



**Q2
2023**

STRAX

STRAX – Challenging quarter albeit strong gross margin development, whilst focus remains on the restructuring plan

- The Group's sales for the period January 1 – June 30, 2023, amounted to MEUR 35.2 (61.0) with a gross margin of 32.1 (17.7) percent.
- The Group's result for the period January 1 – June 30, 2023, amounted to MEUR -6.5 (-2.0) corresponding to EUR -0.05 (-0.02) per share.
- EBITDA from remaining operations for the period January 1 – June 30, 2023, amounted to MEUR 0.2 (2.4).
- Equity as of June 30, 2023, amounted to MEUR -12.2 (10.5) corresponding to EUR -0.10 (0.09) per share.
- STRAX has worked out a tactical plan involving divesting certain assets to strengthen the liquidity and balance sheet. As a part of that, PCP has also agreed to restate the covenants for Q1, Q2 and Q3 of 2023 to adjust for the current situation. STRAX thereby returns to being in compliance with the loan agreement, even though some of the actions have been somewhat delayed due to market conditions and seasonal delays. STRAX is now executing the plan and expects to considerably lower the debt level of the Group during 2023 and 2024.

Significant events after the end of the period

STRAX signed a MEUR 10 investment agreement with 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. All closing conditions have been fulfilled and the transaction will be completed on or before August 31, 2023.

STRAX subsidiary Urbanista launched Malibu, the world's first solar charging speaker using Powerfoyle solar cell technology by Exeger. Following the previous highly successful launches of the Los Angeles solar charging headphones in 2021 and Phoenix earphones in 2022, the addition of the Malibu speaker to the family of solar powered products completes the brand's offering in the segment. The launch of Malibu speaker further cements Urbanista's position as the leader in the category in the audio space.

"We remain focused on our restructuring plan to strengthen our balance sheet and improve liquidity and recently signed an investment agreement for 50.1% of our European distribution business, valuing it at 32 MEUR. Our core own brands, Urbanista, Clckr and Planet Buddies have continued to win new retail accounts in North America, paving the way for a strong H2".

Gudmundur Palmason, CEO

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 18:00 CET on August 23, 2023.

COMMENTS FROM THE CEO



External and industry conditions remain challenging and uncertain. With inflation and interest rates at inflated levels we are experiencing relatively soft demand across most retail channels, which is also synonymous with the headwind facing correlated industries such as that of smartphones and tablets. We remain focused on our restructuring plan to strengthen our balance sheet and improve liquidity and recently signed an investment agreement for 50.1% of our European distribution business, valuing it at 32 MEUR. Our core own brands, Urbanista, Clckr and Planet Buddies have continued to win new retail accounts in North America, paving the way for a strong H2.

Q2 in numbers

Sales in Q2 amounted to MEUR 15.9 (29.0), corresponding to a decrease of MEUR 13.2 or 45.4% compared to last year, largely because of a MEUR 8.5 drop in sales of Covid-19 antigen tests. Gross margin for the period rose to 32.1% (17.7) because of improved brand and product mix, reduced freight costs and more favorable foreign exchange rates. EBITDA during the quarter was breakeven and decreased MEUR 0.9 YoY. Accessories and audio sales in Q2 were MEUR 15.0 (19.7), representing a decrease of 23.8% YoY, whilst sales from Health & Wellness product category were MEUR 0.9 (9.4), equaling 5.4% of total sales for the period.

We expect that relative growth of own brands and cost savings along with improved macro conditions will allow our margins to remain stronger than in the past.

Restructuring plan ongoing - resolve debt levels and liquidity

Our restructuring plan involves divesting the parts of our business that no longer fit into the future STRAX, with those being Health & Wellness and the licensing business operated under Telecom Lifestyle Fashion, both being considered discontinued. The plan furthermore includes completing the sale of 50.1% in the European distribution business and selling a minority stake in some of our own brands. The outcome will be a more focused and profitable STRAX consisting of our own brands Urbanista, Clckr and Planet Buddies.

