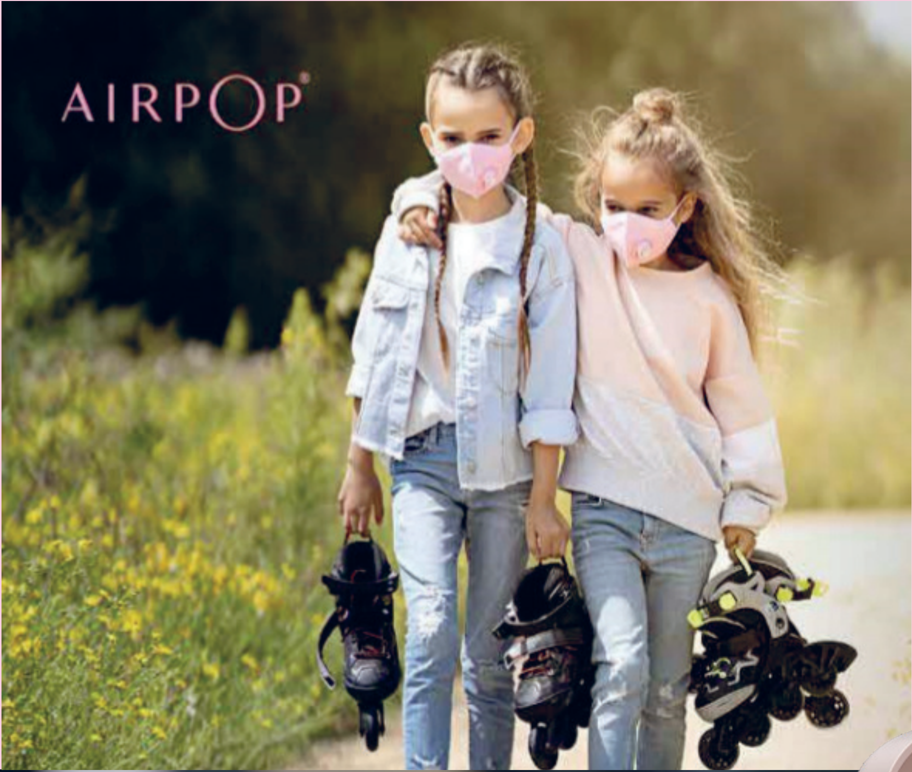
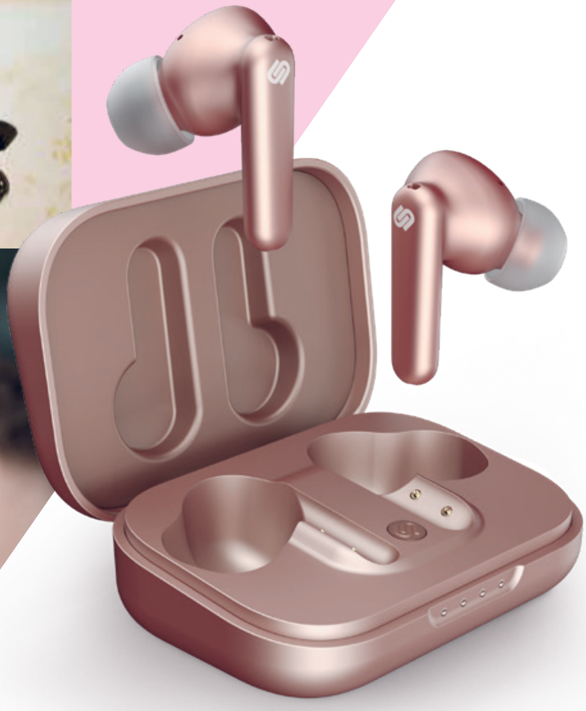




Q2 2020

STRAX

STRAX DELIVERS STRONG QUARTER THROUGH E-COMMERCE GROWTH AND LAUNCH OF NEW HEALTH & WELLNESS PRODUCT CATEGORY

- The Group's sales for the period January 1 – June 30, 2020, amounted to MEUR 50.2 (44.6), with a gross margin of 23.7 (24.6) percent.
- The Group's result for the period January 1 – June 30, 2020, amounted to MEUR -2.8 (-3.2) corresponding to EUR -0.02 (-0.02) per share. The result for the period was negatively affected by MEUR 2.8 (1.8) related to the decline in value of the Zagg shares.
- EBITDA for the period January 1 – June 30, 2020, amounted to MEUR 1.4 (2.1).
- Equity as of June 30, 2020 amounted to MEUR 17.3 (18.3) corresponding to EUR 0.15 (0.17) per share.
- STRAX entered the health & wellness product category and started delivering facemasks, gloves and disinfectants to existing as well as new customers, including branches within the United Nations and hospitals in Q2 2020.
- STRAX launched a new brand, Planet Buddies, offering a range of children's headphones, speakers and holders based on a variety of colorful characters of endangered and threatened species.
- Urbanista, a STRAX brand, launched a limited-edition Bluetooth speaker in collaboration with H&M Home.
- STRAX renewed its contract with mobilcom-debitel for another four years, where STRAX will supply approximately 550 stores and the online shop www.mobilcom-debitel.de with a broad range of products from its extensive portfolio of brands, including mobilcom-debitel's own freenet brand´.
- STRAX signed a five-year global exclusive distribution agreement with Aetheris to accelerate sales of their established and intelligent face mask brand, Airpop. The Airpop product range will be brought to market by STRAX in Q3 2020.

