them to independently value the businesses, rather than as a consolidated group, which often distorts the value.

Remaining business - House of Brands

Supply chain disruptions coupled with extended social restrictions in most of our key markets have had a significant impact on the performance of own brands. At the same time, we have failed to shift sales online profitably to supplement decrease in brick-and-mortar sales. The current product portfolios and future roadmaps of own brands have never been more robust, and we have every reason to believe that all our brands will experience solid growth mid- and long-term once markets have normalized.

Post successful split, STRAX would become a House of Brands, a highly focused company on developing own brands in tech accessories and personal audio products, both offline and online. We already own several strong brands in these product categories, each with a unique positioning in their respective consumer segments. On the personal audio side, we have Urbanista and the two recently launched digital native brands, Dóttir and grell, and in tech accessories we have Clckr, RichmondFinch and Planet Buddies.

Sustainability progress

STRAX+, our initiative aimed at becoming more environmentally conscious and sustainable as a company, remains critically important to us. We have recently achieved a gold rating with Ecovadis, the world's most trusted business sustainability rating, through a broad range of improvements throughout our business. We aim to step up our efforts further and have set our sights at earning Platinum rating, which only 1% of more than 75,000 rated companies have received.

I still maintain that STRAX has done well since the Covid-19 pandemic started two years ago. At the same time recognizing that improvements are required in several parts of our individual businesses. From day one we have prioritized the health and safety of our employees and in return the entire team has never lost a beat. We have therefore been able to maintain stable and high service levels for our broad vendor and customer base throughout the pandemic. We are committed to protecting our employees and retain this track record until we've come out on the other end. I remain very proud of every one of our employees showing such resilience and positivity and look forward to our future successes, which I firmly believe are imminent.

WE INNOVATE, WE CREATE, WE INSPIRE, WE DELIVER

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. Our new Health & Wellness category offers branded Personal Protection products. 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.

Wholly owned brands include Urbanista, Clckr, RichmondFinch, Planet Buddies, xqisit, AVO+, Dóttir and grell, and licensed brands include adidas, Bugatti, Diesel, Superdry and WeSC. 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.

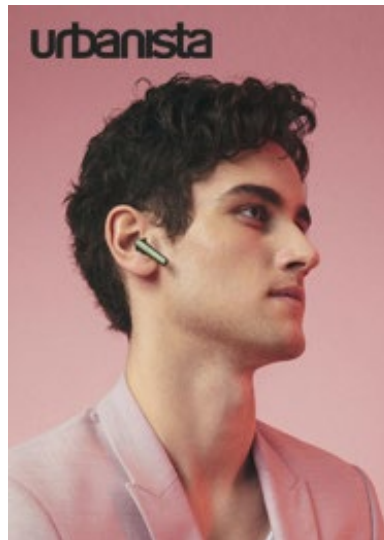


OWN BRANDS – MOBILE ACCESSORIES



INNOVATIVE PROTECTION, AUDIO, POWER & CHARGING SOLUTIONS

With an extensive product portfolio ranging from protection to audio and power, XQISIT brings mid-priced innovative, quality design and functionality to value-conscious consumers.



HIP AUDIO ACCESSORIES WITH SCANDINAVIAN DESIGN

Based in Stockholm, Urbanista is a market leader in its region, combining avant-garde design with the latest in audio technology. The products are designed for a life in motion and built to inspire and endure.



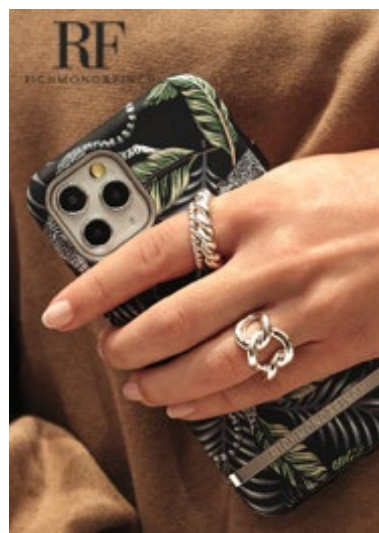
PREMIUM STRENGTH GLASS SCREEN PROTECTION DESIGNED FOR A SEAMLESS FIT

Responding to the growing market demand for tempered glass protection, THOR is a higher quality, premium product, priding itself on being meticulously designed to fit any phone perfectly.