We have already sold grell and Dóttir has been phased out. After the end of the quarter, we signed MEUR 10 investment agreement with ZEBRA Invest, a German based investment company, for 50.1% ownership of the European based distribution business. The enterprise value of the European distribution business in the transaction is MEUR 32 and the transaction will furthermore reduce debt within the remaining STRAX by MEUR 12. All closing conditions have been fulfilled and the transaction will be completed before August 31, 2023. The transaction fully capitalizes the distribution business and paves the way for the planned refinancing of that business. The new investors have already brought in new logistics projects with several other opportunities being considered. We feel strongly that the distribution transaction will be a catalyst for others to come.

It is imperative for us to execute all contemplated transactions to reduce our interest-bearing debt further and at the same time improve liquidity. We currently are engaged with strategic buyers for both Health & Wellness and Telecom Lifestyle Fashion (licensing business) where our goal is to complete both transactions this year.

Simplified STRAX for the future – mobile accessories and personal audio products

With the completion of transactions related to our discontinued operations and the sale of the majority ownership of STRAX European Distribution we end up as a pure house of brands company, where our minority ownership in STRAX Distribution will be accounted for at equity. The remaining brands will be Urbanista, Clckr, and Planet Buddies, in addition to private label mobile accessories business. This ultimate outcome will provide for a much leaner and simpler operating structure and improved transparency. This will furthermore enable management to focus on the parts of the business that have stronger underlying growth potential.

Urbanista continues to perform well with incremental YoY growth and EBITDA profit in H1. The collaboration with Exeger has increased Urbanista's brand awareness and we have a strong product portfolio as well as an exciting product roadmap. The brand's latest product announcement, the Malibu light powered speaker, has already received great feedback from the market and we have high hopes for solid volumes during this year's holiday season.

We are on track to secure more than 20,000 retail stores for Clckr products before the end of this year and are happy to announce that the partnership with G-Form, an impact protection brand, has elevated the Clckr brand, particularly in North America. Planet Buddies continues to improve its sustainability positioning and is steadily increasing its retail store footprint globally.

All our own brands have furthermore significant growth potential via online marketplaces, where they are supported by Brandvault, our online marketplace and content specialist business unit.

We are fully committed to completing our restructuring plan in 2023 with the objective of entering next year as a leaner and simpler company that has strong growth potential with healthy underlying margins. This requires continued resilience and determination from all colleagues at STRAX whom I sincerely thank for their continuous belief enabling us to drive the business forward. I would also like to thank all our stakeholders for their patience and support whilst we future proof STRAX.

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



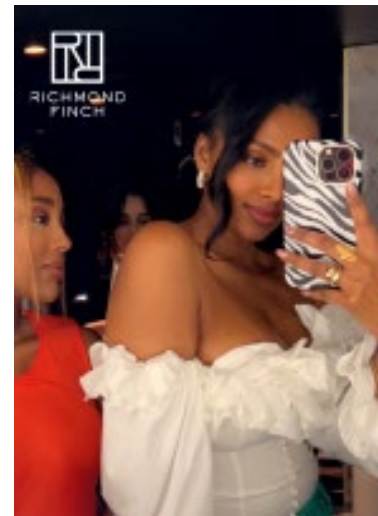
HIP AUDIO ACCESSORIES WITH SCANDINAVIAN DESIGN

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

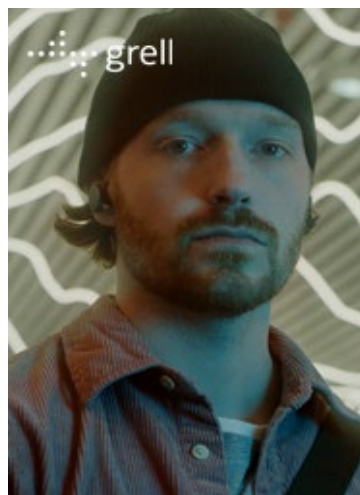
RichmondFinch is a Scandinavian tech accessories brand. RichmondFinch designs and produces contemporary mobile phone and travel accessories. The unisex lifestyle brand creates unique designs which reflect current fashion trends.

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

Döttir 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 interim report for the period January 1 – June 30, 2023

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 – June 30, 2023

The Group's net sales for the period January 1 – June 30, 2023, amounted to 35 201 (60 973). Gross profit amounted to 11 294 (10 780) and gross margin amounted to 32.1 (17.7) percent. Operating profit amounted to -535 (3 036).