Significant events after the end of the period

- STRAX signed a senior secured loan facility in the amount of MEUR 30 with Proventus Capital Partners.

”STRAX performed very well in the second quarter, a period of unprecedented market conditions, during which a large portion of our traditional retail customers closed their physical stores and almost everything online-related progressed exponentially. We rolled out an entirely new product category of health & wellness products and stepped up our investment in e-commerce, where we achieved 200% growth year to date.
The entire STRAX organization deserves massive praise for demonstrating resilience and agility since the outbreak of the Covid-19 pandemic.”

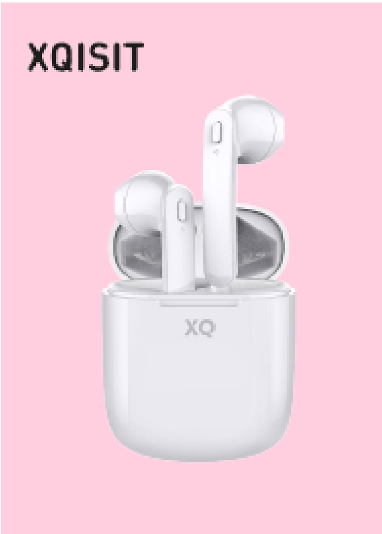
Gudmundur Palmason, CEO

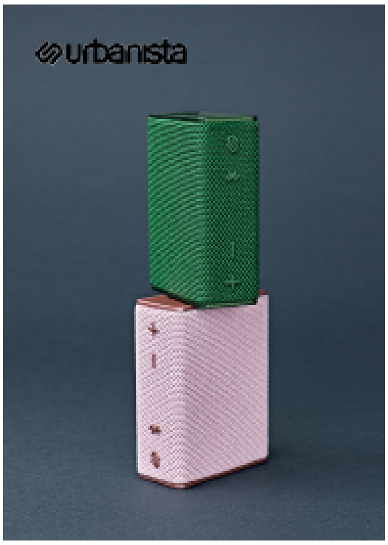
This information is information that STRAX AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:55 CET on August 27, 2020.

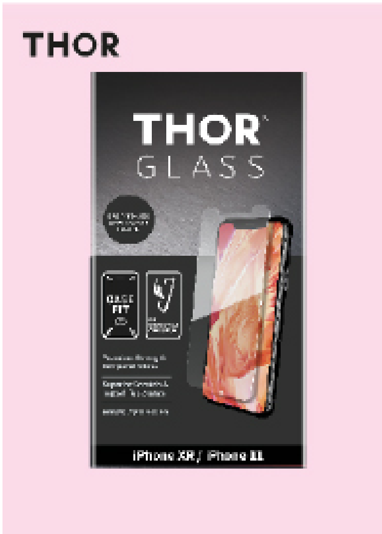
WE INNOVATE, WE CREATE, WE INSPIRE, WE DELIVER

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 brand adidas. Through its retail distribution platform in Europe STRAX represents over 40 major mobile accessory brands, whilst Brandvault, focuses on online marketplace distribution globally. 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.

OWN BRANDS – MOBILE ACCESSORIES



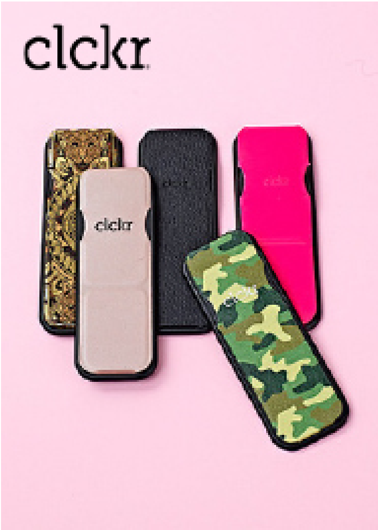




INNOVATIVE PROTECTION, AUDIO, POWER & CHARGING SOLUTIONS.
With an extensive product portfolio ranging from protection to audio and power, XQISIT brings mid-priced innovative, quality design and functionality to value-conscious consumers.

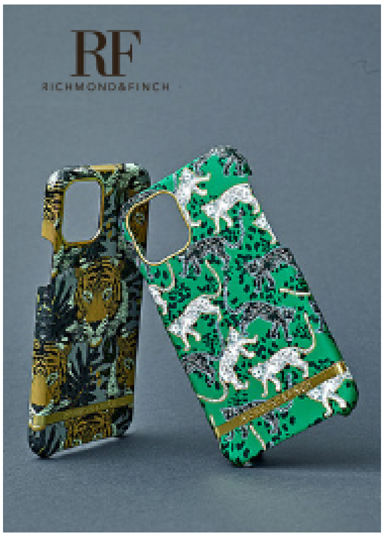
HIP AUDIO ACCESSORIES WITH SCANDINAVIAN DESIGN.
Based in Stockholm, Urbanista is a market leader in its region, combining avant-garde design with the latest in audio technology. The products are designed for a life in motion and built to inspire and endure.

PREMIUM STRENGTH GLASS SCREEN PROTECTION DESIGNED FOR A SEAMLESS FIT.
Responding to the growing market demand for tempered glass protection, THOR is a higher quality, premium product, priding itself on being meticulously designed to fit any phone perfectly.



