Year-end report

Q4 2022

STRAX

STRAX – challenging year completed with several actions taken to prepare for a much improved future

- The Group's sales for the period January 1 – December 31, 2022, amounted to MEUR 104.4 (101.8) with a gross margin of 16.7 (16.4) percent.
- The Group's result for the period January 1 – December 31, 2022, amounted to MEUR -19.6 (-3.9) corresponding to EUR -0.16 (-0.03) per share.
- EBITDA from remaining operations for the period January 1 – December 31, 2022, amounted to MEUR -0.9 (5.4).
- Equity as of December 31, 2022, amounted to MEUR -6 480 (14 036) corresponding to EUR -6.5 (14.0) per share.
- External factors continued to have negative impact on sales of own mobile accessories and personal audio products, whilst sales of lower margin health products remained relatively stable. Additional margin impact came from MEUR 4 inventory markdown. Our average blended gross margin does therefore remain compressed relative to those we achieved prior to the Covid-19 pandemic.
- Following a decision by the board of directors in September 2022 to have a more focused strategy and simplified group operating structure, the following brands and businesses are reported as discontinued operations: own brands Dóttir and grell, licensing business under Telecom Lifestyle Fashion, and the Health and Wellness business.
- Plan to divest assets and refinance distribution business to increase liquidity and reduce debt in the Group initiated.

Significant events after the end of the period

STRAX subsidiary Urbanista, received two awards at CES 2023 in Las Vegas, the most influential tech event in the world. Urbanista Phoenix – the world's first true wireless, noise cancelling earphones powered by light – was awarded best of CES by technology magazines TWICE and MakeUseOf (MUO).

"As a result of continuing challenging industry environment our figures took a heavy beating in 2022. However, we maintained investing in our four remaining own brands and our North America sales platform, providing for a significantly brighter times ahead for a streamlined and more focused organization. We furthermore implemented various cost reduction actions across continuing operations throughout the year and we expect benefits thereof to fully materialize in 2023."

Gudmundur Palmason, CEO

COMMENTS FROM THE CEO

Three years of adapting to disrupted business conditions due to the pandemic and the aftermath of inflation has taken its toll on STRAX. This has furthermore been exacerbated by muted consumer spending topping out in in a 2022 holiday peak season that never was. This last year can basically be classified as the perfect storm where we have been hit from all directions and came to terms with the fact that it's not sufficient for us to simply adjust the sails. More must be done to turn STRAX around and get back on course. Here I´m referring to our profitability, sustainable debt levels and improved liquidity. The positive news is that we have already constructed a sound plan to address all of these, which has been aligned with our lender and will be fully implemented within 2023. It is also worth noting in this context that some of the general industry conditions are improving, boding well for brighter days ahead.

We have continued to execute the previously communicated divestments of the parts of our business that no longer fit in the future STRAX and have furthermore considered to divest majority of the robust European distribution business as well as a minority stake in Clckr, our fastest growing own brand. The ultimate result would be a more focused and profitable STRAX consisting of own brands Urbanista, Clckr, RichmondFinch and Planet Buddies*, all of which have strong growth potential, particularly in North America, the largest consumer market in the world.

Q4 in numbers

Due to several macro-economic factors, such as higher inflation, stronger USD and decreased consumer spending power, STRAX is being negatively affected. Sales in Q4 amounted to MEUR 21.2 (36.7), corresponding to a decrease of 42.3% compared to the same period last year. The decline in sales stems from Covid-19 antigen tests in our European distribution business and weaker overall demand, whilst sales of continuing own brands increased by 45.1% to MEUR 8.3 (5.7).

The slowdown in sales forced us to take a 4 MEUR inventory write-down, negatively impacting our gross profit of both our operating segments during the period. EBITDA for the quarter amounted to MEUR -5.8 (1.4) and the gross margin decreased to 1.2% (12.0%) because of tight trading conditions and losses related to inventory adjustments.

FY in numbers

Sales in 2022 were MEUR 104.4 (101.8), a 2.6% growth that is mainly attributed to sales of antigen tests in Germany early in the year. Our EBITDA was MEUR -0.9 (5.4). Gross margin for the period rose to 16.7% (16.4). Discontinued businesses generated a net loss of MEUR -8.8 (-1.6) in 2022.

As a result of continuing challenging industry environment our figures took a heavy beating in 2022. However, we maintained investing in our four remaining own brands and our North America sales platform, providing for a significantly brighter times ahead for a streamlined and more focused organization. We implemented various cost reduction actions across continuing operations throughout the year and we expect benefits thereof to fully materialize in 2023 and onwards.

