

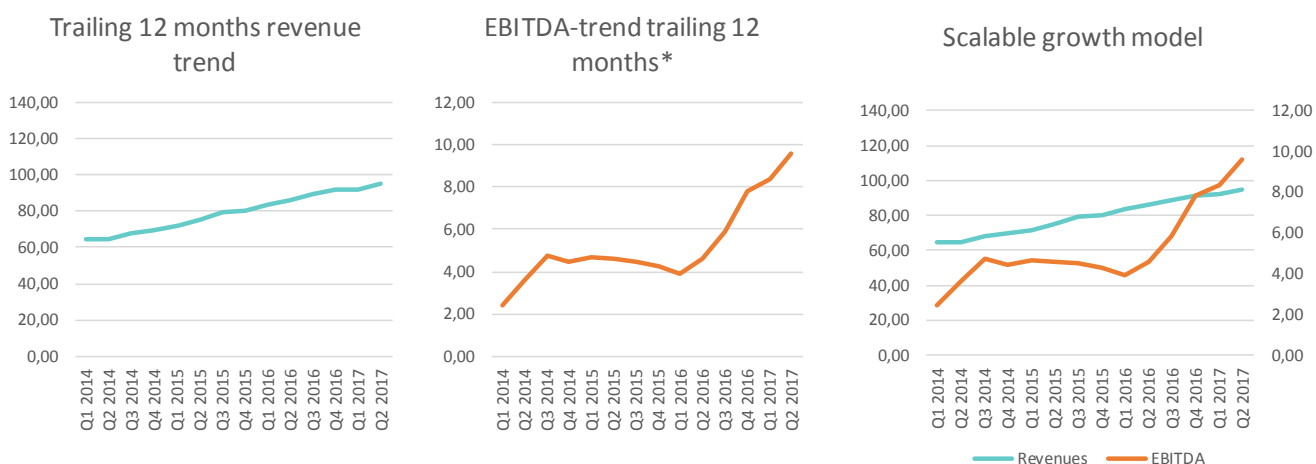


Q2
2017

STRAX

STRAX, the mobile accessory specialist, achieves strong growth during the second quarter

- The Group's sales for the period January 1 – June 30, 2017, amounted to MEUR 43.5 (40.5), gross margin increased to 27.9 (26.0) percent.
- The Group's result for the period January 1 – June 30, 2017, amounted to MEUR 2.2 (0.5) corresponding to EUR 0.02 (0.00) per share. Equity as at June 30, 2017 amounted to MEUR 20.0 (15.3) corresponding to EUR 0.17 (0.13) per share.
- Trailing 12 months' revenues Q2 2017 amounted to MEUR 95.1 (85.8). The scalable growth model shows greater increase in profitability in relation to growth of revenues, with EBITDA on a trailing 12 month basis amounting to MEUR 9.6 (4.6).



* Trailing 12 months EBITDA per quarter, EBITDA adjusted for one time charges and currency effects.

- STRAX launched the first Vodafone branded protection range for three Vodafone devices and rolled out the mobilcom-debitel accessories offering during Q2 2017.
- After the end of the period STRAX brand Gear4 continued to extend its footprint in the US and is now sold in more than 6 000 stores distributed through Tesco Technologies and Superior Communications.
- In August STRAX relaunched Thor, the proprietary screen protection brand, with refreshed packaging, retail training kits and a new website.

“Aggressive investments into new markets and proprietary brands continues to yield positive results. We maintain strong sales growth in North America and the Middle East and an ever expanding presence of Urbanista and Gear4 across all our markets and channels. Our scalable business model continues to prove greater EBITDA growth over sales growth”.

Gudmundur Palmason, CEO

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

STRAX is a global company specializing in mobile accessories and connected devices. STRAX offers a unique combination of proprietary, licensed and partner branded accessories. The proprietary brands include XQISIT, GEAR4, Urbanista, THOR, avo+ and FLAVR. The company furthermore represents over 30 licensed and partner brands.

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 German 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, developing Scandinavian-style affordable audio accessories for the mobile and design-conscious urban segment.

FLAVR



- ▶ FASHION SMARTPHONE CASES

Catering to the tastes of the social media-savvy millennials, FLAVR offers seasonal collections of 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 protection tailored to each device, THOR produces a variety of high-quality screen protectors in a mid to high price range.

gear4



- ▶ D30® HIGH-TECH TRUSTED IMPACT PROTECTION

The number one smartphone protection case brand in the UK, GEAR4 has a unique partnership and exclusive licensing deal with D30, the world-beating patented impact-protection technology.

avo+



- ▶ AFFORDABLE MOBILE SOLUTIONS FOR THE MASSES

From power and connectivity, to gadgets, avo+ is a specialist in quality inexpensive products suited for a variety of channels, including mass market, consumer electronics or petrol stations.