Result for the period from continuing operations amounted to -3 996 (-88) and the result for the period amounted to -6 479 (-2 041).

The result included gross profit 11 294 (10 780) selling expenses -7 403 (-8 211), administrative expenses -2 414 (-2 733), other operating expenses -3 215 (-12 475), other operating income 1 202 (15 676), net financial items -3 726 (-2 798) and tax 265 (-326).

As of June 30, 2023, total assets amounted to 92 450 (115 019), of which equity totaled -12 187 (10 475), corresponding to equity/assets ratio of -13.2 (9.1) percent. Interest-bearing liabilities as of June 30, 2023, amounted to 47 312 (48 937). The group's cash and cash equivalents amounted to 1 092 (2 610).

STRAX has for the past six quarters received waivers concerning breach of certain conditions in the loan agreement with its lenders. The communication and relationship with P Capital (PCP) as main lender has been constructive throughout this period. As communicated in the Q4 report for 2022 published February 23, 2023, STRAX has worked out a tactical plan involving divesting certain assets to strengthen the liquidity and balance sheet. As a part of that, PCP has also agreed to restate the covenants for Q1, Q2 and Q3 of 2023 to adjust for the current situation. STRAX thereby returns to being in compliance with the loan agreement, even though some of the actions have been somewhat delayed due to market conditions and seasonal delays. STRAX is now executing the plan and expects to considerably lower the debt level of the Group during 2023 and 2024 and in particular repay significant parts of the outstanding amounts under the loan agreement. The Board and the management have taken numerous 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, and despite there is some uncertainties of market conditions, liquidity and profitability the business has been reported as a going concern.

Significant events during 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).

STRAX reached an agreement with lenders and implementation of plan to strengthen the balance sheet and liquidity. STRAX has for the past six quarters received waivers concerning breach of certain conditions in the loan agreement with its lenders. The communication and relationship with P Capital (PCP) as main lender has been constructive throughout this period. As communicated in the Q4 report for 2022 published February 23, 2023, STRAX has worked out a tactical plan involving divesting certain assets to strengthen the liquidity and balance sheet. As a part of that, PCP has also agreed to restate the covenants for Q1, Q2 and Q3 of 2023 to adjust for the current situation. STRAX thereby returns to being in compliance with the loan agreement, even though some of the actions have been somewhat delayed due to market conditions and seasonal delays. STRAX is now executing the plan and expects to considerably lower the debt level of the Group during 2023 and 2024 and in particular repay significant parts of the outstanding amounts under the loan agreement.

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 1 761 (471), of which investments in software amounted to 1 663 (642), property, plant and equipment amounted to 98 (-171) and investments in subsidiaries amounted to - (9).

The parent company's result for the period amounted to -885 (-). The result included administrative expenses -868 (-640) and net financial items -17 (149). As of June 30, 2023, total assets amounted to 76 575 (79 125) of which equity totaled 62 191 (63 076). Cash and cash equivalents amounted to 2 (2 584).

Significant events after the end of the period

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transaction will furthermore reduce debt within remaining STRAX by MEUR 12.

All closing conditions have been fulfilled and the transaction will be completed on or before August 31, 2023.

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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 2022 annual report.

FINANCIAL CALENDAR:

November 29 2023

Interim report January – September 2023

**For further information
contact:**

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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, August 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	2023	2022	2023	2022	2022
	(3 months) Apr 1– Jun 30	(3 months) Apr 1– Jun 30	(6 months) Jan 1– Jun 30	(6 months) Jan 1– Jun 30	(12 months) Jan 1 - Dec 31
FINANCIAL KEY RATIOS					
Sales growth, %	-45.4	8.9	-42.3	11.3	2.6
Gross margin, %	32.1	16.1	32.1	17.7	16.7
Equity, MEUR	-12.2	10.5	-12.2	10.5	-6.5
Equity/asset ratio, %	-13.2	9.1	-13.2	9.1	-6.5
DATA PER SHARE					
Equity, EUR	-0.10	0.09	-0.10	0.09	-0.05
Equity, SEK	-1.19	0.93	-1.19	0.93	-0.60
Result continuing operations, EUR	-0.02	0.01	-0.03	0.00	-0.09
Result continuing operations, SEK	-0.19	0.06	-0.38	-0.01	-0.96
Result from discontinued operations, EUR	-0.01	-0.02	-0.02	-0.02	-0.07
Result from discontinued operations, SEK	-0.11	-0.17	-0.23	-0.17	-0.78
NUMBER OF SHARES					
Number of shares at the end of the period	120 592 332	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	120 592 332
Average number of shares during the period after dilution	124 687 332	124 687 332	124 687 332	124 687 332	124 687 332
EMPLOYEES					
Average number of employees	195	232	195	232	203