Progress with discontinued businesses

We have moved forward with our plan to become a simpler and more transparent company, where grell has already been sold and Dóttir phased out. At the same time, we're engaged with strategic buyers for both Health & Wellness and Telecom Lifestyle Fashion (licensing business) where our goal is to complete the Health & Wellness transaction in the second quarter this year and Telecom Lifestyle Fashion already in this quarter. This outcome will give management the possibility to focus on the remaining parts of the business that are growing and have underlying increased sales potential.

* Figures for remaining and discontinued business can be found further down in the report.

Addressing unsustainable debt levels and liquidity
Given our relatively high debt levels the continuous and ongoing increase in interest rates has exposed STRAX further. We are fortunate to have good assets enabling us to address these challenges. Trade debt of MUSD 20 will be repaid through the divestment of the Health & Wellness business and a proportion of the MEUR 30 loan facility will be repaid through the contemplated sale of the majority ownership in our European distribution business and subsequent refinancing. This transaction and the sale of minority stake in Clckr are furthermore expected to significantly improve our liquidity.

We have previously communicated our plans of enhancing the understanding of our business by fully separating the Distribution segment, STRAX Distribution, and our own consumer brands, under Xstra Brands with those being Urbanista, Clckr, Planet Buddies and RichmondFinch. With the sale of the majority ownership of STRAX Distribution we ultimately end up as a clean house of brands company, where our minority ownership in STRAX Distribution will be accounted for at equity. This change provides for a much leaner and simpler operating structure and improved transparency.

A different STRAX for the future – house of brands
As we are now shaping the new STRAX we see good potential to grow our remaining brands and increase profitability. Urbanista has turned the corner and delivered single digit growth in 2022, but more importantly it achieved an EBITDA profit, after two consecutive years of losses of more than MEUR 1.1. The collaboration with Exeger has increased Urbanista's brand awareness and we have a strong product portfolio as well as an exciting product roadmap. Clckr grew 130% in 2022, albeit from a low base, and Clckr products are now listed in approximately 12,000 retail stores globally with the expectation to be in 20,000 stores before the end of this year. The brand has furthermore entered a partnership with G-Form, impact protection brand, and we'll be announcing a new significant product category for Clckr soon. Planet Buddies also grew in 2022. The brand continues to improve its sustainability positioning and is steadily increasing its retail store footprint. All the brands have furthermore significant growth potential via online marketplaces, where they are all supported by Brandvault, our online marketplace and content specialist business unit.

As a result of now three years of challenging environment our 2022 figures have taken a beating, but I'm nevertheless proud of the way we navigated seen and unforeseen circumstances since 2020. We have worked up a thorough tactical plan to divest and/or discontinue loss making businesses and sales channels. At the same time agreed a refinancing plan via partial divestments of Strax Distribution and Clckr with Proventus, our debt provider, to improve liquidity and strengthen our balance sheet through significant debt reduction and increased equity.

Whilst overall industry demand is still somewhat subdued the general trading environment is improving, where freight rates are coming close to those of 2019, USD is giving in against most of our trading currencies, supply chain has eased up and the US has extended so-called 301 Exemptions. All which STRAX stands to benefit from. Together with our remaining own brands, now better fit for profitability, we see a STRAX that can focus and put more resources on enhancing growth, efficiency, and profitability in our current portfolio.

The entire STRAX organization deserves praise for enduring through the continuous changes and pressure situations often faced with during the last three years and better yet, managed to stay generally positive. Again, I want to thank everyone for their commitment to continue this belief and attitude until we are through this.

WE INNOVATE, WE CREATE, WE INSPIRE, WE DELIVER

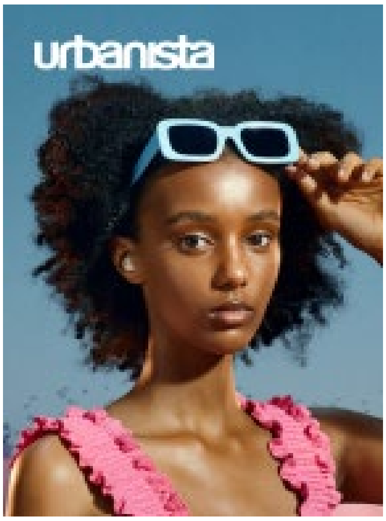
STRAX is a global leader in accessories that empower mobile lifestyles. Our portfolio of branded accessories covers all major mobile accessory categories: Protection, Power, Connectivity, as well as Personal Audio. Own brands are Urbanista, Clckr, Planet Buddies and RichmondFinch. Our distribution business 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 licensed brand portfolio of adidas and Diesel.