STRAX

LICENSED BRANDS



▶ URBAN CASUAL CASES

The adidas Originals smartphone accessories are an extension of the iconic urban streetwear brand much-loved by youths all over the world.



▶ PERFORMANCE BOOSTING GEAR

The smartphone accessories licensed by adidas Sports are designed to boost athletic performance and to enhance the urban or outdoor workout experience.

bugatti



▶ REFINED PREMIUM LEATHER CASES

The bugatti collections licensed by the well-known fashion brand are made of premium quality leather and offer smartphone protection with European flair.

The STRAX business model is built around these proprietary, licensed and partner brands enabling us to offer a complete end-to-end category solution to our retail customers and a unique hybrid proposition of world-leading brands enhanced by our distribution and go-to-market know-how and capabilities.

Our market position is tailored to meet the needs of our customers who can choose to simply sell one of our proprietary brands, to take advantage of our logistics services, or to forge a deep strategic partnership where we develop complete OEM/ private label portfolios, as we already do for some of the world's leading retailers and telecom operators like Vodafone and Best Buy.



INDUSTRY DEVELOPMENT

The core sales channels for STRAX have been in the telecom operator sector. Recently, however, STRAX has successfully opened new consumer electronics and mass merchant channels across the world, with a special focus on the US, MEA and Japan, while building on its strong presence across Europe. Mobile accessories are being offered in an ever-expanding channel landscape as they evolve into everyday essentials and lifestyle products; this crucial development points to consumers reaching for accessories to enhance their devices, with ABI Research forecasting the 2017-2021 CAGR rate for global smartphone accessory sales at 5.1%.

This channel development has strengthened STRAX's competitive advantages, including its global coverage, lean organisation, portfolio of proprietary brands and modular service platform, enabling STRAX to be fast and nimble compared to the larger global distributors who offer a logistics-services-centric model. Furthermore, STRAX is faster in spotting global trends compared to local distributors, while also having scale advantage.

STRAX has noticed a significant manufacturer, channel and consumer appetite for connected devices. Within this category, STRAX is developing a focused approach regarding which products to offer, with the key categories being: wearables - smart watches and tracking devices, home security - wireless video door bells, and entertainment - VR headsets. These categories have exceptionally strong CAGR growth forecasts. In conclusion, STRAX has very optimistic expectations for growth in this category.

COMMENTS FROM THE CEO

"Aggressive investments into new markets and proprietary brands continues to yield positive results. We maintain strong sales growth in North America and the Middle East and an ever expanding presence of Urbanista and Gear4 across all our markets and channels. We believe that this trend is sustainable for some period of time, with new markets coming on board later in the year, where sales will mainly be driven by proprietary and licensed brands. The broadened geographic presence presents us furthermore with multiple incremental opportunities, from increased retail store potential to acquisition targets.

During the second quarter sales increased 14% over same period last year and 7.2% during the first half, after a flat first quarter, and we maintain good momentum going into the third quarter. Our sales are seasonal with the second half of the calendar year historically contributing approximately 60% of annual sales and we expect this trend to continue.

Trailing 12 months' (TTM) sales Q2 2017 amounted to MEUR 95.1 (85.8). EBITDA on a TTM basis amounted to MEUR 9.6 (4.6). TTM sales growth stands at 10.8%, whilst TTM EBITDA growth has grown by a stellar 109%. Sales growth continues to be driven by our expansion into North America, 99.3% YoY growth, and the Middle East, 128.2% YoY growth, and increased share of proprietary brands contributes to higher share of profitability. Demand, however, remains relatively weak in our core European markets. We do nevertheless see sound opportunities in most our markets to capture organic growth for all of our proprietary, licensed and partner brands.

We are excited about the expanded presence of Gear4, Urbanista, FLAVR and adidas in the US. We have added Superior Communications as a distribution partner in that market and expect strong performance to come from that relationship, as well as continued support from Tescos Technologies. At the same time, our partnership with several retailers and distributors in the Middle East is progressing well. We will launch most of our brands in Japan and South-Africa in the third quarter, with both markets showing good potential.