Calculation ratios

	3 Months			6 Months			12 Months	
	2023	2022	2021	2023	2022	2021	2022	2021
	Apr 1 - Jun 30	Apr 1 - Jun 30	Apr 1 - Jun 30	Jan 1 - Jun 30	Jan 1 - Jun 30	Jan 1 - Jun 30	Jan 1 - Dec 31	Jan 1 - Dec 31
Sales								
Sales	15 855	29 031	26 646	35 201	60 973	54 775	104 392	101 795
Increase (+)/decrease (-)	-13 176	2 385		-25 772	6 198		2 597	
Sales growth								
Increase (+)/decrease (-)	-13 176	2 385		-25 772	6 198		2 597	
Value previous year	29 031	26 646		60 973	54 775		101 795	
= Sales growth	-45,4%	8,9%		-42,3%	11,3%		2,6%	
Gross profit								
Gross profit	5 085	4 660		11 294	10 780		17 425	
Sales	15 855	29 031		35 201	60 973		104 392	
= Gross profit %	32,1%	16,1%		32,1%	17,7%		16,7%	
Equity assets ratio								
Equity	-12 187	10 475		-12 187	10 475		-6 482	
Total assets	92 450	115 019		92 450	115 019		99 595	
= Equity assets ratio %	-13,2%	9,1%		-13,2%	9,1%		-6,5%	

Group

	2023	2022	2023	2022	2022
	(3 months)	(3 months)	(6 months)	(6 months)	(12 months)
Summary income statements, KEUR	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1- Dec 31
Net sales	15 855	29 031	35 201	60 973	104 392
Cost of goods sold	-10 770	-24 371	-23 907	-50 193	-86 967
Gross profit	5 085	4 660	11 294	10 780	17 425
Selling expenses	-3 672	-4 099	-7 403	-8 211	-17 532
Administrative expenses ⁽¹⁾	-1 165	-933	-2 414	-2 733	-4 512
Other operating expenses	-1 330	-7 908	-3 215	-12 475	-23 637
Other operating income	807	10 446	1 202	15 676	25 702
Operating profit	-274	2 165	-535	3 036	-2 554
Financial income	16	-	42	-	2
Financial expenses	-2 198	-1 274	-3 768	-2 798	-7 076
Net financial items	-2 182	-1 274	-3 726	-2 798	-7 074
Profit before tax	-2 456	891	-4 261	238	-9 628
Tax	413	-253	265	-326	-1 202
Profit or loss from continuing operations after tax	-2 043	638	-3 996	-88	-10 830
Profit or loss from discontinued operations after tax	-1 136	-1 995	-2 484	-1 953	-8 798
PROFIT OR LOSS FOR THE PERIOD ⁽²⁾	-3 178	-1 357	-6 479	-2 041	-19 628
<i>Basic earnings per share continuing operations, EUR</i>	-0.02	0.01	-0.03	-0.00	-0.09
<i>Diluted earnings per share continuing operations, EUR</i>	-0.02	0.01	-0.03	-0.00	-0.09
<i>Basic earnings per share discontinued operations, EUR</i>	-0.01	-0.02	-0.02	-0.02	-0.07
<i>Diluted earnings per share discontinued operations, EUR</i>	-0.01	-0.02	-0.02	-0.02	-0.07
<i>Weighted average number of shares during the period</i>	120 592 332	120 592 332	120 592 332	120 592 332	120 592 332
<i>Weighted average number of shares during the period after dilution</i>	124 687 332	124 687 332	124 687 332	124 687 332	124 687 332
Statement of comprehensive income, KEUR					
Result for the period	-3 178	-1 357	-6 479	-2 041	-19 628
Other comprehensive income, translation gains/losses on consolidation	481	-1 496	774	-1 520	- 890
Total comprehensive income for the period	-2 697	-2 853	-5 705	-3 561	-20 518

¹⁾ Depreciation and amortization for the period January 1 – June 30, 2023, amounted to 756 (1 013).

