Year-end Report

Q4 2020

STRAX

STRAX doubled online sales and delivered a record year in EBITDA after successfully launching the Health & Wellness product category

- The Group's sales for the period January 1 – December 31, 2020, amounted to MEUR 112 (114), with a gross margin of 26.3 (24.5) percent.
- The Group's result for the period January 1 – December 31, 2020, amounted to MEUR 0.7 (-1.7) corresponding to EUR 0.01 (-0.01) per share. The result for the period was negatively affected by MEUR 2.5 (2.4) related to the decline in value of the Zagg shares.
- EBITDA for the period January 1 – December 31, 2020, amounted to MEUR 8.5 (8.3).
- Equity as of December 31, 2020 amounted to MEUR 18.2 (20.1) corresponding to EUR 0.15 (0.17) per share.
- STRAX signed a senior secured loan facility in the amount of MEUR 30 with Proventus Capital Partners, refinancing existing interest-bearing credit facilities.
- STRAX secured a MUSD 20 facility under an existing loan agreement with Proventus Capital Partners to support the growth of the Health & Wellness product category.
- STRAX launched the Airpop "air wearables" brand worldwide and simultaneously across all sales channels.
- STRAX and Erikson Consumer, a Jam Industries company, signed an exclusive distribution agreement in Canada for all STRAX own and licensed mobile accessories brands.
- STRAX and HMD Global formed a global partnership to jointly develop and distribute a new range of Nokia-branded accessories, such as wireless speakers, TWS headphones and protective cases for some of the latest Nokia smartphones.
- STRAX and 4ocean announced a collaboration to develop and manufacture 4ocean Signature iPhone cases made from recycled ocean plastic.

Significant events after the end of the period

- A bid for all outstanding shares in ZAGG shares was approved February 18, 2021.
  The bid level was at the current share price so will not have an effect for the P&L but will contribute with approximately 2.5 MEUR in cash, with a potential upside of USD 0.25 per share if certain conditions are met corresponding to an additional USD 159.4 thousands.

"STRAX once again proved its ability to change and adopt during the unusual and challenging times in 2020, with a record year in EBITDA, more than 100% growth in e-commerce sales as well as successfully expanding into Health & Wellness. For 2021 smartphone sales are expected to return to healthy growth through increased 5G adoption, which will benefit STRAX as the sale of handsets is one of the key drivers for mobile accessories sales. At the same time, we will be able to continue to benefit from the Health & Wellness segment and accelerate the growth in e-commerce sales."

Gudmundur Palmason, CEO

WE INNOVATE, WE CREATE, WE INSPIRE, WE DELIVER

STRAX is a global leader in accessories that empower mobile lifestyles. Our portfolio of accessories brands covers all major mobile product categories: Protection, Power, Personal Audio and Connectivity. In response to the ongoing pandemic, STRAX pivoted into Health & Wellness products, with an initial focus on personal protection equipment, such as face masks, gloves and sanitizers. Our success lies in a strong offline and online distribution network and best-in-class customer service, delivered by a stellar team.

We develop and grow brands through an omnichannel approach, and we operate two complementary businesses: **Own brands** – including Urbanista, Clckr, Richmond & Finch, Planet Buddies, xqisit, AVO+, and licensed brands such as adidas, Bugatti, Diesel, SuperDry and WeSC – and ***Distribution*** (traditional retail, enterprises, and online marketplaces). In addition to own and licensed brands, STRAX distributes over 40 major mobile accessory brands and several Health & Wellness brands with an initial focus on personal protection equipment. We sell into all key sales channels ranging from telecom operators, mass merchants and consumer electronics to lifestyle retailers, large enterprises and direct to consumers online.

Founded in Miami and Hong Kong in 1995, STRAX has since expanded worldwide. Today, we have over 200 employees in 13 countries, with our operational HQ and logistics center 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

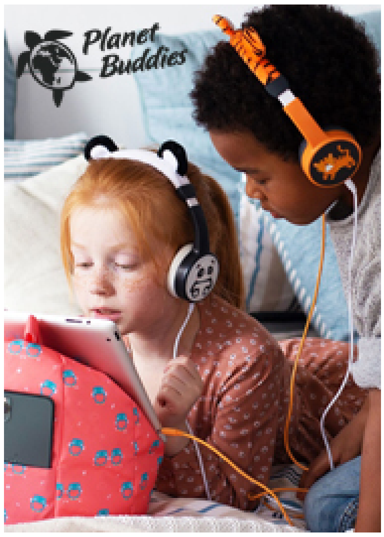
Responding to the growing market demand for tempered glass protection, THOR is a higher quality, premium product, priding itself on being meticulously designed to fit any phone perfectly.