We continue to execute well and deliver towards our 2020 corporate objectives along the strategic framework developed in 2016 which evolves around five core strategies: active brand portfolio management, eCommerce, focused geographic expansion, acquisitions and operational excellence, all of which are aimed at driving growth, profitability and shareholder value. Our external growth deal flow remains strong and on average we analyze three targets each quarter.

We have again set high goals for the year and I believe we are in a good position to deliver. We have good momentum in expansion markets and we expect demand to pick up in our European markets in the second half. I look forward to continuing to deliver in 2017 and to create further value".



THE BOARD OF DIRECTORS AND THE CEO OF STRAX AB HEREBY SUMMIT THE Q2 INTERIM REPORT FOR THE PERIOD JANUARY 1 – JUNE 30, 2017

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, 2017

THE GROUP'S net sales for the period January 1 – June 30, 2017 amounted to 43 478 (40 555). Gross profit amounted to 12 151 (10 532) and gross margin amounted to 27.9 (26.0) percent. Operating profit amounted to 2 455 (1 272).

Result for the period amounted to 2 206 (498). The result included gross profit 12 151 (10 532), selling expenses -7 102 (-6 557), administrative expenses -2 893 (-1 861), other operating expenses -756 (-3 345), other operating income 1 055 (2 502), Share of Profit of associates 114 (-) net financial items -718 (-506) and tax 355 (-268).

As at June 30, 2017 total assets amounted to 65 386 (53 690), of which equity totaled 19 981 (15 358), corresponding to equity/assets ratio of 30.6 (28.6) percent. Interest-bearing liabilities as at June 30, 2017, amounted to 21 163 (14 899). The groups cash and cash equivalents amounted to 1 673 (3 522).

SIGNIFICANT EVENTS DURING THE PERIOD

During STRAX launched the first Vodafone branded protection range for three Vodafone devices and rolled out the mobilcom-debitel accessories offering during Q2 2017.

All our proprietary brands developed well during the period, Gear4 maintained the number one brand position in protective cases in the UK and gained market share in the US.

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 2 924 (1 681), of which investments in intangible fixed assets amounted to 209 (31), tangible fixed assets amounted to 1 070 (607) and investments in financial assets amounted to 1 645 (1 043). Divestment of fixed assets amounted to 100 (50).

THE PARENT COMPANY'S result for the period amounted to -12 (5 165). The result included gross profit from investment activities of -12 (5 469), Net Sales of 452 (-) administrative expenses -440 (-287) and net financial items -12 (-17). As at June 30, 2017 total assets amounted to 75 967 (76 060) of which equity totaled 74 305 (74 217). Cash and cash equivalents amounted to 22 (25).

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

After the end of the period STRAX brand Gear4 continues to extend its footprint in the US and is now sold in more than 6 000 stores distributed through Tesco Technologies and Superior Communications.

In August STRAX relaunched Thor, the proprietary screen protection brand, with refreshed packaging, retail training kits and a new website.

FUTURE DEVELOPMENT

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 higher growth in 2017 compared to 2016, 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 2016 annual report.

FINANCIAL CALENDAR:

AUGUST 23, 2017

Interim Report January – June 2017

NOVEMBER 28, 2017

Interim Report January – September 2017

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, 2017

Bertil Villard
Chairman

Anders Lönnqvist
Director

Gudmundur Palmason
Director/CEO

Ingvi T. Tomasson
Director

Michel Bracké
Director

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

Group

	2017	2016	2017	2016	2016
	(3 months)	(3 months)	(6 months)	(6 months)	(12 months)
Key ratios	Apr 1 -Jun 30	Apr 1 -Jun 30	Jan 1 - Jun 30	Jan 1 - Jun 30	Jan 1 - Dec 31
FINANCIAL KEY RATIOS					
Sales growth, %	14.2	13.8	7.2	18.2	16.1
Gross margin, %	28.8	28.0	27.9	26.0	28.0
Equity, MEUR	19.9	15.3	19.9	15.3	18.2
Equity/asset ratio, %	30.6	28.6	30.6	28.6	28.2
DATA PER SHARE¹					
Equity, EUR	0.17	0.13	0.17	0.13	0.15
Result, EUR	0.02	0.00	0.02	0.00	0.03
NUMBER OF SHARES¹					
Number of shares at the end of the period	117 762 266	117 762 266	117 762 266	117 762 266	117 762 266
Average number of shares ²	117 762 266	115 245 497	117 762 266	112 809 914	115 299 621
EMPLOYEES					
Average number of employees	203	175	201	172	178

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

² A redemption procedure was carried out during Q1 2016 whereby a split of the existing shares was made whereby the total number of shares temporarily doubled. The redemption procedure was an alternative transaction method for a dividend and the temporary increase in the number of shares has not been taken into consideration in calculating the average number of shares during the period or for the result per share during the period.