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

Operating segment

HY 2023

Operating Segment, KEUR	2023	2022	2022	2023	2022	2022	2023	2022	2022
	(6 months) Jan 1 - Jun 30	(6 months) Jan 1 - Jun 30	(12 months) Jan 1 - Dec 31	(6 months) Jan 1 - Jun 30	(6 months) Jan 1 - Jun 30	(12 months) Jan 1 - Dec 31	(6 months) Jan 1 - Jun 30	(6 months) Jan 1 - Jun 30	(12 months) Jan 1 - Dec 31
	Distribution			Own Brands and Others			Total		
Net Sales	20 763	41 803	70 167	14 438	19 170	34 225	35 201	60 973	104 392
Net COS	-16 327	-32 722	-56 514	-7 580	-17 471	-30 453	-23 907	-50 193	-86 967
Gross profit	4 436	9 081	13 653	6 858	1 699	3 772	11 294	10 780	17 425
Gross Margin	21,4%	21,7%	19,5%	47,5%	8,9%	11,0%	32,1%	17,7%	16,7%
Distribution Costs	-2 491	-3 221	-6 589	-4 912	-4 990	-10 943	-7 403	-8 211	-17 532
Administrative Expenses	-1 330	-1 328	-2 655	-1 084	-1 405	-1 857	-2 414	-2 733	-4 512
Other Operating Expenses	242	-6 268	-865	-3 457	-6 207	-22 772	-3 215	-12 475	-23 637
Other Operating Income	795	3 612	3 386	408	12 064	22 316	1 202	15 676	25 702
EBIT	1 652	1 876	6 930	-2 187	1 160	-9 484	-535	3 036	-2 554
Depreciations and amortizations							756	1 013	1 624
EBITDA							220	4 049	-930
Depreciations and amortizations							-756	-1 013	-1 624
Financial Income							42	-	2
Financial Expenses							-3 768	-2 798	-7 076
Profit before tax							-4 261	238	-9 628
Taxes							265	-326	-1 202
Profit or loss from continuing operations after tax							-3 996	-88	-10 830
Profit or loss from discontinued operations after tax							-2 484	-1 953	-8 798
Profit or loss for the period							-6 479	-2 041	-19 628

Q2 2023

Operating Segment, KEUR	2023	2022	2023	2022	2023	2022
	(3 months) Apr 1 - Jun 30	(3 months) Apr 1 - Jun 30	(3 months) Apr 1 - Jun 30	(3 months) Apr 1 - Jun 30	(3 months) Apr 1 - Jun 30	(3 months) Apr 1 - Jun 30
	Distribution		Own Brands and Others		Total	
Net Sales	9 227	14 106	6 628	14 925	15 855	29 031
Net COS	-7 389	-10 176	-3 381	-14 195	-10 770	-24 371
Gross profit	1 838	3 930	3 247	730	5 085	4 660
Gross Margin	19,9%	27,9%	49,0%	4,9%	32,1%	17,8%
Distribution Costs	-1 301	-1 534	-2 371	-2 565	-3 672	-4 099
Administrative Expenses	-727	-678	-438	-255	-1 165	-933
Other Operating Expenses	-219	-4 093	-1 110	-3 815	-1 329	-7 908
Other Operating Income	640	2 063	168	8 383	807	10 446
EBIT	231	-312	-504	2 477	-273	2 165
Depreciations and amortizations					279	542
EBITDA					5	2 707
Depreciations and amortizations					-279	-542
Financial Income					16	-
Financial Expenses					-2 198	-1 274
Profit before tax					-2 455	891
Taxes					413	-253
Profit or loss from continuing operations after tax					-2 042	638
Profit or loss from discontinued operations after tax					-1 136	-1 995
Profit or loss for the period					-3 177	-1 357