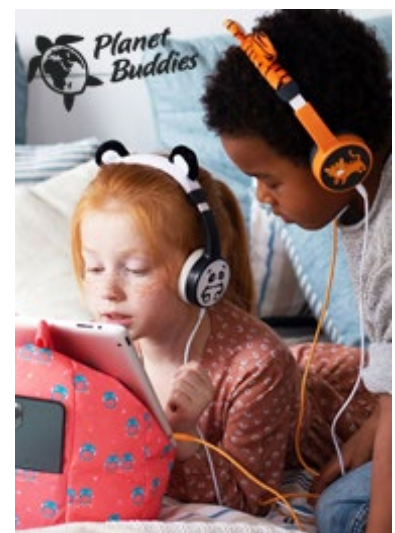
A UNIVERSAL PHONE GRIP AND STAND

A patented universal and multi-functional phone grip that helps prevent users dropping their phone, enables better quality selfies and a more enhanced mobile video watching experience. A thin and stylish design, Clckr is easy to apply using 3M-adhesive which will not leave residue.



PREMIUM LIFESTYLE BRAND

RichmondFinch is a Scandinavian tech accessories brand. Richmond & Finch designs and produces contemporary mobile phone and travel accessories. The unisex lifestyle brand creates unique designs which reflect current fashion trends.



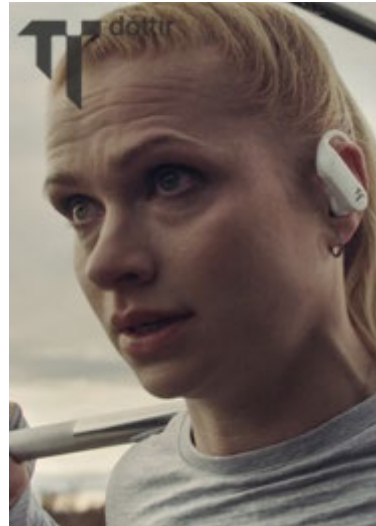
CHILDRENS BRAND

Planet Buddies have created a range of kids' accessories based on a variety of colorful characters who represent endangered, vulnerable, and threatened species of animals from all over the world. Their goal is to educate children about the issues that threaten animals with extinction at the same time as offering great and fun products such as headphones and speakers.



HIGH-END PERSONALIZED LISTENING EXPERIENCES

Designed to make high-end audio quality more accessible, grell headphones offer personalized listening experience at a price that reflects the cost for quality of the sound, alone. Created by renowned headphone engineer Axel Grell, grell headphones feature a unique combination of high-end technological components, German design, and meticulous attention to detail.



HEADPHONES FOR WORLD CLASS ATHLETES

Dóttir started as an idea between friends that popped up on a stroll around London, creating a headphone for World Class athletes that allows them to train freely without outside distraction. From there it has grown into something much bigger, not only a brand that creates headphones for athletes but a brand that supports female empowerment and equality.

LICENSED BRANDS



FOR ACTIVE USE IN THE GYM AND OUTDOORS

adidas Sports aims to set a new bar in the fast-growing market of tech accessories. The new collection of sports cases consists of a variety of flexible armbands, smart waist straps and highly protective anti-slip and anti-shock cases. The adidas Sports cases are carefully designed to protect smartphones during intense workouts or outdoor activities.



STREET WEAR INSPIRED PROTECTION

adidas Originals continues to evolve the brand's legacy through its commitment to product innovation. Inspired by the creativity and courage found in sporting arenas, the adidas Originals smartphone cases combine contemporary youth culture design with resilient protection features.



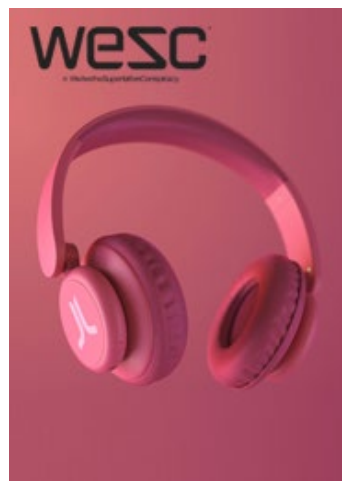
CHIC AND REFINED PROTECTION

The bugatti brand aims to reflect the cultural and creative diversity of Europe. bugatti's handmade smartphone cases are crafted from high-quality full grain leather and come in a range of timeless colors, epitomizing elegance, and quality workmanship.