DEFINITIONS

In this report, "Strax" or "The Company" pertains to Strax AB (publ) and/or the Group depending on which company is the parent company depending on the context.

EQUITY/ASSET RATIO

Equity as a percentage of the total assets.

EQUITY PER SHARE

Equity in relation to the number of shares at the end of the period.

EARNINGS PER SHARE

Income for the period in relation to the average number of shares during the period.

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.

AVERAGE NUMBER OF SHARES DURING THE PERIOD

Average number of shares during the period calculated on a daily basis adjusted for bonus issue and share buy-back.

SALES

A company's total operating revenue for the specified period.

GROWTH IN SALES

Sales for a specified period in relation to sales during the same period the previous year.

GROSS PROFIT

Sales less the cost of goods sold.

GROSS MARGIN

Gross profit in relation to sales expressed as a percentage.

OPERATING PROFIT/LOSS Operating income minus operating costs for the specified period before financial items and taxes.

EBITDA

Operating profit/loss plus depreciations.

ADJUSTED EBITDA

EBITDA adjusted for one time charges and currency effects.

Group

	2017	2016	2017	2016	2016
	(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
Summary income statements, KEUR					
Net sales	23 171	20 331	43 478	40 555	91 770
Cost of goods sold	-16 503	-14 639	-31 327	-30 023	-66 048
Gross profit	6 668	5 692	12 151	10 532	25 722
Selling expenses	-3 682	-3 318	-7 102	-6 557	-13 851
Administrative expenses ⁽¹⁾	-1 455	- 816	-2 893	-1 861	-5 168
Other operating expenses	- 262	-1 450	- 756	-3 345	-7 349
Other operating income	749	735	1 055	2 502	5 563
Operating profit	2 018	844	2 455	1 272	4 917
Share of Profit of associated companies	114	-	114	-	-
Financial income	23	- 3	41	- 3	30
Financial expenses	- 456	- 289	- 759	- 503	-1 165
Net financial items	- 319	- 292	- 604	- 506	-1 135
Profit before tax	1 699	552	1 851	766	3 782
Tax	490	- 199	355	- 268	- 583
PROFIT OR LOSS FOR THE PERIOD⁽²⁾	2 189	353	2 206	498	3 199
Earnings per share, SEK ⁽³⁾	0.02	0.00	0.02	0.00	0.03
Average number of shares during the period ⁽³⁾	117 762 266	115 245 497	117 762 266	112 809 914	115 299 621
Statement of comprehensive income, KEUR					
Result for the period	2 189	353	2 206	498	3 199
Other comprehensive income, translation gains/losses on consolidation	-193	205	-187	-371	-167
Total comprehensive income for the period	1 996	558	2 019	127	3 032

⁽¹⁾ Depreciation and amortisation for the period January 1 – June 30, 2017, amounted to 153 (116).

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

⁽³⁾ No dilution exists, which entails that the result prior to and after dilution are identical. A redemption procedure was carried out during Q1 2016 whereby a split of the existing shares was made whereby the total number of shares temporarily doubled. The redemption procedure was an alternative transaction method for a dividend and the temporary increase in the number of shares has not been taken into consideration in calculating the average number of shares during the period or for the result per share during the period.