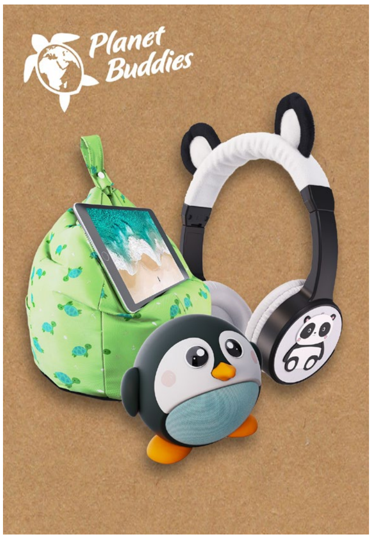
A UNIVERSAL PHONE GRIP AND STAND

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

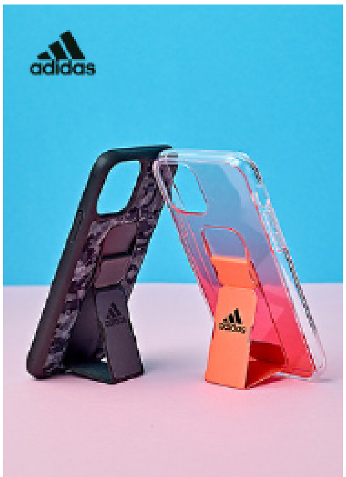
Richmond & Finch is a Scandinavian tech accessories brand. Richmond & Finch designs and produces contemporary mobile phone and travel accessories. The unisex lifestyle brand creates unique designs which reflect current fashion trends.



CHILDRENS BRAND

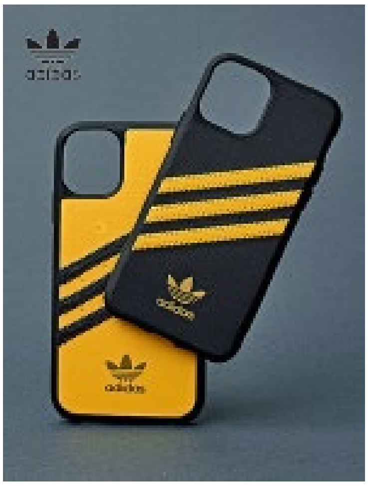
Planet Buddies have created a range of kids' accessories based on a variety of colorful characters who represent endangered, vulnerable, and threatened species of animals from all over the world. Their goal is to educate children about the issues that threaten animals with extinction at the same time as offering great and fun products such as headphones and speakers.

LICENSED BRANDS



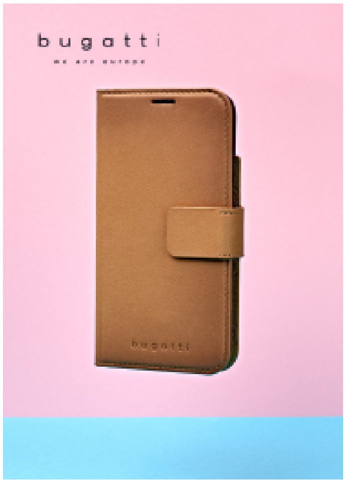
FOR ACTIVE USE IN THE GYM AND OUTDOORS

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.



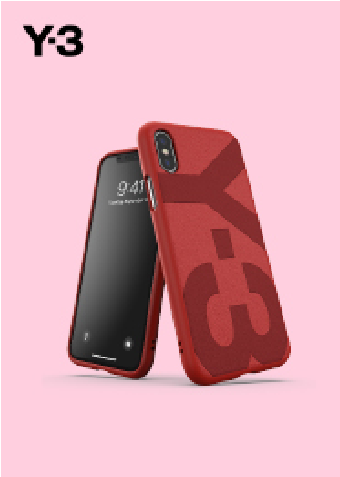
STREET WEAR INSPIRED PROTECTION

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.



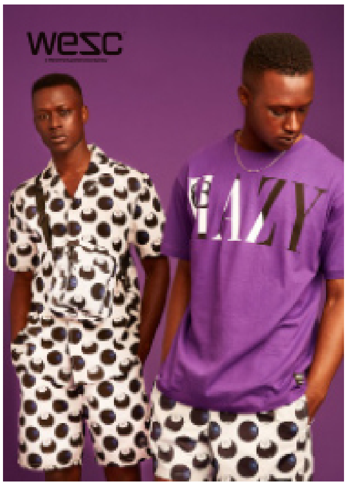
CHIC AND REFINED PROTECTION

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 come in a range of timeless colors, epitomizing elegance, and quality workmanship.



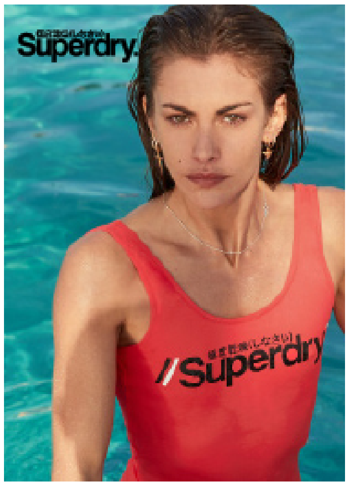
DISTINGUISHED DEVICE CASES

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



PREMIUM STREET WEAR & ACCESSORIES

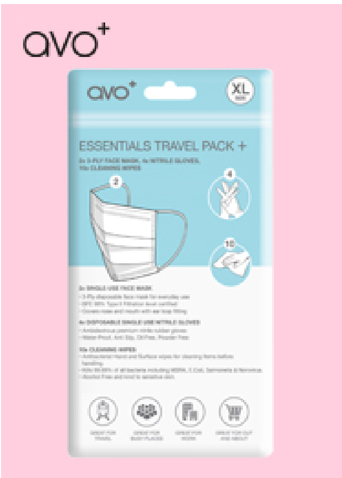
TLF acquired the license for WeSC in 2020. WeSC designs, markets, and sells clothing & accessories in the premium street wear segment of the international market under the WeSC (We are the Superlative Conspiracy) brand. WeSC's shares are traded on the Nasdaq First North Growth Market and the company's Certified Adviser is G&W Fund Commission