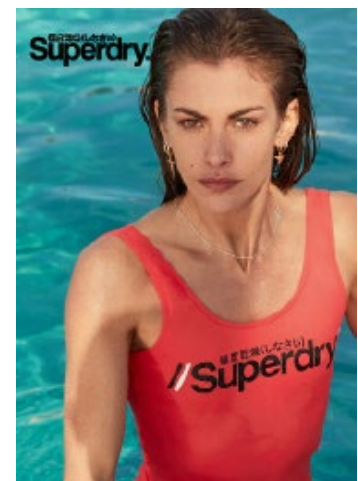
DISTINGUISHED DEVICE CASES

A small yet distinguished collection of device cases for which the license was acquired from adidas in 2013. This TLF and Y-3 collaboration offers a variety of statement smartphone protection- and booklet cases. Combining adidas design, quality, and durability with the unique, eye-catching designs of Japanese fashion designer Yohji Yamamoto.



PREMIUM STREET WEAR & ACCESSORIES

TLF acquired the license for WeSC in 2020. WeSC designs, markets, and sells clothing & accessories in the premium street wear segment of the international market under the WeSC (We are the Superlative Conspiracy) brand.



ICONIC AND CONTEMPORARY FASHION BRAND

TLF acquired the license for Superdry in 2020. Founded in the UK in 2003, Superdry has become an iconic and contemporary fashion brand focusing on high-quality products that fuse vintage Americana with Japanese-inspired graphics. Characterized by quality fabrics, authentic vintage washes, unique detailing, and world leading graphics, Superdry has gained exclusive appeal as well as a global celebrity following.



FOR SUCCESSFUL LIVING

The Diesel slogan for the brand's DNA from the very start. TLF acquired the licence for Diesel to launch mobile accessories in 2020. Through a long and storied history of strong, iconic, and playful campaigns Diesel has become a leader in advertising as well as in fashion.

OWN BRANDS – HEALTH & WELLNESS



AVO+ fills the void in the market for appealing, well marketed, value-oriented solutions for consumer healthcare. Understanding that consumers prefer products and packaging that has been designed for their environment and use case AVO+ has resonated with consumers in markets across the world with its bright/fresh easy to understand concept.

The Board of Directors and the CEO of Strax AB hereby submit the Year-end report for the period January 1 – December 31, 2021

All amounts are provided in EUR thousands unless otherwise stated. Figures in parentheses refer to the corresponding period the previous financial year. Information provided refers to the group and the parent company unless otherwise stated.

Result and financial position January 1 – December 31, 2021

The Group's net sales for the period January 1 – December 31, 2021, amounted to 123 698 (111 790). Gross profit amounted to 18 643 (28 518) and gross margin amounted to 15.1 (26.3) percent. Operating profit amounted to 1 899 (6 774).

Result for the period amounted to -3 898 (669). The result included gross profit 18 643 (28 518) selling expenses -17 725 (-17 817), administrative expenses -5 962 (-3 924), other operating expenses -9 728 (-12 121), other operating income 16 671 (12 117), of which 4 661 (-) relates to re-evaluation of earnout liability, net financial items -4 919 (-5 931) and tax -902 (-174).

As of December 31, 2021, total assets amounted to 114 354 (99 099), of which equity totaled 14 036 (18 171), corresponding to equity/assets ratio of 12.3 (18.3) percent. Interest-bearing liabilities as of December 31, 2021, amounted to 44 391 (33 949). The group's cash and cash equivalents amounted to 2 601 (7 379).

As a result of the compressed margin during the second half of 2021, the group did not meet one of the financial covenants in the loan agreement with PCP as of December 31, 2021. After the end of the period a waiver for the breach was granted. The fact the waiver was granted after the end of the period has the effect under IFRS that the related interest-bearing debt is reported as current in the balance sheet as of December 31, 2021.

Significant events during the period

A bid for all outstanding shares in ZAGG shares was approved February 18, 2021. The bid level was at the current share price so will not have an effect for the P&L but will contribute with approximately 2.5 MEUR in cash, with a potential upside of USD 0.25 per share if certain conditions are met corresponding to an additional USD 159.4 thousands.

