

# STRAX

**PRESS RELEASE**  
**November 28, 2019**

## **STRAX: INTERIM REPORT NO 3 FOR THE FINANCIAL YEAR 2019**

**STRAX delivers 17% sales growth in Q3 2019 and 18% growth YTD on a like-for-like basis, with significant improvement in profitability.**

The Group's sales for the period January 1 – September 30, 2019, amounted to MEUR 72.3 (69.5), corresponding to an increase of 4 percent, with a gross margin of 24.1 (28.6) percent.

The Group's result for the period January 1 – September 30, 2019, amounted to MEUR -2.5 (-1.1) corresponding to EUR -0.02 (-0.01) per share. The result for the period was negatively affected by MEUR 3.3 related to the decline in value of the Zagg shares.

Equity as of September 30, 2019 amounted to EUR 18.8 (19.8) corresponding to EUR 0.16 (0.17) per share.

EBITDA for the period January 1 – September 30, 2019, increased to MEUR 5.1 (3.6).

Year over year reduction in operational expenses excluding depreciation amounts to MEUR 6.7 for 2019 as a result of cost reductions implemented in 2018, corresponding to approximately 27 percent, and tracking towards MEUR 8-9 reduction in 2019.

Urbanista accelerated its growth in the first 9 months of 2019 and achieved 20 percent market share in the true wireless headset category in Sweden in July 2019. In the fall of 2019 Urbanista launched four new true wireless products and is on track to deliver another record year.

The board of directors resolved to split the group's business into two parts – Own brands and Distribution. Both businesses will remain wholly owned by STRAX. This change will present an improved view of the value of each part the group's business and is also expected to deliver a more effective cost structure once fully implemented. The change will come into effect January 1, 2020. (See separate press release).

“Our third quarter performance was excellent overall and I am proud of the entire STRAX team for their determination and firm belief in the changes we’ve implemented during the last twelve months. In the third quarter our sales grew by 17% compared to the same period last year and 4% during the first nine months this year, whilst delivering 18% growth on a like-for-like basis, taking the Gear4 transaction into account”.

Gudmundur Palmason, CEO

For further information please contact Gudmundur Palmason, CEO, STRAX AB, +46 8 545 017 50.

This is information that Strax AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:55 CET on November 28, 2019.

#### **About STRAX**

STRAX is a global company specializing in mobile accessories. STRAX develops and grows brands through an omnichannel approach. STRAX operates two complimentary businesses – Own brands and Distribution (retail and online marketplaces) - where the lifestyle audio brand Urbanista is the flagship along with our licensed brands adidas. Through its retail distribution platform in Europe STRAX represents over 40 major mobile accessory brands, whilst Brandvault, online marketplace distribution, is currently centered around own brands and startups. STRAX sells into all key channels ranging from telecom operators, mass merchants and consumer electronics to lifestyle retailers and direct to consumers online. STRAX was founded in Miami and Hong Kong in 1995 and has since grown across the world. Today, STRAX has over 200 employees in 12 countries with its operational HQ and logistics center based in Germany. STRAX is listed on the Nasdaq Stockholm Stock Exchange.