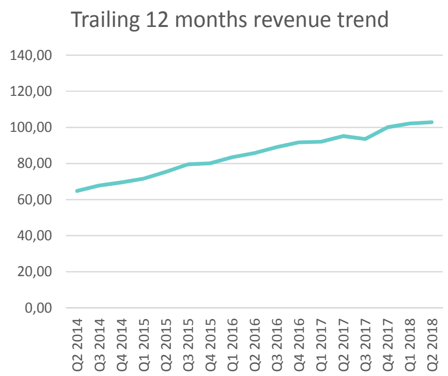
Q2

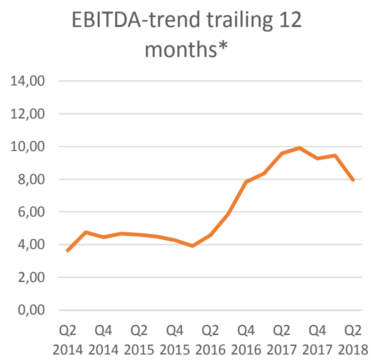
2018

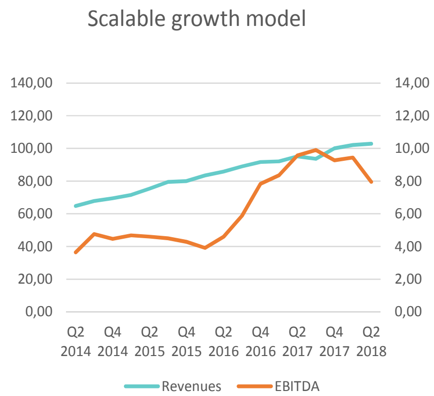
STRAX

STRAX is taking immediate action to adjust to a rapidly changing business environment, with significant cost reductions and investments in e-commerce as well as digitalization tools to future proof the business, whilst continuing to pursue the house of brands strategy.

- The Group’s sales for the period January 1 – June 30, 2018, amounted to MEUR 45.8 (43.5), gross margin increased to 32.5 (27.9) percent.
- The Group’s result for the period January 1 – June 30, 2018, amounted to MEUR 0.2 (2.2) corresponding to EUR 0.02 (0.02) per share. Equity as at June 30, 2018 amounted to MEUR 20.9 (20.0) corresponding to EUR 0.18 (0.17) per share.
- EBITDA for the period January 1 – June 30, 2018, amounted to MEUR 2.6 (3.3).
- STRAX fully understands and is prepared to address the extensive transformation its retail customers are going through; everything from e-commerce expansion, declining smartphone sales, growth of Asian OEMs to changes in consumer consumption and shopping patterns.







- Trailing 12 months EBITDA per quarter, EBITDA adjusted by items affecting comparability and currency effects

”STRAX has a solid foundation to become a distributor of the future: we have sound infrastructure, strong customer base, and highly qualified and motivated team, as well as a proven ability to change and transform when needed. I remain content with our house of brands strategy and optimistic that more profitable times are ahead.”

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 below, at 08:55 CET on August 23, 2018.

WE INNOVATE, WE CREATE, WE INSPIRE, WE DELIVER.

STRAX is a market-leading global company specializing in mobile accessories and connected devices. STRAX has built a House of Brands to complement its value-added customer-specific solutions and services. STRAX House of Brands includes proprietary brands: XQISIT, GEAR4, Urbanista, THOR, avo+, FLAVR, Eule and licensed brands: adidas and bugatti. In addition STRAX represents over 40 major mobile accessory brands. STRAX sells into all key channels ranging from telecom operators, mass merchants and consumer electronics to lifestyle retailers and direct to consumers online.

STRAX continually monitors the market and channel development to ensure that the proprietary brands offer relevant product propositions strongly resonating with their target audiences and providing differentiation from the competition.

PROPRIETARY BRANDS

XQISIT

INNOVATIVE PROTECTION, AUDIO, POWER & CHARGING SOLUTIONS

With an extensive product portfolio ranging from protection to audio and power, XQISIT brings mid-priced innovative, quality design and functionality to value-conscious consumers.

urbanista

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 Urbanista products are designed for a life in motion and built to inspire and endure.

FLAVR

FASHION INSPIRED SMARTPHONE CASES

Aimed at social media-savvy millennials, FLAVR offers seasonal collections of smartphone cases in line with the fashion trends of the moment.