ICONIC AND CONTEMPORARY FASHION BRAND

TLF acquired the license for Superdry in 2020. Founded in the UK in 2003, Superdry has become an iconic and contemporary fashion brand focusing on high-quality products that fuse vintage Americana with Japanese-inspired graphics. Characterized by quality fabrics, authentic vintage washes, unique detailing, and world leading graphics, Superdry has gained exclusive appeal as well as a global celebrity following.

OWN BRANDS – HEALTH & WELLNESS



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.

COMMENTS FROM THE CEO

"STRAX performed very well in the second quarter, a period of unprecedented market conditions, during which a large portion of our traditional retail customers closed their physical stores and almost everything online-related progressed exponentially. We rolled out an entirely new product category of health & wellness products and stepped up our investment in e-commerce, where we achieved 200% growth year to date. The entire STRAX organization deserves massive praise for demonstrating resilience and agility since the outbreak of the Covid-19 pandemic.

During the second quarter sales increased by MEUR 6.0 over same period last year, an increase of 27.2% year-over-year (YoY). Sales in Q2 were MEUR 28.0 (22.0) and EBITDA amounted to MEUR 1.1 (0.7), an increase of 58% YoY. Mobile accessories sales were MEUR 14.7 (22.0), a decrease of 33% YoY, while sales from our newly established health & wellness product category were MEUR 13.3, equalling 47.5% of sales during the second quarter. Trailing twelve-month (TTM) sales stand at MEUR 119.1 and TTM EBITDA is MEUR 7.6.

Retail store closures across our key markets in March and April immediately left a void in demand for mobile accessories products, which once again tested our ability to quickly respond and adapt to a new reality. We assessed several pivoting opportunities, where the key criteria were as follows: had to fit within our existing business model, be sizable, have potential for immediate impact to offset the short-term decline in mobile accessories sales, and be sustainable mid to long term. In March, we already noticed a surge in demand for personal protection equipment (PPE) and decided to seize that opportunity since it largely met our requirements. Our initial focus was on supplying non-branded face masks, gloves and disinfectants to our existing customer base, later to be expanded to new customers, such as enterprises, health care providers and government bodies. As of today, we have launched a new retail health & wellness brand, AVO+, and signed an exclusive global distribution agreement with Aetheris, covering both their intelligent face mask brand Airpop and other health related products they have developed. We believe that changes in individual behavior, as a result of Covid-19, will be permanent and the likes of masks, gloves and hand sanitizers are going to be part of our daily lives for the foreseeable future. Therefore, our expectation is that the health & wellness product category will remain a meaningful part of our sales going forward.

We can now conclude that we have successfully launched the health & wellness product category utilizing our operating platform and repurposing existing resources. This was achieved despite having reduced our operating expenses by 25% relative to our first quarter run-rate and at the same time salvaging all jobs at STRAX. Our cost reduction was obtained through various measures, including government sponsored employment programs and direct salary reductions, in which everyone in the organization participated. The resourcefulness and teamwork during these uncertain and challenging times has improved our culture and demonstrated our ability to thrive under the most challenging market conditions.

The market for mobile accessories remains volatile and it is uncertain when the global economy and our industry will fully recover. Nevertheless, we are currently seeing most of our key markets return towards their normal state and volumes are steadily approaching last year's levels. As a result, we are cautiously transitioning towards full operating capacity in preparation for a healthy H2 2020, whilst at the same time closely monitoring ongoing Covid-19 developments to be able to scale back rapidly, if required.

Our position in the mobile accessories market remains sound and we are excited about the potential in the health & wellness product category, in addition to the diversification it brings to our overall business. We are confident that STRAX will emerge from the pandemic as a much stronger company. I am proud of how the entire STRAX team has and continues to act during the Covid-19 crisis and can happily confirm that every single colleague is fully engaged in continuing to work for the greater good, along the lines of our social responsibility commitment, while generating increased value for our shareholders."

The Board of Directors and the CEO of Strax AB hereby summit the year-end report for the period January 1 – June 30, 2020

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, 2020

The Group's net sales for the period January 1 – June 30, 2020 amounted to 50 225 (44 560). Gross profit amounted to 11 896 (10 946) and gross margin amounted to 23.7 (24.6) percent. Operating profit amounted to 535 (756).

Result for the period amounted to -2 815 (-3 182). The result included gross profit 11 896 (10 946) selling expenses -8 546 (-6 881), administrative expenses -2 471 (-3 077), other operating expenses -4 914 (-3 422), other operating income 4 572 (3 190), net financial items -4 044 (-3 532) and tax 690 (39). Operating expenses increased as a result of the acquisitions of Brandvault and Richmond & Finch in 2019 as well as the buildup of the digital marketing team in Stockholm.

Included in financial expenses are also changes in value relating to shares in ZAGG to be received as part of the consideration for the sale of Gear4 to the amount of MEUR 2.8 (1.8).