Office and warehouse in Troisdorf, Germany

OWN BRANDS - MOBILE ACCESSORIES



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.

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. RichmondFinch designs and produces contemporary mobile phone and travel accessories. The unisex lifestyle brand creates unique designs which reflect current fashion trends.

DISCONTINUED - OWN BRANDS

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

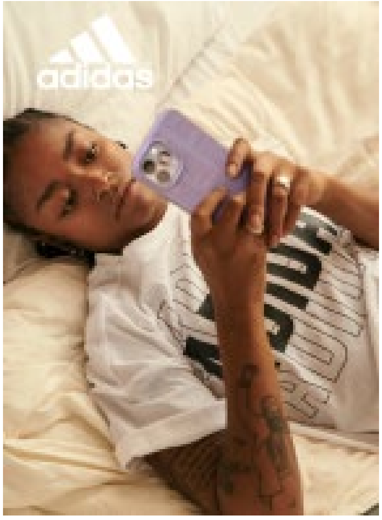
HEADPHONES FOR WORLD CLASS ATHLETES

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.

DISCONTINUED - LICENCED 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

DISTINGUISHED DEVICE CASES

A small yet distinguished collection of device cases for which the licence 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.

DISCONTINUED - HEALTH & WELLNESS

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.

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, 2022

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, 2022

The Group's net sales for the period January 1 – December 31, 2022, amounted to 104 392 (101 795). Gross profit amounted to 17 426 (16 663) and gross margin amounted to 16.7 (16.4) percent. Operating profit amounted to -2 553 (3 495).

Result for the period from continuing operations amounted to -10 828 (-2 269) and the result for the period amounted to -19 626 (-3 898).
The result included gross profit 17 426 (16 663) selling expenses -17 532 (-15 771), administrative expenses -4 512 (-4 772), other operating expenses -24 979 (-10 184), other operating income 27 044 (17 559), net financial items -7 074 (-4 857) and tax -1 202 (-906).

As of December 31, 2022, total assets amounted to 99 596 (114 354), of which equity totaled -6 480 (14 036), corresponding to equity/assets ratio of -6.5 (12.3) percent. Interest-bearing liabilities as of December 31, 2022, amounted to 48 094 (41 773). The group's cash and cash equivalents amounted to 2 909 (2 601).

As a result of the compressed margin and inventory write down during the second half of 2022, the group did not meet one of the financial covenants in the loan agreement with PCP as of December 31, 2022. After the end of the period a waiver for the breach was granted and this waiver was again granted for Q4 2022. 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, 2022. The loss in 2022 and the weakened balance sheet as a consequence has also raised the question regarding going concern for the Group. The Board and the management have taken significant actions to ensure the remaining business returns to profitability as well as taking actions on loss making operations being discontinued. This is in combination with the contemplated transactions described in this report leads to the conclusion that liquidity is secured for the coming 12 months.

Significant events during 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.

STRAX extended its partnership with the German personal protective equipment specialist company to deliver Covid-19 tests to another regional government body in Germany. The total value of the contract has increased and will be covering a 24-month period, where total volumes are expected to be higher with lower volumes in Q2.

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.

CLCKR, the mobile phone accessory brand, wholly owned by STRAX announced that their range of mobile stand and grip accessories are now available in over 10,000 stores in the US.

STRAX subsidiary Urbanista, the Swedish lifestyle audio brand, announced the launch of Urbanista Phoenix – the world's first true wireless, active noise cancelling earphones powered by light.

Following a decision by the board of directors in September 2022 to have a more focused strategy and simplified group operating structure, these brands and businesses are reported as discontinued operations: own brands Dóttir and grell, licensing business under Telecom Lifestyle Fashion, and the Health and Wellness business.

STRAX subsidiary Urbanista, which launched the headphones Urbanista Phoenix in August – the world's first true wireless, active noise cancelling earphones powered by light – won three awards at the IFA 2022 trade show in Berlin. Trusted Reviews, Android Authority and Billboard, awarded Urbanista Phoenix as the best of IFA 2022.

The company and PwC had, in light of the company's size and to adapt thereto, agreed that PwC' s assignment as auditor shall terminate prematurely. The Board of Directors, which in its entirety fulfills the duties assigned to an audit committee, has carried out a procurement process to identify a new auditor and found that Mazars AB, with Samuel Bjälkemo as auditor in charge, and Andreas Brodström, also at Mazars AB, are well suitable for the assignment. Against this background, the Board of Directors proposed an EGM called for December 16, 2022, votes in line with the proposal which have been endorsed by the nomination committee.