Breakdown of net sales by operating segment

Net sales per segment, KEUR	2023		2022	
	Jan 1 – Jun 30	%	Jan 1 – Jun 30	%
Distribution	20 763	59%	41 803	68.6%
Own brands	14 438	41%	19 170	31.4%
Total	35 201	100%	60 973	100%

Breakdown of net sales by product category

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

Net sales per product category, KEUR	2023		2022	
	Jan 1 – Jun 30	%	Jan 1 – Jun 30	%
Accessories	22 063	63%	25 861	42.4%
Audio	10 920	31%	10 739	17.6%
Health and Wellness	2 218	6%	24 373	40%
Total	35 201	100%	60 973	100%

Distribution net sales, KEUR	2023		2022	
	Jan 1 – Jun 30	%	Jan 1 – Jun 30	%
Accessories	15 646	75%	20 625	49%
Audio	5 110	25%	5 229	13%
Health and Wellness	7	0%	15 949	38%
Total	20 763	100%	41 803	100%

Own brands net sales, KEUR	2023		2022	
	Jan 1 – Jun 30	%	Jan 1 – Jun 30	%
Accessories	6 417	45%	5 236	27%
Audio	5 810	40%	5 510	29%
Health and Wellness	2 211	15%	8 424	44%
Total	14 438	100%	19 170	100%

Net sales per product category, KEUR	2023		2022	
	Apr 1 – Jun 30	%	Apr 1 – Jun 30	%
Accessories	9 568	61%	14 053	49%
Audio	5 431	34%	5 620	19%
Health and Wellness	856	5%	9 358	32%
Total	15 855	100%	29 031	100%

Distribution net sales, KEUR	2023		2022	
	Apr 1 – Jun 30	%	Apr 1 – Jun 30	%
Accessories	6 377	69%	9 898	71%
Audio	2 917	32%	3 151	22%
Health and Wellness	-67	-1%	1 057	7%
Total	9 227	100%	14 106	100%

Own brands net sales, KEUR	2023		2022	
	Apr 1 – Jun 30	%	Apr 1 – Jun 30	%
Accessories	3 191	48%	4 405	29%
Audio	2 514	38%	3 219	22%
Health and Wellness	923	14%	7 301	49%
Total	6 628	100%	14 925	100%

Geographic market and regions

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

Geographic market and regions, KEUR	2023			2022		
	Total	Distribution	Own Brands	Total	Distribution	Own Brands
Western Europe						
Denmark	162	8	155	46	5	41
France	4 626	4 091	535	4 540	4 512	29
Germany	6 245	5 443	802	26 395	22 260	4 135
Netherlands	1 171	1 044	127	1 245	1 235	10
Switzerland	4 423	3 859	564	5 474	5 557	-83
Austria	87	67	20	95	61	35
Norway	137	123	14	191	184	7
Poland	764	692	72	903	915	-12
Sweden	2 974	2 480	494	2 955	2 693	263
UK	2 730	1 035	1 695	4 880	1 631	3 249
Spain	305	-	305	92	-11	103
Belgium	1 148	1 037	111	709	706	3
Italy	533	7	526	307	-2	309
Finland	379	24	355	547	547	-
North America	6 832	23	6 808	9 469	33	9 436
Rest of the world	2 685	830	1 855	3 122	1 478	1 645
Total	35 201	20 763	14 438	60 972	41 803	19 170