Group

Operating segment 6 months (EUR thousands)	Protection		Power		Audio		Connected devices		Other		Total	
	Jan 1 - Jun 30		Jan 1 - Jun 30		Jan 1 - Jun 30		Jan 1 - Jun 30		Jan 1 - Jun 30		Jan 1 - Jun 30	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Net sales	26 284	24 432	5 191	4 992	6 858	5 066	2 010	2 507	3 137	3 558	43 478	40 555
Cost of goods sold	-18 375	-17 354	-3 895	-3 683	-5 014	-3 770	-1 703	-2 371	-2 340	-2 845	-31 327	-30 023
Gross profit	7 909	7 078	1 295	1 309	1 843	1 296	307	135	797	713	12 151	10 532
Selling expenses	-4 623	-4 407	- 757	- 815	-1 077	- 807	- 179	- 84	- 466	- 443	-7 102	-6 557
Administrative expenses	-1 883	-1 251	- 308	- 231	- 439	- 229	- 73	- 24	- 190	- 126	-2 893	-1 861
Other operating expenses	- 492	-2 248	- 81	- 416	- 115	- 412	- 19	- 43	- 50	-226	- 756	-3 345
Other operating income	687	1 682	112	311	160	308	27	32	69	170	1 055	2 502
Operating profit	1 598	854	262	158	372	156	62	16	161	87	2 455	1 272
Operating segment Q2 (EUR thousands)												
	Protection		Power		Audio		Connected devices		Other		Total	
	Apr 1 - Jun 30		Apr 1 - Jun 30		Apr 1 - Jun 30		Apr 1 - Jun 30		Apr 1 - Jun 30		Apr 1 - Jun 30	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Net sales	14 029	11 967	2 888	2 712	3 969	2 877	963	1 146	1 323	1 628	23 171	20 331
Cost of goods sold	-9 753	-8 251	-2 192	-1 948	-2 972	-2 125	- 751	-1 083	- 834	-1 232	-16 503	-14 639
Gross profit	4 275	3 715	696	764	997	752	212	64	489	397	6 668	5 692
Selling expenses	-2 356	-2 156	- 383	- 450	- 549	- 443	- 120	- 36	- 273	- 232	-3 682	-3 318
Administrative expenses	- 929	- 529	- 151	- 112	- 217	- 110	- 49	- 9	- 110	- 57	-1 455	- 816
Other operating expenses	- 169	- 926	- 28	- 205	- 39	- 201	- 8	- 14	- 18	- 103	- 262	-1 450
Other operating income	484	454	79	112	113	109	21	6	52	54	749	735
Operating profit	1 305	558	213	109	304	108	57	10	139	59	2 018	844

Group

	2017	2016	2016
	Jun 30	Jun 30	Dec 31
Summary balance sheets, KEUR			
ASSETS			
NON-CURRENT ASSETS			
Goodwill	20 080	20 167	20 080
Other intangible assets	1 364	302	1 205
Property, Plant & Equipment	1 893	1 781	1 645
Shares in associated companies	921	136	807
Other assets	1 706	1 188	1 108
Deferred tax assets	1 681	578	1 632
Total non-current assets	27 646	24 152	26 477
CURRENT ASSETS			
Inventories	9 407	9 144	11 435
Tax receivables	824	2	255
Accounts receivable	19 073	11 418	12 959
Receivables from associated companies	4 079	-	3 352
Other assets	2 684	5 453	4 814
Cash and cash equivalents	1 673	3 522	3 663
Total current assets	37 740	29 539	36 478
TOTAL ASSETS	65 386	53 690	62 955
EQUITY AND LIABILITIES			
Equity	19 981	15 358	18 159
NON-CURRENT LIABILITIES:			
Tax liabilities	3	852	3
Other liabilities	700	3 896	360
Interest-bearing liabilities	3 960	6 043	5 021
Deferred tax liabilities	732	660	732
Total non-current liabilities	5 395	11 451	6 116
Current liabilities:			
Provisions	339	1 850	368
Interest-bearing liabilities	17 203	8 856	11 627
Accounts payable and other liabilities	10 193	9 005	13 752
Tax liabilities	2 333	621	3 033
Other liabilities	9 941	6 549	9 899
Total current liabilities	40 009	26 881	38 679
Total liabilities	45 405	38 332	44 795
TOTAL EQUITY AND LIABILITIES	65 386	53 690	62 954

Summary of changes in equity, KEUR

Equity as at January 1, 2016	15 127
Comprehensive income Jan 1 - June 30, 2016	127
Other	104
Equity as at June 30, 2016	15 358
Comprehensive income July 1 - Dec 31, 2016	2 905
Other	- 104
Equity as at December 31, 2016	18 159
Comprehensive income Jan 1 - June 30, 2017	2 019
Other	- 196
Equity as at June 30, 2017	19 981