STRAX subsidiary Urbanista, the Swedish lifestyle audio brand, announced Urbanista Los Angeles, the world's first self-charging, wireless active noise cancelling headphones, powered by Powerfoyle™ solar cell material. Using advanced green technology, Los Angeles converts all forms of light, outdoor and indoor, into energy to deliver virtually infinite playtime.

The 2020 Annual General Meeting was held on May 26, 2021. Due to the extraordinary situation resulting from the covid-19 pandemic, the Annual General Meeting was carried out through advance voting (postal voting) pursuant to temporary legislation. No meeting with the possibility to attend in person or to be represented by a proxy took place. STRAX welcomed all shareholders to exercise their voting rights at the Annual General meeting by voting in advance.

STRAX launched online only brand Dóttir, with new line of sports-focused true wireless headphones. The brand was developed with CrossFit champions Annie Thorisdottir and Katrin Davidsdottir. The first product, Dóttir Freedom On-Grid in-ear headphones has already been awarded the Red Dot Award for product design.

STRAX launched online only brand, grell, with the first product being true wireless headphones. The brand was developed with world-renowned sound engineer and headphone designer Axel Grell, who has crafted headphones to produce world-class sound for over three decades, most notably at Sennheiser. The first product from grell won CES Innovation awards 2022.

STRAX demonstrated its commitment to furthering sustainability by earning gold certification from Ecovadis, the largest independent provider of business sustainability ratings.

Seasonal and phone launch fluctuations

STRAX operations have defined fluctuations between seasons, whereby the strongest period is September-November. This means the greater part of the STRAX result is generated during the second half of the year provided the trends from the last five years continue. Timing and supply of hero smartphone launches, e.g. iPhone and Samsung Galaxy, also impacts STRAX results, with these being hard to predict and sometimes challenging to manage.

Investments

Investments during the period amounted to a total of 2 793 (2 446), of which investments in intangible assets amounted to 980 (1 761), property, plant and equipment amounted to 1 142 (359) and investments in subsidiaries amounted to 671 (326).

The parent company's result for the period amounted to - (-). The result included gross profit of 1 147 (1 036), administrative expenses -1 224 (-976) and net financial items 77 (-60). As of December 31, 2021, total assets amounted to 77 131 (80 296) of which equity totaled 63 076 (63 076). Cash and cash equivalents amounted to 673 (3 976).

Significant events after the end of the period

STRAX entered a partnership with a German personal protective equipment specialist company to deliver Covid-19 tests to a regional government body in Germany. Total sales of the tests are expected to exceed MEUR 32 in the first quarter of 2022 with a significant positive impact on STRAX during the quarter.

STRAX extended its partnership with the German personal protective equipment specialist company to deliver Covid-19 tests to another regional government body in Germany. Total sales of the new contract award are expected to exceed MEUR 12, and the contract covers the first and second quarter of 2022.

AirPop, the premium high performance face mask brand STRAX holds a five-year global exclusive distribution agreement for, recently secured key retail channels in the United States, Canada, and Australia.

Future development

STRAX will play an active role in shaping the mobile accessories industry both offline and online in all its targeted geographic markets. We will continue to grow our businesses within the strategic framework that we launched in 2016 and refined in 2019, while simultaneously strengthening our operating platform. This will enable us to drive our own brand growth strategy through offline and online sales channels globally with fewer resources. While retaining market share in western Europe, STRAX will at the same time invest and grow at an accelerated rate in North America, and strategic markets in the rest of the world. STRAX will furthermore invest in eCommerce sales channels, both direct brand websites and marketplaces, to improve margins, diversify its traditional retail customer base and secure growth.

STRAX has enjoyed positive developments in sales in recent years, except for the heavily impacted Covid-19 pandemic year of 2020. We expect continued organic growth, driven specifically by own brands and improvements in our profitability. We have completed the acquisition of Brandvault, the global online marketplace experts. We expect our online sales to grow significantly, albeit from a relatively low base, with eCommerce accounting for 50% of our sales in 2-3 years. STRAX furthermore intends to play an active role in the ongoing consolidation of our industry through acquisitions, divestments, and partnerships. Reduced overall demand for mobile accessories, stemming from the Covid-19 pandemic, is expected to continue through 2022 but will not alter our mid- to longer-term plans in the product category.

STRAX entered the health & wellness product category with promising results.