Group

	2023	2022	2022
Summary balance sheets, KEUR	Jun 30	Jun 30	December 31
ASSETS			
NON-CURRENT ASSETS			
Goodwill	22 774	28 176	22 774
Other intangible assets	4 661	2 915	4 317
Property, Plant & Equipment	888	1 370	886
Other assets	1 739	4 133	1 706
Deferred tax assets	462	277	514
Total non-current assets	30 525	36 871	30 197
CURRENT ASSETS			
Inventories	23 667	34 719	26 644
Tax receivables	1 043	1 017	1 170
Accounts receivable	19 443	26 075	18 661
Other assets	6 501	13 727	8 646
Cash and cash equivalents	1 092	2 610	2 909
Assets held for sale	10 179	-	11 368
Total current assets	61 925	78 148	69 398
TOTAL ASSETS	92 450	115 019	99 595
EQUITY AND LIABILITIES			
Equity	-12 187	10 475	-6 482
NON-CURRENT LIABILITIES:			
Tax liabilities	3	3	3
Other liabilities	3 312	3 550	3 629
Interest-bearing liabilities	11 712	1 758	1 742
Deferred tax liabilities	1 536	941	1 536
Total non-current liabilities	16 564	6 252	6 910
Current liabilities:			
Provisions	638	488	714
Interest-bearing liabilities	35 600	47 179	48 094
Accounts payable	22 233	21 503	26 720
Tax liabilities	4 190	4 356	4 714
Other liabilities	22 396	24 765	16 334
Liabilities associated with assets held for sale	3 017	-	2 591
Total current liabilities	88 073	98 291	99 167
Total liabilities	104 637	104 543	106 077
TOTAL EQUITY AND LIABILITIES	92 450	115 019	99 595
Summary of changes in equity, KEUR			
Equity as of December 31, 2021		14 036	
Comprehensive income January 1 – December 31 2022		-20 518	
Equity as of December 31, 2022		-6 482	
Comprehensive income January 1 – June 30, 2023		-5 705	
Equity as of June 30, 2023		-12 187	

Group

	2023	2022	2023	2022	2022
	(3 months)	(3 months)	(6 months)	(6 months)	(12 months)
Summary cash flow statements, KEUR	Apr 1- Jun 30	Apr 1- Jun 30	Jan 1- Jun 30	Jan 1- Jun 30	Jan 1- Dec 31
OPERATING ACTIVITIES					
Result before tax, continuing operations	-2 456	890	-4 262	238	-9 628
Adjustment for items not included in cash flow from operations or items not affecting cash flow	2 461	1 815	4 482	3 810	8 699
Paid taxes	570	-133	563	-193	-2 099
Cash flow from continuing operations prior to changes in working capital	575	2 573	784	3 856	-3 028
Cash flow from changes in working capital:					
Increase (-)/decrease (+) in inventories	897	-1 775	1 479	-5 794	784
Increase (-)/decrease (+) current receivables	-1 705	-5 486	139	-1 076	2 026
Increase (-)/decrease (+) in non-current receivables	-19	-45	-90	-9	12 428
Increase (+)/decrease (-) current liabilities	1 142	1 200	2 906	1 255	385
Increase (+)/decrease (-) in current liabilities	4 467	7 669	1 275	797	3 091
Cash flow from operating activities continuing operations	5 357	4 136	6 492	-971	15 686
Cash flow from operating activities discontinued operations	-1 390	853	-1 390	853	-6 805
Cash flow from operations	3 967	4 989	5 103	-118	8 881
INVESTMENT ACTIVITIES					
Investments in software	-311	51	1 663	642	-1 922
Investments in property, plant & equipment	-914	-353	98	-171	-106
Investments in subsidiaries	-	1	-	9	-
Cash flow from investing activities of continuing operations	-1 225	-301	1 761	480	-2 028
Cash flow from investing activities of discontinued operations	-2 052	-1 230	-2 052	-1 230	-3 672
Cash flow from investment activities	-3 277	-1 531	-291	-750	-5 700
FINANCING ACTIVITIES					
Interest-bearing liabilities	39	-20	-	4 901	5 995
Amortization of interest-bearing liabilities	-2 048	-355	-2 056	-355	-98
Repayment Leasing liabilities	-441	-340	-882	-680	-1 476
Paid interest and other expenses	-1 999	-1 445	-3 543	-2 969	-7 076
Cash flow from financing activities of continuing operations	-4 448	-2 160	-6 481	897	-2 655
Cash flow from financing activities of discontinued operations	-147	-20	-147	-20	-218
Cash flow from financing activities	-4 595	-2 180	--6 628	877	-2 873
Cash flow for the period	-3 905	1 278	-1 816	9	308
Cash and cash equivalents at the beginning of the period	4 997	1 332	2 909	2 601	2 601
Cash and cash equivalents at the end of the period	1 092	2 610	1 092	2 610	2 909
Less cash and cash equivalents end of period held for sale	-3 588	-397	-3 588	-397	-10 696
Cash and cash equivalents end of period from continuing operations	4 681	3 007	4 681	3 007	13 605

NOTE 1 REFERENCES

- Seasonal and phone launch fluctuations, see page 7
- Reporting per operating segment see pages 12-15
- For further information on accounting principles reference is made to the 2022 annual report
- For events after the end of the period, see page 7-8

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 2022.