At the Extraordinary General Meeting in Strax AB (publ) held on December 16, 2022, it was resolved to amend the articles of association in accordance with the Board of Directors' proposal entailing that the number of auditors in the company shall be at least one (1) auditor and not more than two (2) auditors with not more than one (1) deputy auditor. As auditor and, when applicable, deputy auditor, it shall still be an authorized public accountant and/or a registered public accounting firm that is elected.

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 8 371 (3 676), of which investments in software amounted to 6 594 (1 877), property, plant and equipment amounted to 1 777 (1 128) and investments in subsidiaries amounted to - (671).

The parent company's result for the period amounted to - (-). The result included gross profit of 943 (1 147), administrative expenses -1 092 (-1 224) and net financial items 149 (77).
As of December 31, 2022, total assets amounted to 79 078 (77 131) of which equity totaled 63 076 (63 076). Cash and cash equivalents amounted to 2 548 (673).

Significant events after the end of the period

STRAX subsidiary Urbanista, received two awards at CES 2023 in Las Vegas, the most influential tech event in the world. Urbanista Phoenix – the world's first true wireless, noise cancelling earphones powered by light – was awarded best of CES by technology magazines TWICE and MakeUseOf (MUO).

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.

Subject to acceptable profitability threshold STRAX will invest in eCommerce sales channels, through indirect channels, direct brand websites and marketplaces to diversify its traditional retail customer base and secure growth.

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 overall online sales to grow significantly, albeit from a relatively low base, with total eCommerce accounting for 20-30% of our sales in 2025. 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, initially stemming from the Covid-19 pandemic, now high inflation, is expected to continue through most of 2023 but will not alter our mid- to longer-term plans in the product category.

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 continues to impact our day-to-day business and some of the initial measures taken back in March 2020 remain intact. We expect these measures to remain in place throughout 2023.

Russia's military intervention in Ukraine has led to growing geopolitical uncertainty. STRAX does not conduct any operations in Russia or Ukraine and is not directly impacted from a business perspective, but is indirectly affected by, among other things, increased material prices and supply chain disruptions. STRAX is actively working to limit the negative effects of the situation that has arisen.

For further information on risks and risk management, reference is made to the 2021 annual report.

FINANCIAL CALENDAR:

April 2023
Annual report 2022

May 25, 2023
Interim report January – March 2023

May 25, 2023
Annual General Meeting

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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 23, 2023

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

Key ratios	2022 (3 months) Oct 1– Dec 31	2021 (3 months) Oct 1– Dec 31	2022 (12 months) Jan 1- Dec 31	2021 (12 months) Jan 1 - Dec 31
FINANCIAL KEY RATIOS				
Sales growth, %	-42.3	19.4	2.6	10.7
Gross margin, %	1.2	13.0	16.7	16.4
Equity, MEUR	-6.5	14.0	-6.5	14.0
Equity/asset ratio, %	-6.5	12.3	-6.5	12.3
DATA PER SHARE				
Equity, EUR	-0.05	0.12	-0.05	0.12
Equity, SEK	-0.25	1.19	-0.25	1.19
Result continuing operations, EUR	-0.08	-0.02	-0.09	-0.02
Result continuing operations, SEK	-0.36	-0.23	-0.42	-0.19
Result from discontinued operations, EUR	-0.03	0.00	-0.07	-0.01
Result from discontinued operations, SEK	-0.15	0.00	-0.34	-0.14
Result per share continuing operations after dilution, EUR	-0.07	-0.02	-0.09	-0.02
Result per share discontinued operations after dilution, EUR	-0.03	0.00	-0.07	-0.01
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	206	231	206	231

Calculation ratios

	3 Months			12 Months		
	2022 Oct 1 - Dec 31	2021 Oct 1 - Dec 31	2020 Oct 1 - Dec 31	2022 Jan 1 - Dec 31	2021 Jan 1 - Dec 31	2020 Jan 1 - Dec 31
Sales						
Sales	21 231	36 719	32 338	104 392	101 795	104 723
Increase (+)/decrease (-)	-15 488	4 381		2 597	-2 928	
Sales growth						
Increase (+)/decrease (-)	-15 488	4 381		2 597	-2 928	
Value previous year	36 719	32 338		101 795	104 723	
= Sales growth	-42,3%	13,5%		2,6%	-2,8%	
Gross profit						
Gross profit	258	4 419		17 426	16 663	
Sales	21 231	36 719		104 392	101 795	
= Gross profit %	1,2%	12,0%		16,7%	16,4%	
Equity assets ratio						
Equity	-6 480	14 036		-6 480	14 036	
Total assets	99 596	114 354		99 596	114 354	
= Equity assets ratio %	-6,5%	12,3%		-6,5%	12,3%	