To a large extent we utilize our existing resources, infrastructure, and distribution competence. Although still being in a relatively early stage of addressing existing customers and developing new customer relationships, we feel strongly about the potential and long-term sustainability of the product category, given that changes in behavior, as a result of Covid-19, are most likely permanent.

This applies to the usage of face masks, gloves, and various sanitizing products. The new health & wellness category furthermore provides diversification and can reduce our seasonality stemming from the mobile accessories industry.

Risks and uncertainties

Risk assessment, i.e. the identification and evaluation of the company's risks is an annual process at STRAX. Risk assessment is done in the form of self-evaluation and includes establishing action plans to mitigate identified risks. The primary risks present in STRAX business activities are commercial risk, operative risk, financial risk relating to outstanding receivables, obsolete inventory, and currency risk. Other risks that impact the company's financial operations are liquidity, interest rate and credit risk.

The company is to some extent dependent on a key number of senior executives and other key personnel to run its operations, and is dependent on a functioning distribution chain, logistics and warehousing.

The Covid-19 pandemic is still impacting our day-to-day business and many of the initial measures taken back in March 2020 remain intact. With the increase of cases related to the Omicron variant of the Covid-19 virus we expect these measures to remain in place throughout 2022.

Measures have been taken in all parts of the business to mitigate the impact of the coronavirus, including in the following areas:

- Adjustments to product purchasing plans
- Reduction of operating expenses through reduced working hours or direct salary reductions, and reductions of rent, marketing and travel expenditures
- Credit facilities are being expanded to strengthen liquidity
- Increased activities in online channels
- Distribution of medical products, such as face masks, gloves and hand sanitizers

For further information on risks and risk management, reference is made to the 2020 annual report.

FINANCIAL CALENDAR:

[February 24, 2022](#)
Year-end Report 2021

[April 2022](#)
Annual report 2021

[May 25, 2022](#)
Interim Report January – March 2022

[May 25, 2022](#)
Annual General Meeting

**For further information
contact:**

Gudmundur Palmason (CEO)
Johan Heijbel (CFO)

STRAX AB (publ)
Mäster Samuelsgatan 10
111 44 Stockholm
Sweden
Corp.id: 556539-7709
Tel: +46 (0)8-545 017 50
ir@strax.com
www.strax.com

The Board is registered in Stockholm,
Sweden.

The report has been prepared in Swedish and translated into English.
In the event of any discrepancies between the Swedish and English translation, the former shall have precedence.

The undersigned declare that the interim report provides a true and fair overview of the parent company's and the group's operations, financial position, performance, and result and describes material risks and uncertainties facing the parent company and other companies in the group.

Stockholm, February 24, 2022

Bertil Villard
Chairman

Anders Lönnqvist
Director

Gudmundur Palmason
Director/CEO

Ingvi T. Tomasson
Director

Pia Anderberg
Director

This report has not been subject to an audit by the company auditor

Group

	2021	2020	2021	2020
	(3 months)	(3 months)	(12 months)	(12 months)
Key ratios	Oct 1– Dec 31	Oct 1– Dec 31	Jan 1- Dec 31	Jan 1 - Dec 31
FINANCIAL KEY RATIOS				
Sales growth, %	19.4	-12.5	10.7	-0.7
Gross margin, %	13.0	27.9	15.1	26.3
Equity, MEUR	14.0	18.2	14.0	18.2
Equity/asset ratio, %	12.3	18.3	12.3	18.3
DATA PER SHARE				
Equity, EUR	0.12	0.15	0.12	0.15
Equity, SEK	1.19	1.52	1.19	1.52
Result, EUR	-0.02	0.01	-0.03	0.01
Result, SEK	-0.22	0.14	-0.33	0.06
Result per share prior to dilution, EUR	-0.02	0.01	-0.03	0.00
Result per share after dilution, EUR	-0.02	0.01	-0.03	0.00
NUMBER OF SHARES				
Number of shares at the end of the period	120 592 332	120 592 332	120 592 332	120 592 332
Average number of shares	120 592 332	120 592 332	120 592 332	120 592 332
Average number of shares during the period after dilution	124 687 332	124 687 332	124 687 332	124 687 332
EMPLOYEES				
Average number of employees	231	230	231	224

