



**PRESS RELEASE**  
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## **STRAX: INTERIM REPORT NO 3 FOR THE FINANCIAL YEAR 2016**

### **Good momentum during 2016 and positive outlook**

The Group's<sup>1</sup> sales for the period January 1 – September 30, 2016, amounted to MSEK 614.2 (528.8) corresponding to a growth of 16.2 (21.5) percent. The gross margin amounted to 27.4 (24.5) percent.

The Group's<sup>1</sup> result for the period January 1 – September 30, 2016, amounted to MSEK 17.7 (10.7) corresponding to SEK 0.15 (0.10) per share. Equity as at September 30 2016 amounted to 161.9 (99.6) corresponding to SEK 1.37 (0.85) per share.

The Group's<sup>1</sup> sales for Q3, July 1 – September 30, 2016, amounted to MSEK 237.3 (208.7) corresponding to a growth of 14.0 (22.8) percent. The gross margin amounted to 29.8 (25.2) percent.

The Parent Company's result for the period January 1 – September 30, 2016, amounted to MSEK 48.7 (12.7). Equity as at September 30, 2016, amounted to MSEK 708.2 (217.1) corresponding to SEK 6.0 (5.8) per share.

The development during the nine month period in Strax has been positive with growth in sales of approximately 16 percent, and an increase in operating profit of approximately 30 percent. The prerequisites for continued improvement in both gross margin and result are deemed as good.

After the end of the period Strax has entered into a partnership with Vodafone, through acquisitions as well as through a direct contract on proprietary Strax brands. Other significant events include an extended and expanded contract with D3O®.

<sup>1</sup>In the accounts, the regulations on reverse acquisition shall be applied with regard to the acquisition of Strax, which entails that the result in the legal entity, formerly AB Novestra (the parent company) shall be eliminated prior to the date of acquisition and also the non-cash issue value with which the outstanding shares in Strax were acquired is eliminated and that the acquisition analysis is based on the transferred values. Comparative figures for the group refer to the previous year's figures for the Strax group.

### **COMMENTS FROM THE CEO**

"We have had positive momentum in Q3. The strategic repositioning of Strax is starting to pay off and by now the team has delivered most key objectives of 2016. I believe that we are solidifying our positioning as the specialist in mobile accessories, delivering products and unique services to tier one customers across the globe.

### Revenue and margin growth

We have experienced strong growth in revenue from key expansion markets, North America and MEA, whilst we are negatively impacted in the UK as a result of the weakened GBP. Margins are however improving overall, primarily as a result of product and brand mix, with proprietary Strax brands playing an increasing role in our product portfolio, at the same time we are committed to our complimentary partner brands. The strongest business segment during 2016 has been protection.

### Connected devices

Our broad telco customer base places us in a pole position to take advantage of the expected growth in connected devices, where we have already delivered VR headsets and fitness trackers to major European telcos. We intend to become the business driver in the category for our complete customer base, through both private label arrangements and partner brands.

### Organization investments

We continue to strengthen our team and invest in the organization to prepare ourselves for the future industry changes and improve our overall competitiveness. Strax has also hired additional resources as we have shifted from being a distributor to a brand's house, offering multiple proprietary brands and private label services along with traditional distribution and logistics services. This strategic shift has an impact on our income, but will most certainly deliver a positive return and drive shareholder value in the years to come.

Overall I'm pleased with our ongoing developments, the possibility to take Strax to the next level and create value for all of our stakeholders" says Gudmundur Palmason, CEO, Strax AB.

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### About Strax

STRAX is a global company specializing in mobile accessories and connected devices. STRAX is listed on the Nasdaq Stockholm Stock Exchange. STRAX offers proprietary, licensed and partner branded accessories. The proprietary brands include XQISIT, GEAR4, Urbanista, THOR and FLAVR. The company represents over 30 major OEM as well as mobile accessories brands and sells to a wide channel landscape ranging from telecom operators, specialized mobile and consumer electronics retailers to online, lifestyle, convenience stores and supermarkets. STRAX was founded in Miami and Hong Kong in 1995 and has since grown significantly across the globe. STRAX now has over 175 employees in 12 countries and its operational HQ and logistics center is based in Germany.

This information is information that Strax AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:55 CET on November 29 2016.