Group

Summary income statements, KEUR	2022 (3 months) Oct 1 – Dec 31	2021 (3 months) Oct 1 – Dec 31	2022 (12 months) Jan 1 – Dec 31	2021 (12 months) Jan 1- Dec 31
Net sales	21 194	36 719	104 392	101 795
Cost of goods sold	-20 935	-32 300	-86 967	-85 133
Gross profit	**259**	**4 419**	**17 426**	**16 663**
Selling expenses	-4 895	-4 925	-17 532	-15 771
Administrative expenses [1]	-827	-1 816	-4 512	-4 772
Other operating expenses	-1 844	-3 789	-24 979	-10 184
Other operating income	1 422	7 053	27 044	17 559
Operating profit	**-5 885**	**943**	**-2 553**	**3 495**
Financial income	3	-	2	24
Financial expenses	-2 760	-1 493	-7 076	-4 881
Net financial items	**-2 758**	**-1 493**	**-7 074**	**-4 857**
Profit before tax	**-8 642**	**-550**	**-9 627**	**-1 363**
Tax	-702	-2 081	-1 202	-906
Profit or loss from continuing operations after tax	**-9 344**	**-2 631**	**-10 828**	**-2 269**
Profit or loss from discontinued operations after tax	-3 884	43	-8 798	-1 629
PROFIT OR LOSS FOR THE PERIOD [2]	**-13 228**	**-2 588**	**-19 626**	**-3 898**
Basic earnings per share continuing operations, EUR	*-0.08*	*-0.02*	*-0.09*	*-0,02*
Diluted earnings per share continuing operations, EUR	*-0.07*	*-0.02*	*-0.09*	*-0,02*
Basic earnings per share discontinued operations, EUR	*-0.03*	*0.00*	*-0.07*	*-0.01*
Diluted earnings per share discontinued operations, EUR	*-0.03*	*0.00*	*-0.07*	*-0.01*
Weighted average number of shares during the period	*120 592 332*	*120 592 332*	*120 592 332*	*120 592 332*
Weighted average number of shares during the period after dilution	*124 687 332*	*124 687 332*	*124 687 332*	*124 687 332*

Statement of comprehensive income, KEUR				
Result for the period	-13 228	-2 588	-19 626	-3 898
Other comprehensive income, translation gains/losses on consolidation	-4 170	-598	-890	-237
Total comprehensive income for the period	**-17 398**	**-3 186**	**-20 516**	**-4 135**

[1] Depreciation and amortization for the period January 1 – December 31, 2022, amounted to 1 624 (1 935).
[2] The result for the period, respectively the total comprehensive income is attributed to the parent company's shareholders.

Operating segment

YTD 2022

Operating Segment, KEUR	2022 (12 months) Jan 1 - Dec 31	2021 (12 months) Jan 1 - Dec 31	2022 (12 months) Jan 1 - Dec 31	2021 (12 months) Jan 1 - Dec 31	2022 (12 months) Jan 1 - Dec 31	2021 (12 months) Jan 1 - Dec 31
	Distribution		**Own Brands and Others**		**Total**	
Net Sales	70 168	71 831	34 225	29 964	104 392	101 795
Net COS	-56 513	-57 397	-30 453	-27 736	-86 967	-85 133
Gross profit	**13 654**	**14 434**	**3 771**	**2 229**	**17 426**	**16 663**
Gross Margin	19.5%	20.1%	11.0%	7.4%	16.7%	16.4%
Distribution Costs	-6 589	-6 252	-10 942	-9 519	-17 532	-15 771
Administrative Expenses	-2 654	-3 702	-1 857	-1 070	-4 512	-4 772
Other Operating Expenses	-865	-1 268	-24 114	-8 916	-24 979	-10 184
Other Operating Income	3 386	1 894	23 659	15 665	27 044	17 559
EBIT	**6 931**	**5 106**	**-9 484**	**-1 611**	**-2 553**	**3 495**
Depreciations and amortizations					1 624	1 935
EBITDA					**-929**	**5 430**
Depreciations and amortizations					-1 624	-1 935
Financial Income					2	24
Financial Expenses					-7 076	-4 881
Profit before tax					**-9 627**	**-1 362**
Taxes					-1 202	-906
Profit or loss from continuing operations after tax					**-10 828**	**-2 268**
Profit or loss from discontinued operations after tax					-8 798	-1 629
Profit or loss for the period					**-19 626**	**-3 898**