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

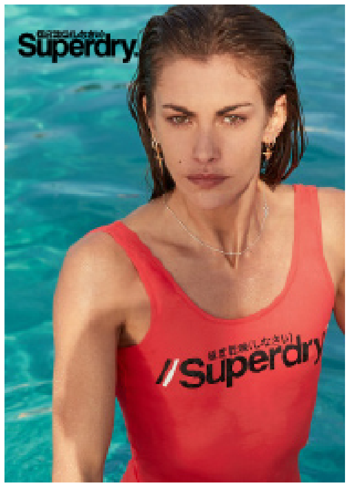
The bugatti brand aims to reflect the cultural and creative diversity of Europe. bugatti's handmade smartphone cases are crafted from high-quality full grain leather and come in a range of timeless colors, epitomizing elegance, and quality workmanship.

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.

FOR SUCCESSFUL LIVING

The Diesel slogan for the brand's DNA from the very start. TLF acquired the licence for Diesel to launch mobile accessories in 2020.Through a long and storied history of strong, iconic, and playful campaigns Diesel has become a leader in advertising as well as in fashion.

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

”The year 2020 was very unusual due to the economic and social impact of Covid-19, but we did well in quickly adjusting our business to a new reality as a result of the pandemic. STRAX launched a new product category, delivered a record year in EBITDA and more than doubled online sales, despite strong headwind for our traditional mobile accessories' brands. The entire STRAX team deserves praise for its responsiveness and overall positive attitude through all the challenges we faced during 2020. Many employees have worked from home for the past twelve months without missing a beat in securing new customers and suppliers alike, whilst also meeting the needs of the existing ones. The year was indeed a big test on STRAX resilience as an organization and business, which I can truly confirm we passed with flying colors.

Sales in Q4 amounted to MEUR 35.1 (41.4), corresponding to a decrease of MEUR 6.3 or 15.1% compared to last year. EBITDA during the quarter increased to MEUR 3.7 (3.2), an increase of 14.8% YoY. Total sales in 2020 were MEUR 111.8 (113.6), a YoY decrease of 1.5%. Mobile accessories sales were MEUR 86.4 (113.6) in 2020 representing a decrease of 24% YoY, whilst sales from the newly established Health & Wellness product category were MEUR 25.3 (-), equaling 22.7% of total sales in 2020. EBITDA for the year was MEUR 8.5 (8.3), representing a YoY increase of 2.5%. Financial expenses were impacted by decline in value relating to shares in ZAGG received as part of the consideration for the sale of Gear4 to the amount of MEUR 2.5 (2.4).

Overall, 2020 was a successful year at STRAX, although in reality a tale of two halves because of Covid-19. All our retail customers experienced store closures during the year and at one point approximately 80% of doors were closed with obvious negative sales impact on all of our own accessories' brands, crystalizing our exposure towards traditional B2B retail customers. This challenging situation forced us to step up our e-commerce investments in both DTC, such as urbanista.com and airpophealth.com, and seller managed marketplaces, such as Amazon and eBay, ultimately delivering more than 100% growth in sales from online channels. We also managed to successfully pivot into Health & Wellness products by largely using the same team and infrastructure as for the traditional mobile accessories. The Health & Wellness business unit is here to stay, and we believe it provides a somewhat natural product diversification for STRAX and solid incremental upside once the accessories market stabilizes post the ongoing pandemic.

STRAX+, our initiative aimed at changing all possible aspects of our business to become more environmentally conscious, progressed well during the year. For example, we managed to reduce the ratio of inbound airfreight from Asia from 84% in 2019 to 67% in 2020, towards a mid-term goal of 50%. Similar progress was made around sustainable packaging material. STRAX furthermore continued its membership of UN Global Compact and we remain committed to take actions that advance societal goals. As a part of that commitment, we supported both hospitals and charitable organizations through donations of hardware and PPE products. The entire STRAX team is grateful for being able to make a difference.