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

	2023 (3 months)	2022 (3 months)	2023 (6 months)	2022 (6 months)	2022 (12 months)
Income statements for discontinued operations, KEUR	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 - Dec 31
Net sales	901	-5 126	2 180	2 824	7 915
Cost of goods sold	-1 482	4 727	-3 073	-2 287	-11 480
Gross profit	-581	-399	-893	537	-3 565
Selling expenses	-214	-659	-538	-1 208	-2 473
Administrative expenses	-249	-714	-625	-948	-1 955
Other operating expenses	230	415	58	209	379
Other operating income	-381	-626	-339	-523	-963
Operating profit	-1 195	-1 983	-2 337	-1 933	-8 577
Financial income	-	-	-	-	-
Financial expenses	59	-13	-147	-20	-221
Net financial items	59	-13	-147	-20	-221
Profit before tax	-1 136	-1 996	-2 484	-1 953	-8 798
Tax	-	-	-	-	-
Profit or loss from discontinued operations after tax	-1 136	-1 996	-2 484	-1 953	-8 798

Group

	2023 (3 months) Apr 1 - Jun 30	2022 (3 months) Apr 1 - Jun 30	2023 (6 months) Jan 1 – Jun 30	2022 (6 months) Jan 1 – Jun 30	2022 (12 months) Jan 1 - Dec 31
Bridge to EBITDA discontinued operations KEUR					
Operating profit from discontinued operations	-1 195	-1 983	-2 337	-1 933	-8 577
+ Depreciation & amortization from discontinued operations	228	179	306	269	809
EBITDA from discontinued operations	-967	-1 804	-2 031	-1 664	-7 768

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

	2023	2022	2023	2022	2022
	(3 months)	(3 months)	(6 months)	(6 months)	(12 months)
Bridge to EBITDA continuing operations	Apr 1 - Jun 30	Apr 1 - Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 - Dec 31
KEUR					
Operating profit from continuing operations	-274	2 165	-535	3 036	-2 554
+ Depreciation & amortization from continuing operations	279	542	756	1 013	1 624
EBITDA from continuing operations	4	2 707	220	4 049	-930

Parent Company

	2023	2022	2023	2022	2022
	(3 months)	(3 months)	(6 months)	(6 months)	(12 months)
Summary income statements, KEUR	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 - Dec 31
INVESTMENT ACTIVITIES					
Net Sales	-	186	-	491	943
Gross profit	-	186	-	491	943
Administrative expenses	-395	-345	-868	-640	-1 092
Operating income	-395	-159	-868	-149	-149
Net financial items	15	159	-17	149	149
Result after financial items	-380	-	-885	-	-
Current taxes	-	-	-	-	-
RESULT FOR THE PERIOD	-380	-	-885	-	-
Statement of comprehensive income, KEUR					
Result for the period	-380	-	-885	-	-
Other comprehensive income	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-380	-	-885	-	-
			2023	2022	2022
Summary balance sheets, KEUR					
			June 30	June 30	December 31
ASSETS					
Non-current assets			129	129	129
Non-current financial assets			75 755	75 745	75 755
Total non-current assets			75 884	75 874	75 884
Current receivables			229	233	206
Prepaid expenses and accrued income			460	434	450
Cash and bank balances			2	2 584	2 538
Total current assets			691	3 251	3 194
TOTAL ASSETS			76 575	79 125	79 078
EQUITY AND LIABILITIES					
Equity			62 191	63 076	63 076
Current liabilities			14 384	16 049	16 002
Total liabilities			14 384	16 049	16 002
TOTAL EQUITY AND LIABILITIES			76 575	79 125	79 078
Summary of changes in equity, KEUR					
Equity as of December 31, 2021					63 076
Comprehensive income Jan 1 – Dec 31 2022					-
Equity as of December 31, 2022					63 076
Comprehensive income Jan 1 - Jun 30 2023					-885
Equity as of June 30, 2023					62 191