Group

	2021	2020	2021	2020
	(3 months)	(3 months)	(12 months)	(12 months)
Summary income statements, KEUR	Oct 1 – Dec 31	Oct 1 – Dec 31	Jan 1 – Dec 31	Jan 1- Dec 31
Net sales	41 944	35 123	123 698	111 790
Cost of goods sold	-36 509	-26 141	-105 055	-83 272
Gross profit	5 435	8 982	18 643	28 518
Selling expenses	-5 425	-4 623	-17 725	-17 817
Administrative expenses ⁽¹⁾	-2 142	-85	-5 962	-3 924
Other operating expenses	-2 854	-5 106	-9 728	-12 121
Other operating income	6 030	4 011	16 671	12 117
Operating profit	1 044	3 179	1 899	6 774
Financial income	-	-1	24	-
Financial expenses	-1 550	-1 153	-4 919	-5 931
Net financial items	-1 550	-1 154	-4 895	-5 931
Profit before tax	-507	2 025	-2 996	843
Tax	-2 081	-483	-902	-174
PROFIT OR LOSS FOR THE PERIOD ⁽²⁾	-2 588	1 542	-3 898	669
<i>Result per share before dilution, EUR</i>	<i>-0.02</i>	<i>0.01</i>	<i>-0.03</i>	<i>0.01</i>
<i>Result per share after dilution, EUR</i>	<i>-0.02</i>	<i>0.01</i>	<i>-0.03</i>	<i>0.01</i>
<i>Average number of shares during the period</i>	<i>120 592 332</i>	<i>120 592 332</i>	<i>120 592 332</i>	<i>120 592 332</i>
<i>Average number of shares during the period after dilution</i>	<i>124 687 332</i>	<i>124 687 332</i>	<i>124 687 332</i>	<i>124 687 332</i>
Statement of comprehensive income, KEUR				
Result for the period	-2 588	1 542	-3 898	669
Other comprehensive income, translation gains/losses on consolidation	-598	-2 597	-237	-2 597
Total comprehensive income for the period	-3 186	-1 055	-4 135	-1 928

¹⁾ Depreciation and amortization for the period January 1 – December 31, 2021, amounted to 2 399 (1 756).

²⁾ The result for the period, respectively the total comprehensive income is attributed to the parent company's shareholders.

Operating segment

YTD 2021

	2021	2020	2021	2020	2021	2020
	(12 months)	(12 months)	(12 months)	(12 months)	(12 months)	(12 months)
	Jan 1 - Dec 31	Jan 1 - Dec 31	Jan 1 - Dec 31	Jan 1 - Dec 31	Jan 1 - Dec 31	Jan 1 - Dec 31
	Distribution		Own Brands and Others		Total	
Net Sales	71 831	64 887	51 867	46 903	123 698	111 790
Net COS	-57 397	-49 191	-47 658	-34 081	-105 055	-83 272
Gross profit	14 434	15 696	4 209	12 823	18 643	28 519
Gross Margin	20%	24%	8%	27%	15%	26%
						0
Distribution Costs	-6 252	-6 361	-11 473	-11 456	-17 725	-17 817
Administrative Expenses	-3 702	-1 738	-2 260	-2 186	-5 962	-3 924
Other Operating Expenses	-1 268	-10 899	-8 460	-1 222	-9 728	-12 121
Other Operating Income	1 894	9 581	14 777	2 536	16 671	12 117
EBIT	5 106	6 279	-3 207	495	1 899	6 774

Q4 2021

	2021	2020	2021	2020	2021	2020
	(3 months)	(3 months)	(3 months)	(3 months)	(3 months)	(3 months)
	Oct 1 - Dec 31	Oct 1 - Dec 31	Oct 1 - Dec 31	Oct 1 - Dec 31	Oct 1 - Dec 31	Oct 1 - Dec 31
	Distribution		Own Brands and Others		Total	
Net Sales	31 019	17 900	10 925	17 223	41 944	35 123
Net COS	-26 071	-14 936	-10 438	-11 205	-36 509	-26 141
Gross profit	4 949	2 964	486	6 018	5 435	8 982
Gross Margin	16%	17%	4%	35%	13%	26%
Distribution Costs	-2 032	-1 998	-3 393	-2 625	-5 425	-4 623
Administrative Expenses	-884	-1 451	-1 258	1 366	-2 142	-85
Other Operating Expenses	-651	-6 787	-2 203	1 681	-2 854	-5 106
Other Operating Income	886	8 426	5 144	-4 415	6 030	4 011
EBIT	2 267	1 154	-1 224	2 025	1 043	3 179

The reporting segments in 2021 changed and the 2020 segment reporting has been changed due to comparability. The change made is consolidation of the segment "Own brands" and "Other" and in addition BrandVault (online marketplaces) was moved from "Distribution" to "Own brands & Other".