Lockdowns in several of our key markets have continued in 2021 and our expectation is that situation will remain throughout Q1 with full market recovery for accessories not until the end of Q2. However, given our expansion into Health & Wellness products category and increased online sales we are well positioned to manage through this period of uncertainty. Beyond that, smartphone sales are expected to return to healthy growth in 2021 with increased 5G adoption, which will benefit STRAX as the sale of handsets is one of the key drivers for mobile accessories sales.

I want to reiterate that we are very confident that STRAX has improved as a company because of the Covid-19 pandemic and that shareholder value creation is imminent. Lastly, I am thankful for and proud of the entire STRAX team for their resilience and agility over the last 12 months.”

The Board of Directors and the CEO of Strax AB hereby summit the year-end report for the period January 1 – December 31, 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 – December 31, 2020

The Group's net sales for the period January 1 – December 31, 2020 amounted to 111 790 (113 644). Gross profit amounted to 28 519 (27 801) and gross margin amounted to 26.3 (24.5) percent. Operating profit amounted to 6 774 (6 146).

Result for the period amounted to 669 (-1 735). The result included gross profit 28 519 (27 801) selling expenses -17 817 (-16 495), administrative expenses -3 924 (-5 191), other operating expenses -12 121 (-8 298), other operating income 12 117 (8 329), net financial items -5 931 (-5 982) and tax -174 (-1 899). 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 2.5 (2.4).

As of December 31, 2020, total assets amounted to 99 099 (102 659), of which equity totaled 18 171 (20 100), corresponding to equity/assets ratio of 18.3 (19.6) percent. Interest-bearing liabilities as of December 31, 2020, amounted to 33 949 (23 060). The group's cash and cash equivalents amounted to 7 379 (3 645).

STRAX entered into a MEUR 30 loan agreement with Proventus Capital Partners and existing interest-bearing liabilities were therefore refinanced in October 2020.

STRAX holds 637,628 shares in Zagg received as part of the purchase price from the sale of Gear4, valued at USD 10.23 per share, at the time of the transaction, and valued at USD 4.17 (8.11) per share as of December 31, 2020.

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.

STRAX entered the Health & Wellness product category with an initial focus on personal protection equipment 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 in Germany for another four years.

STRAX signed a senior secured loan facility in the amount of MEUR 30 with Proventus Capital Partners. A subordinated tranche of MEUR 6 was paid out in July 2020, to provide additional working capital until the full amount was paid out in October. The loan from Proventus Capital Partners is for a term of five years and the full amount is denominated in EUR. The loan will carry a Euribor +7.5 percent interest rate, in line with current market pricing, as well as the average financing costs currently paid. The loan is governed by covenants that are primarily profitability and cash flow based. Provided the covenants are fulfilled, the loan agreement allows yearly dividend of up to 50 percent of profits, allowing for expected future levels of dividends.

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

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 was 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.

STRAX and Erikson Consumer, a Jam Industries company, signed an exclusive distribution agreement in Canada for all STRAX own and licensed mobile accessories brands. The agreement covers both STRAX mobile accessories brands, such as Urbanista, Clckr and Richmond & Finch, as well as newly established health & wellness brands, AVO+ and Airpop as a non-exclusive agreement.

Telecom Lifestyle Fashion (TLF), the licensing specialist and wholly owned subsidiary of STRAX AB, has signed a global licensing agreement with the internationally renowned Italian denim and lifestyle brand DIESEL for mobile accessories. The agreement is globally exclusive with a three-year duration.

STRAX partnered with HMD Global to develop and distribute a selection of Nokia branded accessories across the world.

STRAX entered into a collaboration with 4ocean to support the development and manufacturing of 4ocean signature iPhone cases.

STRAX secured a MUSD 20 dedicated financing to capture the full potential for growth within the Health and Wellness category, as a third tranche under the existing loan agreement with Proventus Capital Partners.

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 2 447 (1 932), of which investments in intangible assets amounted to 1 761 (1 301), property, plant and equipment amounted to 359 (536) and investments in subsidiaries amounted to 326 (95).

The parent company's result for the period amounted to - (80). The result included gross profit of 1 036 (1 042), administrative expenses -976 (-925) and net financial items -60 (-17). As of December 31, 2020, total assets amounted to 80 296 (76 222) of which equity totaled 63 076 (63 076). Cash and cash equivalents amounted to 3 976 (1).