Q4 2022

Operating Segment, KEUR	2022 (3 months) Oct 1 - Dec 31	2021 (3 months) Oct 1 - Dec 31	2022 (3 months) Oct 1 - Dec 31	2021 (3 months) Oct 1 - Dec 31	2022 (3 months) Oct 1 - Dec 31	2021 (3 months) Oct 1 - Dec 31
	Distribution		**Own Brands and Others**		**Total**	
Net Sales	12 921	31 019	8 273	5 700	21 194	36 719
Net COS	-11 783	-26 071	-9 152	-6 229	-20 935	-32 300
Gross profit	**1 138**	**4 948**	**-879**	**-529**	**259**	**4 419**
Gross Margin	8.8%	16.0%	-10.6%	-9.3%	1.2%	12.0%
Distribution Costs	-1 604	-2 032	-3 290	-2 893	-4 894	-4 925
Administrative Expenses	-740	-884	-86	-931	-826	-1 815
Other Operating Expenses	2 707	-651	-4 552	-3 138	-1 845	-3 789
Other Operating Income	-1 594	886	3 015	6 168	1 422	7 053
EBIT	**-93**	**2 267**	**-5 792**	**-1 323**	**-5 885**	**943**
Depreciations and amortizations					49	438
EBITDA					**-5 836**	**1 381**
Depreciations and amortizations					-49	-438
Financial Income					2	-
Financial Expenses					-2 760	-1 492
Profit before tax					**-8 643**	**-549**
Taxes					-702	-2 081
Profit or loss from continuing operations after tax					**-9 344**	**-2 630**
Profit or loss from discontinued operations after tax					-3 884	43
Profit or loss for the period					**-13 228**	**-2 587**

Breakdown of net sales by operating segment

	2022		2021	
Net sales per segment, KEUR	Jan 1 - Dec 31	%	Jan 1 - Dec 31	%
Distribution	70 168	67.2%	71 831	70.6%
Own brands	34 225	32.8%	29 964	29.4%
Total	**104 392**	**100%**	**101 795**	**100%**

Breakdown of net sales by product category

The tables below show net sales by product category in total and operating segment:

	2022		2021	
Net sales per product category, KEUR	Jan 1 - Dec 31	%	Jan 1 - Dec 31	%
Accessories	54 496	52%	53 728	53%
Audio	20 517	20%	19 212	19%
Health and Wellness	29 379	28%	28 855	28%
Total	**104 392**	**100%**	**101 795**	**100%**

	2022		2021	
Distribution net sales, KEUR	Jan 1 - Dec 31	%	Jan 1 - Dec 31	%
Accessories	46 386	66%	43 344	60%
Audio	9 575	14%	12 226	17%
Health and Wellness	14 206	20%	16 261	23%
Total	**70 168**	**100%**	**71 831**	**100%**

	2022		2021	
Own brands net sales, KEUR	Jan 1 - Dec 31	%	Jan 1 - Dec 31	%
Accessories	8 110	24%	10 384	35%
Audio	10 942	32%	6 986	23%
Health and Wellness	15 173	44%	12 594	42%
Total	**34 225**	**100%**	**29 964**	**100%**

Geographic market and regions

Below geographic information reflects net sales per geographical market and by region:

	2022			2021		
Geographic market and regions, KEUR	**Total**	**Distribution**	**Own Brands**	**Total**	**Distribution**	**Own Brands**
Western Europe						
Denmark	137	7	131	2 044	26	2 017
France	11 859	11 776	83	13 198	13 177	21
Germany	34 507	29 862	4 645	25 212	25 053	159
Netherlands	2 709	2 651	58	2 379	2 252	127
Switzerland	9 557	9 580	-23	14 948	14 851	97
Austria	211	134	77	544	138	406
Norway	407	396	11	393	382	11
Poland	1 724	1 736	-12	1 900	1 742	158
Sweden	5 060	4 505	555	6 529	5 122	1 407
UK	9 952	3 076	6 876	6 483	4 005	2 478
Spain	329	- 7	336	239	8	231
Belgium	1 738	1 730	8	266	239	26
Italy	1 091	- 3	1 094	919	15	904
Finland	1 089	989	100	1 680	481	1 199
North America	**17 291**	**32**	**17 259**	**19 612**	**-**	**19 612**
Rest of the world	**6 730**	**3 703**	**3 027**	**5 449**	**4 339**	**1 110**
Total	**104 392**	**70 168**	**34 225**	**101 795**	**71 831**	**29 964**