THOR

GRADE A SCREEN PROTECTION

Responding to the growing market demand for tempered glass display protectors, THOR produces a variety of high-quality screen protectors in a mid to high price range. The screen protectors are tailored to each device for best-in-class protection.

gear4

MARKET-LEADING IMPACT PROTECTION CASES

One of America's fastest growing and the UK's number one protective phone-case brand; GEAR4 exclusively uses D30® technology to create high performance impact protection products. GEAR4 launched a new range of screen protectors in 2017.

avo+

AFFORDABLE MOBILE SOLUTIONS FOR THE MASSES

From power and connectivity, to gadgets, avo+ is a specialist in quality value-for-money products suited for a variety of channels, including mass market, consumer electronics and gas stations.

HOME SECURITY MADE EASY
Eule was launched in 2017, bringing competitively priced, innovative connected solutions that make home security easier. The Eule products are simple to install, easy to use, and offer a refreshing alternative to other high-priced options.

CHIC AND REFINED PROTECTION
The bugatti brand aims to reflect the cultural and creative diversity of Europe. bugatti's handmade smartphone cases are crafted from high-quality full grain leather and Ultrasuede and come in a range of timeless colors, epitomizing elegance and quality workmanship.

LICENSED BRANDS

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.

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.

INDUSTRY DEVELOPMENT

STRAX sells into all key channels ranging from telecom operators, mass merchants and consumer electronics to lifestyle retailers and direct to consumers online. In recent times, technological explosions have slowed down with device manufacturers struggling to impress customers with game-changing solutions. As a result the long-tail halo device launch effect has reduced. Consumers are increasingly opting to keep existing devices for longer and refresh accessories rather than their device. The market has also witnessed an increase in SIM-only contract renewals where consumers are able to negotiate better rates for services instead of replacing their device. These factors have resulted in an increase in demand for a deeper SKU assortment into second tier mobile devices in protection but also for power, audio and connectivity products as consumers upgrade their existing accessories.

Power: In our commodity business we expect solid unit sales growth but a drop in average selling price (ASP) will see this segment stay fairly flat on revenues. New technologies, such as wireless charging and power delivery products, are compatible with the latest halo devices, and we see this trend increasing showing growth in 2018.

Protection: Units and revenues are expected to grow here. We see second tier devices increasing in share as they take the core technologies from major brands and work into mid-priced products. In 2017, we saw further expansion into the protective segment, growth in our licensed business and gains in our screen protection. The slow launch of iPhone 8/8+ and later than expected arrival of the iPhone X undoubtedly impacted the market.

Audio: In 2017, we saw the power of Amazon's Alexa platform inject life into the speaker market. Building on its success in the USA/Canada, Amazon launched Alexa in the UK and benefitted from being first to market. Google's range launched later offering greater language and contextual impact to consumers. We see this trend continuing and growing as audio brands add voice capabilities into their portfolios.

The market for headphones also benefitted from transitions away from wired products. STRAX enjoyed growth in its wireless headphone portfolio and looks to 2018, and beyond, to grow this further on an international stage.

COMMENTS FROM THE CEO

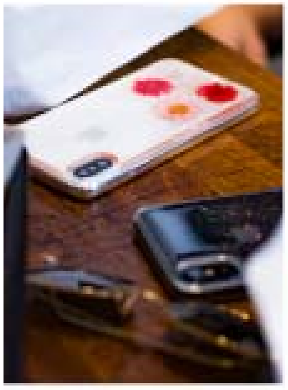
" The second quarter was challenging overall although we achieved growth in sales compared to same period last year and our gross margin continued to improve on the back of good performance of Gear4 and Urbanista, as well as adidas Originals. In anticipation of stronger sales growth we experienced unsustainable increase in operating expenses, where we already have initiated several actions to reduce cost and increase flexibility.

During the second quarter 2018 sales increased 2.3% over the same period last year and 5.3% during the first half 2018. Sales in the second quarter were MEUR 23.7 (23.2) and EBITDA amounted to MEUR 1.6 (2.8) whilst sales in the first half were MEUR 45.8 (43.5). Our sales are seasonal with the second half of the calendar year historically contributing 60% of annual sales and we expect this trend to continue, even though demand remains relatively weak in some of our European markets and most our retail customers are undergoing an extensive transformation stemming from changes in consumer consumption and shopping patterns.