As of June 30, 2020, total assets amounted to 89 906 (68 004), of which equity totaled 17 285 (18 284), corresponding to equity/assets ratio of 21.6 (25.6) percent. Interest-bearing liabilities as of June 30, 2020, amounted to 18 308 (17 008). The group's cash and cash equivalents amounted to 229 (1 748).

STRAX entered a loan agreement with Proventus and the interest-bearing liabilities will be refinanced in October 2020.

STRAX holds 637,628 shares in Zagg received as part of the purchase price from the sale off Gear4, valued at USD 10.23 per share, at the time of the transaction.

Significant events during the period

In January, Richmond & Finch, the fashion tech accessories brand, launched exclusive PopGrip designs in collaboration with PopSockets, the largest accessories grip company in the world.

In March, Telecom Lifestyle Fashion (TLF), the licensing specialist owned by STRAX, signed two new global licensing agreements. One with the UK fashion label Superdry for mobile accessories and another with the Swedish streetwear brand WeSC for headphones and mobile accessories.
Both agreements are globally exclusive with a three-year duration. The Superdry range will be brought to market in Q2 2020, followed by WeSC true wireless and wired headphones in Q3 2020.

STRAX entered the health & wellness product category and started delivering facemasks, gloves and disinfectants to existing as well as new customers in April 2020.

The 2019 Annual General Meeting was held on May 26, 2020. The AGM resolved, in accordance with the Board of Directors' proposal, to adopt a warrant program and to issue warrants. The warrant program comprises in total a maximum of approximately 26 individuals and not more than 4,095,000 warrants may be issued within the framework of the program. Each warrant entitles the holder to subscribe for one share in STRAX during the period 1 July 2023 up to and including 30 September 2023 at a subscription price corresponding to 130 per cent of the volume-weighted average price of the Strax share on Nasdaq Stockholm during the period 10 trading days calculated from and including the day after the Annual General Meeting 2020. If all the 4,095,000 warrants are exercised, the warrant program entails a full dilution corresponding to approximately 3.3 per cent of the shares and votes in STRAX.

Urbanista, a STRAX brand, launched a limited-edition Bluetooth speaker in collaboration with H&M Home.

STRAX renewed its contract with mobilcom-debitel for another four years, where STRAX will supply approximately 550 stores and the online shop www.mobilcom-debitel.de with a broad range of products from its extensive portfolio of brands, including mobilcom-debitel's own freenet brand.

STRAX signed a five-year global exclusive distribution agreement with Aetheris to accelerate sales of their established and intelligent face mask brand, Airpop. The Airpop product range will be brought to market by STRAX in Q3 2020.

STRAX launched a new brand, Planet Buddies, offering a range of children's headphones, speakers and holders based on a variety of colorful characters of endangered and threatened species.

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 510 (1 158), of which investments in intangible assets amounted to 373 (788), property, plant and equipment amounted to 4 (370) and investments in subsidiaries amounted to 133 (-).

The parent company's

result for the period amounted to -1 (-1). The result included gross profit of 557 (472), administrative expenses -546 (-491) and net financial items -12 (18). As of June 30, 2020, total assets amounted to 76 224 (75 932) of which equity totaled 63 076 (62 978). Cash and cash equivalents amounted to - (-).

Significant events after the end of the period

STRAX signed a senior secured loan facility in the amount of MEUR 30 with Proventus Capital Partners. The loan proceeds will be paid out in two tranches, a subordinated tranche of MEUR 6 in July 2020, to provide additional working capital until the full amount is paid out in October 2020, in connection with the refinancing of maturing loans of already existing German bank consortium.

Urbanista launched the premium true wireless stereo headphones London, with active noise cancellation feature.

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, Japan, and strategic markets in the rest of the world. STRAX will furthermore invest in eCommerce sales channels, both direct brand websites and marketplaces, to improve margins, diversify its traditional retail customer base and secure growth. STRAX has enjoyed positive developments in sales in recent years. Having achieved 25% like-for-like growth in 2019 we expect continued organic growth, driven specifically by Urbanista and improvements in our profitability. We have completed the acquisition of Brandvault, the global online marketplace experts, and established an in-house digital marketing team. We expect our online sales to grow significantly, albeit from a relatively low base, with eCommerce accounting for 50% of our sales in 2-3 years. STRAX intends to play an active role in the ongoing consolidation of our industry through acquisitions, divestments, and partnerships.
Reduced overall demand for mobile accessories, stemming from the Covid-19 pandemic, is expected to be short-term and does therefore not alter our mid- to longer-term plans in the product category.

STRAX recently entered the health & wellness product category with promising initial results. To a large extent we utilize our existing resources, infrastructure and distribution competence. Although still being in a relatively early stage of addressing existing customers and developing new customer relationships, we feel strongly about the potential and long-term sustainability of the product category, given that changes in behavior, as a result of Covid-19, are most likely permanent. This applies to the usage of face masks, gloves and various sanitizing products. The new health & wellness category furthermore provides diversification and can reduce our seasonality stemming from the mobile accessories industry.

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.

As a result of the Covid-19 virus, sales started decreasing from second week of March 2020, although Urbanista and our online sales platforms have maintained positive momentum. Measures have been taken in all parts of the business to mitigate the impact of the coronavirus, including in the following areas:

- Adjustments to product purchasing plans
- Reduction of operating expenses through reduced working hours or direct salary reductions, and reductions of rent, marketing and travel expenditures
- Credit facilities are being expanded to strengthen liquidity
- Increased activities in online channels
- Distribution of medical products, such as face masks, gloves and hand sanitizers

Our retail customers started opening some of their stores in late May and we expect a gradual increase in demand for the rest of 2020.