Group

Summary balance sheets, KEUR	2022 December 31	2021 December 31
ASSETS		
NON-CURRENT ASSETS		
Goodwill	22 774	22 774
Other intangible assets	4 317	2 870
Property, Plant & Equipment	886	926
Other assets	1 707	4 113
Deferred tax assets	514	287
Total non-current assets	**30 197**	**30 971**
CURRENT ASSETS		
Inventories	26 644	28 795
Tax receivables	1 170	913
Accounts receivable	18 661	26 880
Other assets	8 647	12 986
Cash and cash equivalents	2 909	2 601
Assets held for sale	11 368	11 208
Total current assets	**69 399**	**83 383**
TOTAL ASSETS	**99 596**	**114 354**
EQUITY AND LIABILITIES		
Equity	**-6 480**	**14 036**
NON-CURRENT LIABILITIES:		
Tax liabilities	3	3
Other liabilities	1 288	2 974
Interest-bearing liabilities	1 240	1 338
Deferred tax liabilities	1 536	942
Total non-current liabilities	**4 068**	**5 257**
Current liabilities:		
Provisions	714	558
Interest-bearing liabilities	48 094	41 773
Accounts payable	26 720	28 279
Tax liabilities	4 711	1 263
Other liabilities	19 810	17 997
Liabilities associated with assets held for sale	1 959	5 191
Total current liabilities	**102 009**	**95 061**
Total liabilities	**106 076**	**100 318**
TOTAL EQUITY AND LIABILITIES	**99 596**	**114 354**

Summary of changes in equity, KEUR	
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**
Comprehensive income January 1 – December 31, 2022	-20 516
Equity as of December 31, 2022	**-6 480**

Group

Summary cash flow statements, KEUR	2022 (3 months) Oct 1 - Dec 31	2021 (3 months) Oct 1- Dec 31	2022 (12 months) Jan 1- Dec 31	2021 (12 months) Jan 1- Dec 31
OPERATING ACTIVITIES				
Result before tax, continuing operations	-8 643	-2 183	-9 627	-1 363
Adjustment for items not included in cash flow from operations or items not affecting cash flow	2 775	-1 041	8 699	2 093
Paid taxes	-1 732	-271	-2 099	-1 406
Cash flow from continuing operations prior to changes in working capital	**-7 599**	**-3 494**	**-3 026**	**-675**
Cash flow from changes in working capital:				
Increase (-)/decrease (+) in inventories	6 590	-3 269	2 696	-4 142
Increase (-)/decrease (+) current receivables	8 052	1 153	15 255	-16 494
Increase (-)/decrease (+) in non-current receivables	3 635	-1 582	2 091	-1 786
Increase (+)/decrease (-) current liabilities	1 076	2 539	385	-79
Increase (+)/decrease (-) in current liabilities	3 523	6 141	-1 954	19 921
Cash flow from operating activities continuing operations	**15 277**	**1 488**	**15 447**	**-3 255**
Cash flow from operating activities discontinued operations	-5 440	532	-6 565	-2 918
Cash flow from operations	**9 837**	**2 020**	**8 882**	**-6 173**
INVESTMENT ACTIVITIES				
Investments in software	-5 830	-104	-6 594	-1 877
Investments in property, plant & equipment	-1 921	-12	-1 777	-1 128
Investments in subsidiaries	-	-190	-	-671
Cash flow from investing activities of continuing operations	**-7 751**	**-306**	**-8 371**	**-3 676**
Cash flow from investing activities of discontinued operations	3 780	-925	2 670	883
Cash flow from investment activities	**-3 970**	**-1 231**	**-5 700**	**-2 793**
FINANCING ACTIVITIES				
Interest-bearing liabilities	-1 240	41 561	5 995	10 443
Amortization of interest-bearing liabilities	-11	-38 716	-98	-
Repayment Leasing liabilities	-456	-1 360	-1 476	-1 360
Paid interest and other expenses	-2 727	-1 550	-7 076	-4 895
Cash flow from financing activities of continuing operations	**-4 434**	**-65**	**-2 655**	**4 188**
Cash flow from financing activities of discontinued operations	-1 115	-	-219	-
Cash flow from financing activities	**-5 549**	**-65**	**-2 874**	**4 188**
Cash flow for the period	**318**	**725**	**308**	**-4 778**
Cash and cash equivalents at the beginning of the period	2 591	1 876	2 601	7 379
Cash and cash equivalents at the end of the period	**2 909**	**2 601**	**2 909**	**2 601**
Less cash and cash equivalents end of period held for sale	-2 775	-392	-4 114	-2 035
Cash and cash equivalents end of period from continuing operations	**5 684**	**2 993**	**7 023**	**4 636**

NOTE 1 REFERENCES

- Seasonal and phone launch fluctuations, see page 8
- Reporting per operating segment see pages 12-15
- For further information on accounting principles reference is made to the 2021 annual report
- For events after the end of the period, see page 8

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 2021.