Trailing twelve months (TTM) sales 2018 amounted to MEUR 102.8 (95.1) and TTM sales growth stands at 8.1%, whilst TTM adjusted EBITDA has decreased by 16.9% to MEUR 8.0 (9.6). Sales growth continues to be driven by North America and increased share of proprietary brands contributes to higher share of profitability, 68.6% (63.7%).

Without a willingness to change and adopt, wholesale distributors in its current state now face disruption and a true inflection point. This also applies to STRAX. To date we have thrived based on incremental changes to our business, e.g. through the implementation of proprietary brand strategy, geographic expansion and acquisitions. It is quite possible that such an incremental approach is no longer viable and changes that are more significant will have to be implemented in an effort to become a future proof business in the mobile accessories industry. This STRAX will achieve through investments in information technology (digitization), outsourcing of non-core functions and aggressive expansion into e-commerce. We have already kicked this journey off with an investment in BrandVault, a joint venture focusing on e-commerce marketplaces, and the establishment of a Chief Information Officer function within the STRAX group. We are furthermore looking at several acquisition and/or investments opportunities in e-commerce focused brands and service providers. We believe that half the battle will be won in B2C, where we gain control of the entire value chain, just the same way our proprietary brand strategy allowed us to take control of the supply chain and gross margins.

STRAX has a solid foundation to become a distributor of the future: we have sound infrastructure, strong customer base, and highly qualified and motivated team, as well as a proven ability to change and transform when needed. I remain content with our house of brands strategy and optimistic that more profitable times are ahead."



The Board of Directors and the CEO of Strax AB hereby summit the Interim report for the period January 1 – June 30, 2018

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, 2018

THE GROUP'S net sales for the period January 1 – June 30, 2018 amounted to 45 768 (43 478). Gross profit amounted to 14 881 (12 151) and gross margin amounted to 32.5 (27.9) percent. Operating profit amounted to 1 133 (2 455).

Result for the period amounted to 178 (2 206). The result included gross profit 14 881 (12 151), selling expenses -9 160 (-7 102), administrative expenses -4 032 (-2 893), other operating expenses -2 740 (-756), other operating income 2 184 (1 055), Share of profit of associates - (114) net financial items -756 (-604) and tax -200 (355).

As of June 30, 2018 total assets amounted to 81 804 (65 386), of which equity totaled 20 938 (19 981), corresponding to equity/assets ratio of 25.6 (30.6) percent. Interest-bearing liabilities as of June 30, 2018, amounted to 9 967 (3 960). The groups cash and cash equivalents amounted to 3 846 (1 673).

Inventories increased by 3 054 compared to December 31, 2017. Main driver is the launch of Vodafone UK, running on a consignment model. Accounts receivables have decreased by 2 829 compared to year end 2017 and STRAX continues to work on efficient working capital management.

SIGNIFICANT EVENTS DURING THE PERIOD

There were no significant events during the period.

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 during the period amounted to a total of 1 621 (2 924), of which investments in intangible assets amounted to 2 (209), property, plant and equipment amounted to 1 623 (1 070) and investments in financial assets amounted to - (1 645). Divestment of non-current assets amounted to - (100).

THE PARENT COMPANY'S result for the period amounted to -1 (-12). The result included gross profit of 499 (452), administrative expenses -460 (-440) and net financial items -1 (-12). As of June 30, 2018 total assets amounted to 77 540 (75 967) of which equity totaled 75 723 (74 305). Cash and cash equivalents amounted to - (22).

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

STRAX invested in a joint venture, BrandVault, a business focused on sales through e-commerce marketplaces globally.

Future development

STRAX will play an active role in shaping the mobile accessories industry in all of its targeted geographic markets. We will continue to execute against our strategic framework launched in 2016 while at the same time strengthen the operational platform to enable us to carry out our House of Brands strategy globally with fewer resources. STRAX will experience growth in Western Europe while at the same time invest and grow at an accelerated rate in North America and strategic markets in ROW. STRAX will furthermore invest in the e-commerce channel in an effort to improve margins and diversify its traditional retail customer base. We expect a higher growth rate in 2018 compared to 2017, and the STRAX scalable business model is expected to deliver a higher growth rate in EBITDA compared to growth in sales. STRAX has experienced positive development in both sales and profit in recent years. This development is expected to continue. Currently the industry is undergoing consolidation and STRAX intends to play an active role in the ongoing consolidation process. We expect growth to continue, and STRAX scalable business model is expected to deliver a higher growth rate in EBITDA compared to growth in sales.