Significant events after the end of the period

A bid for all outstanding shares in ZAGG shares was approved February 18, 2021.The bid level was at the current share price so will not have an effect for the P&L but will contribute with approximately 2.5 MEUR in cash, with a potential upside of USD 0.25 per share if certain conditions are met corresponding to an additional USD 159.4 thousands.

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, 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, except for the heavily impacted Covid-19 pandemic year of 2020. We expect continued organic growth, driven specifically by own brands 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 3 years. STRAX furthermore 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 continue into mid-2021 but will not alter our mid- to longer-term plans in the product category. STRAX entered the health & wellness product category with promising 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. Relative weakness in mobile accessories sales was prevalent throughout 2020 and is expected to remain until Q2 2021. 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

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

FINANCIAL CALENDAR:

February 25, 2021
Year-End Report 2020

April 2021
Annual Report 2020

May 26, 2021
Interim Report January – March 2021

May 26, 2021
Annual General Meeting

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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, February 25, 2021

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) Oct 1– Dec 31	2019 (3 months) Oct 1– Dec 31	2020 (12 months) Jan 1- Dec 31	2019 (12 months) Jan 1 - Dec 31
FINANCIAL KEY RATIOS				
Sales growth, %	-12.5	10.4	-0.7	6.2
Gross margin, %	27.9	25.1	26.3	24.5
Equity, MEUR	18.2	20.1	18.2	20.1
Equity/asset ratio, %	18.3	19.6	18.3	19.6
DATA PER SHARE				
Equity, EUR	0.15	0.17	0.15	0.17
Equity, SEK	1.52	1.67	1.52	1.67
Result, EUR	0.01	-0.02	0.01	-0.02
Result, SEK	0.14	-0.20	0.06	-0.20
Result per share prior to dilution, EUR	0.01	-0.02	0.00	-0.01
Result per share after dilution, EUR	0.01	0.01	0.00	-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
Average number of shares	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
EMPLOYEES				
Average number of employees	230	200	224	198

Group

Summary income statements, KEUR	2020 (3 months) Oct 1 - Dec 31	2019 (3 months) Oct 1 – Dec 31	2020 (12 months) Jan 1 – Dec 31	2019 (12 months) Jan 1- Dec 31
Net sales	35 123	41 373	111 790	113 644
Cost of goods sold	-26 141	-30 984	-83 272	-85 843
Gross profit	**8 982**	**10 389**	**28 519**	**27 801**
Selling expenses	-4 623	-5 482	-17 817	-16 495
Administrative expenses [(1)]	-85	-1 524	-3 924	-5 191
Other operating expenses	-5 106	-2 962	-12 121	-8 298
Other operating income	4 011	2 066	12 117	8 329
Operating profit	**3 179**	**2 488**	**6 774**	**6 146**
Financial income	-1	-336	-	-
Financial expenses	-1 153	-74	-5 931	-5 982
Net financial items	**-1 154**	**-410**	**-5 931**	**-5 982**
Profit before tax	**2 025**	**2 078**	**843**	**164**
Tax	-483	-1 281	-174	-1 899
PROFIT OR LOSS FOR THE PERIOD [(2)]	**1 542**	**797**	**669**	**-1 735**
Result per share before dilution, EUR	*0.01*	*-0.02*	*0.01*	*-0.01*
Result per share after dilution, EUR	*0.01*	*0.01*	*0.01*	*-0.01*
Average number of shares during the period	*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*

Statement of comprehensive income, KEUR				
Result for the period	1 542	797	669	-1 735
Other comprehensive income, translation gains/losses on consolidation	-2 597	-145	-2 597	369
Total comprehensive income for the period	**-1 054**	**652**	**-1 929**	**-1 366**