Group

	2021	2020
	December 31	December 31
Summary balance sheets, KEUR		
ASSETS		
NON-CURRENT ASSETS		
Goodwill	28 176	28 176
Other intangible assets	3 436	4 021
Property, Plant & Equipment	1 362	1 063
Other assets	4 178	1 655
Deferred tax assets	287	1 016
Total non-current assets	37 439	35 931
CURRENT ASSETS		
Inventories	30 708	27 560
Tax receivables	913	1 058
Accounts receivable	29 124	19 149
Other assets	13 569	8 021
Cash and cash equivalents	2 601	7 379
Total current assets	76 915	63 168
TOTAL ASSETS	114 354	99 099
EQUITY AND LIABILITIES		
Equity	14 036	18 171
NON-CURRENT LIABILITIES:		
Tax liabilities	3	3
Other liabilities	2 974	8 662
Interest-bearing liabilities	1 840	32 918
Deferred tax liabilities	941	1 350
Total non-current liabilities	5 758	42 934
Current liabilities:		
Provisions	640	654
Interest-bearing liabilities	42 551	1 031
Accounts payable	28 998	15 801
Tax liabilities	4 339	6 050
Other liabilities	18 031	14 457
Total current liabilities	94 559	37 993
Total liabilities	100 317	80 928
TOTAL EQUITY AND LIABILITIES	114 354	99 099
Summary of changes in equity, KEUR		
Equity as of December 31, 2019	20 100	
Comprehensive income January 1 – December 2020	-1 929	
Equity as of December 31, 2020	18 171	
Comprehensive income January 1 – December 31, 2021	-4 135	
Equity as of December 31, 2021	14 036	

Group

	2021	2020	2021	2020
	(3 months)	(3 months)	(12 months)	(12 months)
Summary cash flow statements, KEUR	Oct 1- Dec 31	Oct 1- Dec 31	Jan 1- Dec 31	Jan 1 - Dec 31
OPERATING ACTIVITIES				
Result before tax	-507	2 024	-2 996	842
Adjustment for items not included in cash flow from operations or items not affecting cash flow	-1 129	3 309	2 634	7 687
Paid taxes	-272	-140	-1 406	-429
Cash flow from operations prior to changes in working capital	-1 908	5 193	-1 768	8 101
Cash flow from changes in working capital:				
Increase (-)/decrease (+) in inventories	-4 178	-2 085	-3 148	-10 130
Increase (-)/decrease (+) current receivables	1 617	577	-15 930	14 468
Increase (-)/decrease (+) in non-current receivables	-1 471	-1 360	-1 794	-1 740
Increase (+)/decrease (-) current liabilities	1 519	-74	-79	-1263
Increase (+)/decrease (-) in current liabilities	5 420	-3 141	16 546	-11 752
Cash flow from operations	999	-890	-6 173	-2 316
INVESTMENT ACTIVITIES				
Investments in intangible assets	-564	-1 388	-980	-1 761
Investments in tangible assets	-476	-173	-1 142	- 359
Investments in subsidiaries	-190	-158	-671	-326
Cash flow from investment activities	-1 230	-1 719	-2 793	-2 446
FINANCING ACTIVITIES				
Interest-bearing liabilities	2 846	27 331	10 443	34 000
Amortization of interest-bearing liabilities	-	-17 733	-	-21 313
Leasing liabilities	-340	-249	-1 360	-995
Paid interest and other expenses	-1 550	-1 517	-4 895	-3 195
Cash flow from financing activities	955	7 832	4 188	8 497
Cash flow for the period	725	5 223	-4 778	3 734
Exchange rate differences in cash and cash equivalents	2	-	-	-
Cash and cash equivalents at the beginning of the period	1 875	2 156	7 379	3 645
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2 601	7 379	2 601	7 379

NOTE 1 REFERENCES

- Seasonal and phone launch fluctuations, see page 9
- Reporting per operating segment see page 14
- For further information on accounting principles reference is made to the 2020 annual report
- For events after the end of the period, see page 10

NOTE 2 ACCOUNTING PRINCIPLES

As of the financial year 2017 the currency of the Parent Company is Euro (EUR), which is also the reporting currency of the parent company and the Group.