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 also includes establishing action plans to mitigate identified risks. The primary risks present in STRAX business activities are commercial risk, operative risk, financial risks 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 and consultants in order to run its operations, and is dependent on a functioning distribution chain, logistics and warehousing.

For further information on risks and risk management, reference is made to the 2017 annual report.

FINANCIAL CALENDAR:

August 23, 2018
Interim report January – June 2018

November 29, 2018
Interim report January – September 2018

For further information contact:

Gudmundur Palmason (CEO)
Johan Heijbel (CFO)

Strax AB (publ)
Mäster Samuelsgatan 10
111 44 Stockholm
Sweden
Corp.id: 556539-7709
Tel: +46 (0)8-545 017 50
ir@strax.com
www.strax.com

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 22, 2018

Bertil Villard
Chairman

Anders Lönnqvist
Director

Gudmundur Palmason
Director/CEO

Ingvi T. Tomasson
Director

Pia Anderberg
Director

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This report has not been subject to an audit by the company auditor.

Group

Key ratios	2018 (3 months) Apr 1 - Jun 30	2017 (3 months) Apr 1 - Jun 30	2018 (6 months) Jan 1 - Jun 30	2017 (6 months) Jan 1 - Jun 30	2017 (12 months) Jan 1 - Dec 31
FINANCIAL KEY RATIOS					
Sales growth, %	2,3	14.2	5,3	7.2	9.1
Gross margin, %	34.5	28.8	32.5	27.9	28.1
Equity, MEUR	20.9	19.9	20.9	19.9	21.0
Equity/asset ratio, %	25.8	30.6	25.6	30.6	25.3
DATA PER SHARE[1]					
Equity, EUR	0.17	0.17	0.18	0.17	0.17
Result, EUR	0.00	0.02	0.02	0.02	0.02
NUMBER OF SHARES[1]					
Number of shares at the end of the period	120 592 332	117 762 266	120 592 332	117 762 266	120 592 332
Average number of shares	120 592 332	117 762 266	120 592 332	117 762 266	117 839 802
EMPLOYEES					
Average number of employees	218	203	200	201	211

[1] No dilution exists, which entails that the result prior to and after dilution are identical.

Group

Summary income statements, KEUR	**2018** (3 months) Apr 1 - Jun 30	**2017** (3 months) Apr 1 - Jun 30	**2018** (6 months) Jan 1 - Jun 30	**2017** (6 months) Jan 1 - Jun 30	**2017** (12 months) Jan 1 - Dec 31
Net sales	23 705	23 171	45 768	43 478	100 065
Cost of goods sold	-15 532	-16 503	-30 886	-31 327	-71 958
Gross profit	**8 173**	**6 668**	**14 881**	**12 151**	**28 107**
Selling expenses	-4 542	-3 682	-9 160	-7 102	-15 491
Administrative expenses(1)	-2 533	-1 455	-4 032	-2 893	-7 416
Other operating expenses	- 811	- 262	-2 740	- 756	-4 799
Other operating income	362	749	2 184	1 055	5 258
Operating profit	**649**	**2 018**	**1 133**	**2 455**	**5 660**
Shares and participations in associated companies	-	-	-	114	- 186
Financial income	-	23	-	41	142
Financial expenses	- 475	- 456	- 756	- 759	-2 058
Net financial items	**- 475**	**- 319**	**- 756**	**- 604**	**-2 102**
Profit before tax	**378**	**1 699**	**378**	**1 851**	**3 558**
Tax	- 65	490	- 200	355	-1 768
PROFIT OR LOSS FOR THE PERIOD(2)	**313**	**2 189**	**178**	**2 206**	**1 789**
Result per share, EUR	*0.00*	*0.02*	*0.03*	*0.03*	*0.02*
Average number of shares during the period	*120 592 332*	*117 762 266*	*120 592 332*	*117 762 266*	*117 839 802*

Statement of comprehensive income, KEUR					
Result for the period	313	2 189	178	2 206	1 789
Other comprehensive income, translation gains/losses on consolidation	-124	-193	-268	-187	-75
Total comprehensive income for the period	**189**	**1 996**	**-90**	**2 019**	**1 714**

(1) Depreciation and amortization for the period January 1 – June 30, 2018, amounted to 1 455 (852).
(2) The result for the period, respectively the total comprehensive income is attributed to the parent company's shareholders.