Group

	2017	2016	2017	2016	2016
	(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	1 699	552	1 851	839	3 781
Adjustment for items not included in cash flow from operations or items not affecting cash flow	523	907	1 114	1 224	1 847
Paid taxes	- 190	- 22	- 616	- 323	- 320
Cash flow from operations prior to changes in working capital	2 032	1 437	2 349	1 740	5 309
Cash flow from changes in working capital:					
Increase (-)/decrease (+) in inventories	945	2 009	2 028	- 209	-2 503
Increase (-)/decrease (+) current receivables	-1 399	12 096	-3 185	13 189	1 926
Increase (+)/decrease (-) current liabilities	- 632	-12 773	-1 538	-15 462	-3 464
Cash flow from operations	946	2 769	- 346	- 742	1 267
INVESTMENT ACTIVITIES					
Investments in intangible assets	- 90	-	- 209	- 31	-1 057
Investments in non-current assets	- 205	- 304	-1 070	- 607	-2 222
Investments in subsidiaries	- 764	- 614	-1 645	-1 043	-1 811
Divestment of fixed non-current assets	-	50	100	50	122
Cash flow from investment activities	-1 059	- 868	-2 825	-1 631	-4 968
FINANCING ACTIVITIES					
Interest-bearing liabilities	846	14	2 627	1 576	4 621
Amortization of interest-bearing liabilities	- 531	- 531	-1 063	-1 063	-2 125
Cash flow from financing activities	314	- 517	1 564	513	2 496
Cash flow for the period	201	1 384	-1 606	-1 860	-1 205
Exchange rate differences in cash and cash equivalents	- 307	201	- 383	406	- 108
Cash and cash equivalents at the beginning of the period	1 778	1 937	3 663	4 976	4 976
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1 673	3 522	1 673	3 522	3 663

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 2016 annual report.

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 recognised at fair value through profit or loss.

The same accounting principles are applied as in the annual report for 2016. Regarding the implementation of the new standards IFRS 9 *Financial instruments*, IFRS 15 *Revenue from contracts with customers*, and IFRS 16 *Leases* no new information as compared to the information provided in the latest annual report has been developed.

Accounting reverse acquisition

In accordance with IFRS rules on reverse acquisition, the fair value of a hypothetical issue of Strax shares as payment for STRAX' reverse acquisition of Novestra, will correspond to the transferred consideration for this acquisition.

As the shares in Novestra are listed on a regulated market and the Strax shares are unlisted, the valuation of Novestra was used as the basis for valuing the hypothetical new share issue for the reverse acquisition. The value of the hypothetical share issue has been reduced by an estimated allocated market value for STRAX' hypothetical repurchase of Novestra's existing holding of STRAX shares. A preliminary purchase price allocation has been drawn up it was assumed that the fair value of Novestra's identifiable assets and liabilities equals the book equity in the Novestra group as at April 30, 2016 less the book value of Novestra's shares in STRAX. The difference between the transferred consideration and the fair value of identifiable assets and liabilities has been recognized as goodwill. The purchase price allocation will be finally determined no more than one year after the acquisition date.

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 could 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.

Parent Company

	2017 (6 months) Jan 1-Jun 30	2016 (6 months) Jan 1-Jun 30	2016 (12 months) Jan 1-Dec 31
Summary income statements, KEUR			
INVESTMENT ACTIVITIES			
Result from shares and participations	-12	5 469	5 574
Gross profit	-12	5 469	5 574
Administrative expenses	-440	-287	-621
Other operating income	452	-	398
Operating income	12	5 182	5 350
Net financial items	-12	-17	-32
Result after financial items	-12	5 165	5 318
Current taxes	-	-	-
RESULT FOR THE PERIOD	-12	5 165	5 318
Statement of comprehensive income, KSEK			
Result for the period	-12	5 165	5 318
Other comprehensive income	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-12	5 165	5 318
Summary balance sheets, KEUR			
	Jun 30 2017	Jun 30 2016	Dec 31 2016
ASSETS			
Non-current assets	130	133	131
Non-current financial assets	75 700	75 700	75 700
Total non-current assets	75 830	75 833	75 830
Shares and participations held for sale	14	34	22
Current receivables	101	167	105
Cash and bank balances	22	26	11
Total current assets	137	226	138
TOTAL ASSETS	75 967	76 060	75 968
EQUITY AND LIABILITIES			
Equity	74 305	74 217	74 316
Current liabilities	1 662	1 843	1 652
Total liabilities	1 662	1 843	1 652
TOTAL EQUITY AND LIABILITIES	75 967	76 060	75 968
Summary of changes in equity, KEUR			
Equity as at January 1 2016			24 975
Shareholder distribution			-9 535
Costs shareholder distribution			-36
Dividend			-976
Non-cash issue			55 233
Costs non-cash issue			-609
Comprehensive income January 1 – December 31 2016			5 264
Equity as at December 31 2016			74 316
Comprehensive income January 1 – June 30 2017			-12
TOTAL EQUITY AS AT JUNE 30 2017			74 305