

STRAX

PRESS RELEASE

May 28, 2024

STRAX associated company STRAX GmbH files for insolvency in Germany

In July 2023 STRAX announced that a new investor was brought into the European distribution business by investing 10 MEUR and becoming the majority shareholder with 50.1 percent of the outstanding number of shares and votes of STRAX GmbH.

STRAX European distribution has been successful and profitable for several years built on long-standing relationships with many of the largest telecom operators and retailers in the region. During and after Covid-19 the core accessories business was negatively impacted, causing strain on both cash flows and liquidity, key considerations to bring in an additional investor. In this case it was also an investor that was committed to bring on additional profitable business in logistics services.

The European distribution business faced significant headwinds in the fall of 2023 resulting in a negative sales development and losses, as have been communicated in financial reports. From mid-year 2023 the company engaged in a business activity procured by the new investors which both tied up significant working capital and resulted in losses. Furthermore, STRAX Holding GmbH has not had the capacity to inject additional liquidity.

Numerous attempts have been made to find a viable way for STRAX GmbH to go forward but those attempts have now been deemed unsuccessful under the current circumstances.

As a result, STRAX GmbH has today filed for insolvency in Germany.

For the STRAX Group this event initially impacts the value of the reported part of the equity in STRAX GmbH as an associated company partially consolidated through the application of the equity method. The value of the reported share of equity in STRAX GmbH in the balance sheet of the STRAX Group amounted to 4.4 MEUR. The event might further have impact on the valuation of shares in subsidiaries in STRAX AB.

There are intercompany balances between STRAX Holding GmbH, a subsidiary of STRAX AB, and STRAX GmbH. These balances are in the favor of STRAX GmbH and will most likely be called upon by the administrator to be appointed to manage the insolvency estate of STRAX GmbH, which could jeopardize the financial stability of STRAX Holding GmbH.

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"It is extremely disappointing and sad to see a business that has run well and profitably end up like this after close to 20 years due to recent events. We have for many months done all in our power to find a way to save the business of STRAX GmbH, but unfortunately, we have been unsuccessful in preventing this conclusion due to various uncontrollable factors, says Ingvi T. Tomasson, Chairman and co-founder, STRAX AB.

For further information

For further information please contact Ingvi Tomasson, Chairman of the Board and co-founder, STRAX AB, +354 698 2277.

About STRAX

STRAX is a global leader in accessories that empower mobile lifestyles. Our portfolio of branded accessories covers all major mobile accessory brands and categories: Protection, Power, Connectivity, as well as Personal Audio. The remaining own brand is Planet Buddies. We reach a broad customer base, through 70 000 brick and mortar stores around the globe, as well as through online marketplaces and direct-to-consumers.

Founded as a trading company in 1995, STRAX has since expanded worldwide and evolved into a global brand business. Today we have approximately 90 employees in 6 countries. STRAX is listed on the Nasdaq Stockholm stock exchange.

Divested own brands consist of Urbanista, Gear4 and Clckr.

Discontinued operations include Health & Wellness and licenced brand portfolio of adidas and Diesel.

This information is information that STRAX is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-05-28 15:07 CEST.

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Attachments

[STRAX associated company STRAX GmbH files for insolvency in Germany](#)