For further information on risks and risk management, reference is made to the 2019 annual report.

FINANCIAL CALENDAR:

November 26, 2020
Interim Report January 1 – September 30 2020

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 27, 2020

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	2020 (3 months) Apr 1 - Jun 30	2019 (3 months) Apr 1 – Jun 30	2020 (6 months) Jan 1 – Jun 30	2019 (6 months) Jan 1 - Jun 30	2019 (12 months) Jan 1 - Dec 31
FINANCIAL KEY RATIOS					
Sales growth, %	27.3	-7.1	12.7	-2.6	6.2
Gross margin, %	21.3	22.8	23.7	24.6	24.5
Equity, MEUR	17.3	18.3	18.2	18.3	20.1
Equity/asset ratio, %	19.2	26.9	21.6	25.6	19.6
DATA PER SHARE					
Equity, EUR	0.14	0.15	0.15	0.17	0.17
Equity, SEK	1.50	1.60	1.50	1.60	1.67
Result, EUR	-0.02	-0.02	-0.02	-0.02	-0.02
Result, SEK	-0.21	-0.26	-0.21	-0.24	-0.20
Result per share prior to dilution, EUR	-0.02	-0.02	-0.02	-0.02	-0.01
Result per share after dilution, EUR	-0.01	-0.02	-0.02	-0.02	-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	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	222	188	218	198	198

Group

Summary income statements, KEUR	2020 (3 months) Apr 1 - Jun 30	2019 (3 months) Apr 1 - Jun 30	2020 (6 months) Jan 1 – Jun 30	2019 (6 months) Jan 1 – Jun 30	2019 (12 months) Jan 1- Dec 31
Net sales	28 013	22 011	50 225	44 560	113 644
Cost of goods sold	-22 053	-16 987	-38 329	-33 614	-85 843
Gross profit	**5 960**	**5 024**	**11 896**	**10 946**	**27 801**
Selling expenses	-3 635	-3 678	-8 546	-6 881	-16 495
Administrative expenses (1)	-1 010	-1 203	-2 471	-3 077	-5 191
Other operating expenses	-2 599	-2 089	-4 914	-3 422	-8 298
Other operating income	1 991	1 751	4 572	3 190	8 329
Operating profit	**708**	**-194**	**535**	**756**	**6 146**
Financial income	-56	313	-56	30	-
Financial expenses	-860	-2 905	-3 988	-3 563	-5 982
Net financial items	**-916**	**-2 590**	**-4 044**	**-3 532**	**-5 982**
Profit before tax	**-207**	**-2 786**	**-3 508**	**-2 777**	**164**
Tax	-680	-175	690	39	-1 899
PROFIT OR LOSS FOR THE PERIOD (2)	**-889**	**-2 960**	**-2 818**	**-2 738**	**-1 735**
Result per share before dilution, EUR	*-0.02*	*-0.02*	*-0.02*	*-0.02*	*-0.01*
Result per share after dilution, EUR	*-0.01*	*-0.02*	*-0.02*	*-0.02*	*-0.01*
Average number of shares during the period	*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*
Statement of comprehensive income, KEUR					
Result for the period	-889	-2 960	-2 818	-2 738	-1 735
Other comprehensive income, translation gains/losses on consolidation	3	-444	3	-444	369
Total comprehensive income for the period	**-886**	**-3 404**	**-2 815**	**-3 182**	**-1 366**

1) Depreciation and amortization for the period January 1 – June 30, 2020, amounted to 883 (1 362).
2) The result for the period, respectively the total comprehensive income is attributed to the parent company's shareholders.

Operating segment

	DISTRIBUTION		OWN BRANDS		OTHER		TOTAL	
	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019
Net Revenues	16 457	16 285	11 803	5 135	-253	400	28 007	21 820
Net COS	-10 451	-11 309	-10 849	-3 808	238	-418	-21 063	-15 535
Gross profit	6 006	4 976	954	1 327	-16	-18	6 944	6 285
Gross Margin	36%	31%	8%	26%	6%	-4%	25%	29%
Payroll	-1 053	-2 361	-1 037	-639	-2 015	-269	-4 106	-3 269
Other	-1 459	-1 211	-1 615	-418	2 158	-264	-916	-1 893
Total Opex	-2 512	-3 571	-2 654	-1 057	144	-533	-5 022	-5 162
EBITDA	3 494	1 404	-1 699	271	127	-551	1 923	1 123