Discontinued operations
During the fall of 2022 the board of directors conducted a strategic review of the groups business and as a result of that process it was decided to simplify the group structure and reduce the number of brands and types of businesses we engage in as well as operational entities in the group.

The brands Dóttir and grell will be divested as well as the licensing business by the subsidiary TLF along with the business segment Health & Wellness. The board's assessment is that a divestment can take place within the coming twelve months and as a consequence of the decision operations relating to the above-mentioned businesses will be reported separately in the income statement in accordance with IFRS 5, discontinued operations. In the balance sheet assets and liabilities attributable to the discontinued operations will be reported separately in the balance sheet as assets held for sale as well as liabilities directly related to assets held for sale.

Group

Income statements for discontinued operations, KEUR	2022 (3 months) Oct 1 - Dec 31	2021 (3 months) Oct 1 - Dec 31	2022 (12 months) Jan 1 - Dec 31	2021 (12 months) Jan 1 - Dec 31
Net sales	1 470	5 225	7 914	21 903
Cost of goods sold	-4 129	-4 209	-11 480	-19 922
Gross profit	**-2 658**	**1 016**	**-3 565**	**1 980**
Selling expenses	- 466	- 500	-2 473	-1 954
Administrative expenses	- 413	- 326	-1 955	-1 189
Other operating expenses	26	320	379	456
Other operating income	- 180	- 409	- 963	- 888
Operating profit	**-3 691**	**100**	**-8 578**	**-1 595**
Financial income	-	-	-	-
Financial expenses	- 193	- 57	- 221	- 38
Net financial items	**-3 884**	**- 57**	**- 221**	**- 38**
Profit before tax	**-3 884**	**43**	**-8 798**	**-1 633**
Tax	-	-	-	4
Profit or loss from discontinued operations after tax	**-3 884**	**43**	**-8 798**	**-1 628**

Bridge to EBITDA discontinued operations, KEUR	**2022** (3 months) Oct 1 - Dec 31	**2021** (3 months) Oct 1 - Dec 31	**2022** (12 months) Jan 1 - Dec 31	**2021** (12 months) Jan 1 - Dec 31
Operating profit	**-3 655**	**100**	**-8 578**	**-1 595**
+ Depreciation & amortization	702	414	809	503
EBITDA discontinued operations	**-2 953**	**514**	**-7 769**	**-1 092**

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

Bridge to EBITDA continuing operations, KEUR	2022 (3 months) Oct 1 - Dec 31	2021 (3 months) Oct 1 - Dec 31	2022 (12 months) Jan 1 - Dec 31	2021 (12 months) Jan 1 - Dec 31
Operating profit from continuing operations	-5 885	943	-2 553	3 495
Operating profit from continuing operations	**-5 885**	**943**	**-2 553**	**3 495**
+ Depreciation & amortization from continuing operations	49	438	1 624	1 935
EBITDA continuing operations	**-5 836**	**1 381**	**- 929**	**5 430**

Parent Company

Summary income statements, KEUR	2022 (3 months) Oct 1 – Dec 31	2021 (3 months) Oct 1 – Dec 31	2022 (12 months) Jan 1 –Dec 31	2021 (12 months) Jan 1 - Dec 31
INVESTMENT ACTIVITIES				
Net Sales	415	307	943	1 1 47
Gross profit	**415**	**307**	**943**	**1 147**
Administrative expenses	-209	-294	-1 092	-1 224
Operating income	**206**	**13**	**-149**	**-77**
Net financial items	-206	-13	149	77
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	**-**	**-**	**-**	**-**

Summary balance sheets, KEUR	2022 December 31	2021 December 31
ASSETS		
Non-current assets	129	130
Non-current financial assets	75 745	75 755
Total non-current assets	**75 874**	**75 885**
Current receivables	656	573
Cash and bank balances	2 548	673
Total current assets	**3 204**	**1 246**
TOTAL ASSETS	**79 078**	**77 131**
EQUITY AND LIABILITIES		
Equity	**63 076**	**63 076**
Current liabilities	16 002	14 055
Total liabilities	16 002	14 055
TOTAL EQUITY AND LIABILITIES	**79 078**	**77 131**

Summary of changes in equity, KEUR	
Equity as of December 31, 2020	**63 076**
Comprehensive income Jan 1 – Dec 2021	-
Equity as of December 31, 2021	**63 076**
Comprehensive income Jan 1 – Dec 31, 2022	-
Equity as of December 31, 2022	**63 076**