GROUP

Operating segment Q2 (EUR thousands)	Protection Jan 1 - Jun 30 2018	Protection 2017	Power Jan 1 - Jun 30 2018	Power 2017	Audio Jan 1 - Jun 30 2018	Audio 2017	Connected devices Jan 1 - Jun 30 2018	Connected devices 2017	Other Jan 1 - Jun 30 2018	Other 2017	Total Jan 1 - Jun 30 2018	Total 2017
Net sales	28 081	26 284	6 464	5 191	8 103	6 858	464	2 010	2 656	3 137	45 768	43 478
Cost of goods sold	-19 406	-18 375	-5 361	-3 895	-6 252	-5 014	- 446	-1 703	-2 238	-2 340	-33 703	-31 327
Gross profit	**8 674**	**7 909**	**1 103**	**1 295**	**1 851**	**1 843**	**18**	**307**	**418**	**797**	**12 064**	**12 151**
Selling expenses	-6 453	-4 623	- 881	- 757	-1 478	-1 077	- 14	- 179	- 334	- 466	-9 160	-7 102
Administrative expenses	-2 666	-1 883	- 363	- 308	- 608	- 439	- 6	- 73	- 138	- 190	-3 780	-2 893
Other operating expenes	-2 129	- 492	- 292	- 81	- 490	- 115	- 5	- 19	- 111	- 50	-3 027	- 756
Other operating income	3 548	687	484	112	813	160	8	27	184	69	5 036	1 055
Operating profit	**974**	**1 598**	**52**	**262**	**87**	**372**	**1**	**62**	**20**	**161**	**1 133**	**2 455**

Group

Summary balance sheets, KEUR	2018 June 30	2017 June 30	2017 Dec 31
ASSETS			
NON-CURRENT ASSETS			
Goodwill	26 560	20 080	26 560
Other intangible assets	3 056	1 364	3 893
Property, Plant & Equipment	3 207	1 893	2 203
Shares in associated companies	-	921	-
Other assets	315	1 706	593
Deferred tax assets	620	1 681	538
Total non-current assets	**33 757**	**27 646**	**33 787**
CURRENT ASSETS			
Inventories	13 471	9 407	10 417
Tax receivables	963	824	752
Accounts receivable	22 963	19 073	25 792
Receivables from associated companies	-	4 079	-
Other assets	6 803	2 684	6 732
Cash and cash equivalents	3 846	1 673	5 689
Total current assets	**48 047**	**37 740**	**49 382**
TOTAL ASSETS	**81 804**	**65 386**	**83 169**
EQUITY AND LIABILITIES			
Equity	**20 938**	**19 981**	**21 028**
NON-CURRENT LIABILITIES:			
Tax liabilities	3	3	3
Other liabilities	605	700	615
Interest-bearing liabilities	9 967	3 960	11 230
Deferred tax liabilities	1 295	732	1 295
Total non-current liabilities	**11 871**	**5 395**	**13 143**
Current liabilities:			
Provisions	1 272	339	1 320
Interest-bearing liabilities	18 971	17 203	15 015
Accounts payable	14 103	10 193	18 367
Tax liabilities	2 921	2 333	2 796
Other liabilities	11 729	9 941	11 500
Total current liabilities	48 995	40 009	48 998
Total liabilities	**60 866**	**45 405**	**62 141**
TOTAL EQUITY AND LIABILITIES	**81 804**	**65 386**	**83 169**

Summary of changes in equity, KEUR	
Equity as of December 31, 2016	**18 159**
Comprehensive income Jan 1-Jun 30, 2017	2 019
Other	- 196
Equity as of June 30, 2017	**19 982**
Comprehensive income Jul 1 - Dec 31, 2017	- 305
New share issue	1 500
Other	- 149
Equity as of December 31, 2017	**21 028**
Comprehensive income Jan 1-Jun 30, 2018	- 90
Other	-
Equity as of June 30, 2018	**20 938**