Group

Summary balance sheets, KEUR	2020 Jun 30	2019 Jun 30	2019 Dec 31
ASSETS			
NON-CURRENT ASSETS			
Goodwill	28 175	20 902	28 175
Other intangible assets	3 548	2 795	3 919
Property, Plant & Equipment	952	1 241	1 087
Other assets	624	350	879
Deferred tax assets	22	62	52
Total non-current assets	**33 321**	**25 351**	**34 112**
CURRENT ASSETS			
Inventories	22 298	14 349	17 430
Tax receivables	1 283	1 405	1 374
Accounts receivable	18 595	15 224	25 975
Other assets	14 179	9 927	20 123
Cash and cash equivalents	229	1 748	3 644
Total current assets	**56 584**	**42 653**	**68 547**
TOTAL ASSETS	**89 906**	**68 004**	**102 659**
EQUITY AND LIABILITIES			
Equity	**17 285**	**18 284**	**20 100**
NON-CURRENT LIABILITIES:			
Tax liabilities	1 903	3	2 853
Other liabilities	8 714	3 027	8 792
Interest-bearing liabilities	297	1 881	-
Deferred tax liabilities	629	819	629
Total non-current liabilities	**11 543**	**5 730**	**12 274**
Current liabilities:			
Provisions	562	939	1 563
Interest-bearing liabilities	18 011	15 127	23 060
Accounts payable	19 993	9 569	22 100
Tax liabilities	3 387	5 843	3 753
Other liabilities	19 125	12 510	19 809
Total current liabilities	61 078	43 990	70 285
Total liabilities	**72 621**	**49 720**	**82 559**
TOTAL EQUITY AND LIABILITIES	**89 906**	**68 004**	**102 659**

Summary of changes in equity, KEUR	
Equity as of December 31, 2017	**21 028**
Total Comprehensive income January 1 - December 31, 2018	13 237
Equity as of December 31, 2018	**34 265**
Distribution to shareholders	-12 742
Cost related to distribution to shareholders	- 57
Comprehensive income January 1 – June 30, 2019	-3 182
Equity as of June 30, 2019	**18 284**
Comprehensive income July 1 - December 31, 2019	1 816
Equity as of December 31, 2019	**20 100**
Comprehensive income January 1 – June 30, 2020	-2 815
Equity as of June 30, 2020	**17 285**

Group

Summary cash flow statements, KEUR	2020 (3 months) Apr 1 - Jun 30	2019 (3 months) Apr 1 - Jun 30	2020 (6 months) Jan 1 – Jun 30	2019 (6 months) Jan 1 - Jun 30	2019 (12 months) Jan 1 - Dec 31
OPERATING ACTIVITIES					
Result before tax	-208	-2 786	-3 508	-2 777	164
Adjustment for items not included in cash flow from operations or items not affecting cash flow	2 159	2 717	5 605	3 770	8 345
Paid taxes	607	-147	506	-593	- 906
Cash flow from operations prior to changes in working capital	**2 557**	**-216**	**2 603**	**400**	**7 603**
Cash flow from changes in working capital:					
Increase (-)/decrease (+) in inventories	-3 867	337	-4 867	632	-2 860
Increase (-)/decrease (+) current receivables	1 868	3 162	6 487	10 170	-10 800
Increase (-)/decrease (+) in non-current receivables	47	649	285	1 183	653
Increase (+)/decrease (-) current liabilities	-749	-1 561	-1 029	-57	-2 255
Increase (+)/decrease (-) in current liabilities	3 050	-1 455	-4 025	-9 477	10 837
Cash flow from operations	**-829**	**915**	**-547**	**2 850**	**3 178**
INVESTMENT ACTIVITIES					
Investments in intangible assets	-110	-787	-373	-788	-1 301
Investments in tangible assets	69	-289	-4	-370	- 536
Investments in subsidiaries	-133	-	-133	-	- 95
Cash flow from investment activities	**-175**	**-1 077**	**-510**	**-1 158**	**-1 932**
FINANCING ACTIVITIES					
Interest-bearing liabilities	1 087	1 419	337	-5 298	3 622
Amortization of interest-bearing liabilities	-1 500	-795	-1 500	-6 545	-9 618
Distribution to the shareholders	-	-	-	-12 742	-12 742
Paid interest and other expenses	-931	-	-1 196	-204	-3 709
Cash flow from financing activities	**-1 343**	**624**	**-2 359**	**-24 789**	**-22 447**
Cash flow for the period	**-2 348**	**461**	**-3 416**	**-23 097**	**-21 201**
Cash and cash equivalents at the beginning of the period	2 576	1 286	3 645	24 845	24 845
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**229**	**1 748**	**229**	**1 748**	**3 644**

NOTE 1 REFERENCES

- Seasonal and phone launch fluctuations, see page 7
- Reporting per business segment see page 10
- For further information on accounting principles reference is made to the 2019 annual report
- For events after the end of the period see page 7

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 2019, 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. As of January 1, 2019, IFRS 16, Leasing, was implemented. The first-time implementation had an impact on the balance sheet, increasing non-current assets by MEUR 2.8 with the corresponding increase in non-current liabilities. The initial effect has not impacted the cash flow statement. In the income statement a portion of the leasing expenses has been reclassified to interest expenses and the remaining part has been reclassified to depreciation. The impact on interest expenses for the period amounts to KEUR 104. In the cash flow for the period the reclassification of leasing expenses to depreciation has impacted the cash flow by KEUR 849.

Government support

Government support is allocated to the related period and is reported when granted, and to reasonable certainty that the company has met the requirements. The amount is reported as a deduction of the relating cost.

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.

NOTE 4 FAIR VALUE: HIERARCHY

The total sales proceeds emanating from the sale of Gear4 amounted to MEUR 33.7. An amount of MEUR 7.2 is held back as collateral for seller guarantees, whereof the contract states that MEUR 5.7 will be settled through payment of shares in ZAGG Inc. This receivable has to the part it will be settled in shares been valued at fair value through profit and loss (fair value hierarchy level 1) on the share price of the ZAGG share per the balance sheet date. Calculated expected purchase price relating to the acquisition of Brandvault amounts to MEUR 2.0 and Racing Shield MEUR 4.2 and is valued at fair value (fair value hierarchy level 3). The amount is reported as other non-current liabilities in the balance sheet.
STRAX has no other financial instruments recognized at fair value.