STRAX prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and with the restrictions which apply due to the Swedish national legislative when preparing the parent company's financial statements.

The Interim report for the group has been prepared in accordance with IAS 34 "Interim Reporting" and applicable sections of the Annual Accounts Act.

The section of the report applicable to the parent company has been prepared in accordance with Annual Accounts Act, Chapter 9.

The same accounting principles are applied as in the annual report for 2020.

Accounting and valuation of shares and participations

Shares and participations in subsidiaries and associated companies are in the parent company accounted for at acquisition cost with the fair value of the earlier holding in STRAX at the time of acquisition comprised of fair value to the part to which it relates.

Definitions

Key ratio	Calculation	What it measures or represents
Equity/Asset ratio	Equity as a percentage of the total assets.	This measure reflects the financial position and the long-term solvency and resistance to periods of economic downturn.
Equity per share	Equity in relation to the number of shares at the end of the period.	Measures development of equity in relation to number of outstanding shares at the end of the period, captures both changes in equity and changes in number of outstanding shares.
Number of shares at the end of the period	The number of shares at the end of each period adjusted for bonus issue and share buy-back etc.	Calculation bases for all balance sheet per shares based key ratios.
Items affecting comparability	The number of shares at the end of each period adjusted for bonus issue and share buy-back etc.	Calculation bases for all balance sheet per shares based key ratios.
Gross profit	Sales less the cost of goods sold.	Measures how well prices to customers in relation to cost of goods sold are maintained including costs to deliver sold goods.
Gross margin	Gross profit in relation to sales expressed as a percentage.	Gross profit in relation to Sales, efficiency measure presented in percentage.
Operating profit/loss	Operating income minus operating costs for the specified period before financial items and taxes.	Measures overall profitability from operations and ongoing business activities including depreciation and amortization.
EBITDA	Operating profit/loss plus depreciations.	Measures overall profitability from operations and ongoing business activities including depreciation and amortization.

Group

	2021 (3 months) Oct 1- Dec 31	2020 (3 months) Oct 1- Dec 31	2021 (12 months) Jan 1- Dec 31	2020 (12 months) Jan 1- Dec 31
Bridge to EBITDA, KEUR				
EBITDA				
Operating profit	1 044	3 179	1 899	6 774
+ Depreciation & amortization	551	472	2 399	1 756
EBITDA	1 595	3 651	4 298	8 530

Parent Company

	2021	2020	2021	2020
	(3 months)	(3 months)	(12 months)	(12 months)
Summary income statements, KEUR	Oct 1 – Dec 31	Oct 1 – Dec 31	Jan 1 – Dec 31	Jan 1 - Dec 31
INVESTMENT ACTIVITIES				
Net Sales	307	289	1 147	1 036
Gross profit	307	289	1 147	1 036
Administrative expenses	-294	-247	-1 224	-976
Operating income	13	42	-77	60
Net financial items	-13	-42	77	-60
Result after financial items	-	-	-	-
Current taxes	-	-	-	-
RESULT FOR THE PERIOD	-	-	-	-
Statement of comprehensive income, KEUR				
Result for the period	-	-	-	-
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	-
			2021	2020
Summary balance sheets, KEUR				
			December 31	December 31
ASSETS				
Non-current assets			130	132
Non-current financial assets			75 755	75 693
Total non-current assets			75 885	75 825
Shares and participations held for sale			10	-
Current receivables			563	495
Cash and bank balances			673	3 976
Total current assets			1 246	4 471
TOTAL ASSETS			77 131	80 296
EQUITY AND LIABILITIES				
Equity			63 076	63 076
Current liabilities			14 055	17 220
Total liabilities			14 055	17 220
TOTAL EQUITY AND LIABILITIES			77 131	80 296
Summary of changes in equity, KEUR				
Equity as of December 31, 2019				63 076
Comprehensive income Jan 1 - Dec 31, 2020				-
Equity as of December 31, 2020				63 076
Comprehensive income Jan 1 – Dec 31, 2021				-
Equity as of December 31, 2021				63 076