Group

Summary cash flow statements, KEUR	2018 (3 months) Apr 1 - Jun 30	2017 (3 months) Apr 1 - Jun 30	2018 (6 months) Jan 1 - Jun 30	2017 (6 months) Jan 1 - Jun 30	2017 (12 months) Jan 1 - Dec 31
OPERATING ACTIVITIES					
Result before tax	174	1 699	378	1 851	3 555
Adjustment for items not included in cash flow from operations or items not affecting cash flow	896	523	1 455	1 114	5 087
Paid taxes	- 114	- 190	- 200	- 616	- 811
Cash flow from operations prior to changes in working capital	**956**	**2 032**	**1 633**	**2 349**	**7 831**
Cash flow from changes in working capital:					
Increase (-)/decrease (+) in inventories	- 223	945	-3 054	2 028	2 196
Increase (-)/decrease (+) current receivables	- 300	-1 601	2 546	-3 185	-11 793
Increase (-)/decrease (+) in non current Receivables	342	202	196	-	1 302
Increase (+)/decrease (-) current liabilities	- 10	-	- 10	-	195
Increase (+)/decrease (-) in current liabilities	1 244	- 632	-3 500	-1 538	4 242
Cash flow from operations	**2 010**	**946**	**-2 188**	**- 346**	**3 973**
INVESTMENT ACTIVITIES					
Investments in intangible assets	2	- 90	2	- 209	- 346
Investments in non-current assets	-1 517	- 205	-1 623	-1 070	-2 464
Investments in subsidiaries	317	- 764	-	-1 645	-6 917
Divestment of non-current assets	-	-	-	100	22
Cash flow from investment activities	**-1 198**	**-1 059**	**-1 621**	**-2 825**	**-9 705**
FINANCING ACTIVITIES					
Interest-bearing liabilities	173	846	3 956	2 627	17 961
Amortization of interest-bearing liabilities	- 513	- 531	-1 263	-1 063	-8 588
Other Financing Liabilities	-	-	-	-	31
Acquisition of minority interests	-	-	-	-	- 22
paid interest and other expenses	- 288	-	- 458	-	-1 699
Cash flow from financing activities	**- 628**	**315**	**2 235**	**1 564**	**7 683**
Cash flow for the period	**183**	**202**	**-1 575**	**-1 606**	**1 951**
Exchange rate differences in cash and cash equivalents	- 269	- 307	- 268	- 383	75
Cash and cash equivalents at the beginning of the period	3 932	1 778	5 689	3 663	3 663
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**3 846**	**1 673**	**3 846**	**1 673**	**5 689**

NOTE 1 REFERENCES

- Seasonal and phone launch fluctuations, see page 5
- Reporting per business segment see page 8
- For further information on accounting principles reference is made to the 2017 annual report
- For events after the end of the period see page 5

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 Group has previously carried out investment activities and was an investment company as defined in IFRS 10, with the effect all shares in subsidiaries and associated companies were reported at fair value through profit or loss, the same principle applied for other investments. Due to the reverse acquisition the group's line of business is since the reverse acquisition in 2016 as an operational company meaning that participations in subsidiaries as well as affiliated companies are consolidated instead of recognized at fair value through profit or loss.

The same accounting principles are applied as in the annual report for 2017, new standards IFRS 9 Financial instruments, IFRS 15 Revenue from contracts with customers have been implemented without material effects due to the fact the STRAX group have seen historically low default numbers in combination with the fact most of the accounts receivables have been secured with credit insurances. With regards to IFRS 16 Leases no new information as compared to the information provided in the latest annual report have been developed.

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.

NOTE 3 FAIR VALUE: FINANCIAL ASSETS AND LIABILITIES

Since the group's interest-bearing liabilities consist of variable rate loans and the margin in the contracts are expected to be the same if the group should raise equivalent loans at the reporting date, the fair value of the loans is expected to be in all material respects equal to their carrying amount. The groups other financial assets and liabilities mainly comprises of receivables which are current assets and current liabilities. As the duration of these are short-term, the carrying amount and fair value are in all material respects equal.