NOTE 5: ACQUISITION OF BRANDVAULT LTD

Consideration transferred
The total purchase price according to the contract is an earn out structure based on sales and EBITDA development in Brandvault Ltd for the period 2019 – 2021. The purchase price based on forecasts has been calculated to KEUR 2 029.Identifiable assets acquired, and liabilities assumed through the acquisition.

Table, in summary, of the recognized amount of assets acquired and the liabilities assumed through the acquisition KEUR:

Recognized values (fair value)	**KEUR**
Other non-current assets	10
Inventories	1 607
Accounts receivables Other Assets	20
Other Assets	52
Accounts payable	-2 318
Other liabilities	- 67
Total identifiable net assets acquired	**- 696**

Goodwill

Goodwill arising from the transaction has been recognized as follows:

Calculated expected purchase price	2 029
Fair Value of pre-existing interest	0
Fair Value of identifiable net assets	- 696
Goodwill	**2 725**

NOTE 6: ACQUISITION OF RACING SHIELD AB (PRELIMINARY)

The total purchase price according to the contract is an earn out structure based on sales and EBITDA development in Racing Shield AB for the period 12/2019 – 2022. The purchase price based on forecasts has been calculated to KEUR 4 178. Identifiable assets acquired and liabilities assumed through the acquisition.

Table, in summary, of the recognized amount of assets acquired and the liabilities assumed through the acquisition KEUR:

Recognized values (fair value)	**KEUR**
Fixed assets	21
Inventory	535
Accounts receivables	294
Other current assets	35
Long term liabilities	- 598
Interest bearing liabilities	- 471
Accounts payables	- 795
Taxes	- 108
Other current liabilities	- 327
Total identifiable net assets acquired	**-1 414**

Allocation of acquired assets and goodwill	
Calculated expected purchase price Fair value of trademarks	4 179
Fair value of trademarks	1 045
Fair value of identifiable net assets	-1 414
Goodwill	**4 548**

The goodwill is attributable to Richmond & Finch position in the market know how of the fashion tech segment and design capabilities.

Acquisition related costs were limited to legal and administrative costs amounting to EUR 15.

For the period December 1 – December 31, 2019, Racing Shield AB contributed to the Group's revenues to the amount of 155, an EBIT of -92 and loss for the period to the amount of 108.

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, KEUR	**2020** (3 months) Apr 1 - Jun 30	**2019** (3 months) Apr 1 - Jun 30	**2020** (6 months) Jan 1 - Jun 30	**2019** (6 months) Jan 1 - Jun 30	**2019** (12 months) Jan 1- Dec 31
EBITDA					
Operating profit	707	-194	535	756	6 147
+ Depreciation & amortization	433	912	883	1 362	2 175
EBITDA	**1 140**	**718**	**1 418**	**2 118**	**8 322**

Parent Company

Summary income statements, KEUR	2020 (3 months) Apr 1 - Jun 30	2019 (3 months) Apr 1 – Jun 30	2020 (6 months) Jan 1 – Jun 30	2019 (6 months) Jan 1 – Jun 30	2019 (12 months) Jan 1 - Dec 31
INVESTMENT ACTIVITIES					
Net Sales	304	233	557	472	1 042
Gross profit	**304**	**233**	**557**	**472**	**1 042**
Administrative expenses	-278	-241	-546	-491	-925
Operating income	**26**	**-8**	**11**	**-19**	**117**
Net financial items	-27	9	-12	18	-17
Result after financial items	**-1**	**1**	**-1**	**-1**	**100**
Current taxes	-	-	-	-	-
RESULT FOR THE PERIOD	**-1**	**1**	**-1**	**-1**	**100**
Statement of comprehensive income, KEUR					
Result for the period	-1	1	-1	-1	100
Other comprehensive income	-	-	-	-	-20
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-1**	**1**	**-1**	**-1**	**80**

Summary balance sheets, KEUR	2020 Jun 30	2019 Jun 30	2019 Dec 31
ASSETS			
Non-current assets	134	130	134
Non-current financial assets	75 693	75 695	75 693
Total non-current assets	**75 827**	**75 825**	**75 827**
Shares and participations held for sale	-	1	-
Current receivables	397	106	189
Cash and bank balances	-	-	1
Prepaid expenses and accrued income	-	-	205
Total current assets	**397**	**107**	**395**
TOTAL ASSETS	**76 224**	**75 932**	**76 222**
EQUITY AND LIABILITIES			
Equity	**63 076**	**62 978**	**63 076**
Current liabilities	13 148	12 954	13 146
Total liabilities	13 148	12 954	13 146
TOTAL EQUITY AND LIABILITIES	**76 224**	**75 932**	**76 222**

Summary of changes in equity, KEUR	
Equity as of December 31, 2017	**75 724**
Comprehensive income Jan 1 - Dec 31, 2018	71
Equity as of December 31, 2018	**75 795**
Distribution to shareholders	-12 742
Cost related to distribution to shareholders	-57
Comprehensive income Jan 1 - Dec 31, 2019	80
Equity as of December 31, 2019	**63 076**
Comprehensive income Jan 1 – Jun 30, 2020	-1
Equity as of June 30, 2020	**63 076**