Key ratio	**Calculation**	**What it measures or represents**
Equity/Asset ratio	Equity as a percentage of the total assets.	This measure refelects the financial position and the long term solvency and resistance to periods of economic downtrun.
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 solad 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, efficency measure presented in percentage.
Operating profit/loss	Operating income minus operating costs for the specified period before financial items and taxes.	Meausures over all profitability from operations and ongoing business activities including depreciation and amortization.
EBITDA	Operating profit/loss plus depreciations.	Measures over all profitability from operations and ongoing business activities including depreciation and amortization.
ADJUSTED EBITDA	EBITDA adjusted for items affecting comparability and currency effects.	Measures over all profitability from operations and ongoing business activities including depreciation and amortization, adjusted for items affecting comparability and currency effects.

Group

Bridge to adjusted EBITDA, KEUR	2018 (3 months) Apr 1 - Jun 30	2017 (3 months) Apr 1 - Jun 30	2018 (6 months) Jan 1 - Jun 30	2017 (6 months) Jan1 - Jun 30	2017 (12 months) Jan 1 - Dec 31
EBITDA					
Operating profit	649	2 018	1 133	2 455	5 660
+ Depreciation & amortization	940	704	1 455	852	2 563
+ Share of Profit of associates	-	-	-	-	- 186
EBITDA	**1 589**	**2 722**	**2 588**	**3 307**	**8 037**
ADJUSTED EBITDA					
EBITDA	1 589	2 722	2 588	3 307	8 037
+ Items affecting comparability	-	-	-	-	381
+ Currency effects	- 305	56	- 498	100	662
- Share of Profit of associates	-	-	-	-	186
ADJUSTED EBITDA	**1 284**	**2 778**	**2 090**	**3 407**	**9 266**
Items affecting comparability					
Listing costs	-	-	-	-	3
One off effect	-	-	-	-	378
Total items affecting comparability	**-**	**-**	**-**	**-**	**381**

STRAX recognizes items affecting comparability separately to distinguish the performance of the underlying operations. Items affecting comparability refer to items that affect comparisons due to the fact they do not recur with the same regularity as other items.

Parent Company

Summary income statements, KEUR	2018 (3 months) Apr 1 - Jun 30	2017 (3 months) Apr 1 - Jun 30	2018 (6 months) Jan 1 - Jun 30	2017 (6 months) Jan 1 - Jun 30	2017 (12 months) Jan 1 - Dec 31
INVESTMENT ACTIVITIES					
Net Sales	288	-8	499	452	878
Gross profit	**288**	**-8**	**499**	**452**	**878**
Administrative expenses	-252	-235	-460	-440	-876
Operating income	**36**	**-243**	**39**	**12**	**2**
Net financial items	-35	-21	-40	-12	-94
Result after financial items	**1**	**-264**	**-1**	**-12**	**-92**
Current taxes	-	-	-	-	0
RESULT FOR THE PERIOD	**1**	**-264**	**-1**	**-12**	**-92**
Statement of comprehensive income, KEUR					
Result for the period	1	-264	-1	-12	-92
Other comprehensive income	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**1**	**-264**	**-1**	**-12**	**-92**

Summary balance sheets, KEUR	Jun 30 2018	Jun 30 2017	Dec 31 2017
ASSETS			
Non-current assets	129	130	131
Non-current financial assets	75 693	75 700	75 693
Total non-current assets	**75 822**	**75 830**	**75 824**
Shares and participations held for sale	4	14	6
Current receivables	1 714	101	1 724
Cash and bank balances	-	22	1
Total current assets	**1 718**	**137**	**1 731**
TOTAL ASSETS	**77 540**	**75 967**	**77 555**
EQUITY AND LIABILITIES			
Equity	**75 723**	**74 305**	**75 724**
Current liabilities	1 817	1 662	1 831
Total liabilities	**1 817**	**1 662**	**1 831**
TOTAL EQUITY AND LIABILITIES	**77 540**	**75 967**	**77 555**

Summary of changes in equity, KEUR	
Equity as of December 31 2016	**74 316**
New share issue	1 500
Comprehensive income Jan 1 - Jun 30 2017	-12
Equity as of June 30 2017	**75 804**
Comprehensive income Jul 1 – Dec 31 2017	-80
Equity as of December 31 2017	**75 724**
Comprehensive income Jan 1 – Jun 30 2018	-1
TOTAL EQUITY AS OF JUNE 30 2018	**75 723**