1) Depreciation and amortization for the period January 1 – December 31, 2020, amounted to 1 756 (2 175).
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			
	YTD Q4 2020	Q4 2020	YTD Q4 2019	Q4 2019	YTD Q4 2020	Q4 2020	YTD Q4 2019	Q4 2019	YTD Q4 2020	Q4 2020	YTD Q4 2019	Q4 2019	YTD Q4 2020	Q4 2020	YTD Q4 2019	Q4 2019
Net Sales	71 332	20 554	74 407	27 763	40 458	14 568	39 237	13 610	-	-	-	-	111 790	35 123	113 644	41 373
Net COS	-55 638	-18 514	-57 012	-21 748	-27 634	-7 628	-28 831	-9 236	-	-	-	-	-83 272	-26 141	-85 843	-30 984
Gross profit	15 694	2 040	17 395	6 015	12 824	6 940	10 407	4 375	-	-	-	-	28 519	8 982	27 801	10 390
Gross Margin	22%	10%	23%	22%	32%	48%	27%	32%	-		-	-	26%	26%	24%	25%
Distribution Costs	-6 974	-1 465	-9 221	-4 046	-10 483	-2 798	-7 059	-2 676	-360	-360	-215	1 241	-17 817	-4 623	-16 495	-5 481
Administrative Expenses	-1 842	-1 488	-3 001	-2 692	-1 621	-1 149	-1 598	-1 135	-461	2 553	-591	2 303	-3 924	-85	-5 191	-1 524
Other Operating Expenses	-10 548	-6 125	-12 166	-11 288	-8 972	-6 689	-3 782	-3 124	7 400	7 709	7 649	11 449	-12 121	-5 106	-8 298	-2 963
Other Operating Income	8 521	7 180	12 071	11 054	10 997	9 505	3 907	3 051	-7 400	-12 675	-7 649	-12 039	12 117	4 011	8 329	2 066
EBIT	4 851	142	5 078	-957	2 745	5 809	1 875	491	-822	-2 775	-806	2 954	6 774	3 179	6 146	2 488

Group

Summary balance sheets, KEUR	2020 Dec 31	2019 Dec 31
ASSETS		
NON-CURRENT ASSETS		
Goodwill	28 176	28 175
Other intangible assets	4 021	3 919
Property, Plant & Equipment	1 063	1 087
Other assets	1 655	879
Deferred tax assets	1 016	52
Total non-current assets	**35 931**	**34 112**
CURRENT ASSETS		
Inventories	27 560	17 430
Tax receivables	1 058	1 374
Accounts receivable	19 149	25 975
Other assets	8 021	20 123
Cash and cash equivalents	7 379	3 644
Total current assets	**63 168**	**68 547**
TOTAL ASSETS	**99 099**	**102 659**
EQUITY AND LIABILITIES		
Equity	**18 171**	**20 100**
NON-CURRENT LIABILITIES:		
Tax liabilities	3	2 853
Other liabilities	8 663	8 792
Interest-bearing liabilities	32 918	-
Deferred tax liabilities	1 350	629
Total non-current liabilities	**42 934**	**12 274**
Current liabilities:		
Provisions	654	1 563
Interest-bearing liabilities	1 031	23 060
Accounts payable	15 801	22 100
Tax liabilities	6 050	3 753
Other liabilities	14 457	19 809
Total current liabilities	37 994	70 285
Total liabilities	**80 928**	**82 559**
TOTAL EQUITY AND LIABILITIES	**99 099**	**102 659**

Summary of changes in equity, KEUR	
Equity as of December 31, 2018	**34 265**
Distribution to shareholders	-12 742
Cost related to distribution to shareholders	- 57
Comprehensive income January 1 – December 30, 2019	-1 366
Equity as of December 31, 2019	**20 100**
Comprehensive income January 1 - December 31, 2020	-1 929
Equity as of December 31, 2020	**18 171**

Group

Summary cash flow statements, KEUR	2020 (3 months) Oct 1 - Dec 31	2019 (3 months) Oct 1- Dec 31	2020 (12 months) Jan 1- Dec 31	2019 (12 months) Jan 1 - Dec 31
OPERATING ACTIVITIES				
Result before tax	2 024	2 077	842	164
Adjustment for items not included in cash flow from operations or items not affecting cash flow	3 309	4 325	7 687	8 345
Paid taxes	-140	-150	-429	- 906
Cash flow from operations prior to changes in working capital	**5 193**	**6 252**	**8 101**	**7 603**
Cash flow from changes in working capital:				
Increase (-)/decrease (+) in inventories	-2 085	1 982	-10 130	-2 860
Increase (-)/decrease (+) current receivables	577	-11 389	14 468	-10 800
Increase (-)/decrease (+) in non-current receivables	-1 360	-36	-1 740	653
Increase (+)/decrease (-) current liabilities	-74	-523	-2 258	-2 255
Increase (+)/decrease (-) in current liabilities	-3 141	10 050	-11 752	10 837
Cash flow from operations	**-890**	**6 336**	**-3 311**	**3 178**
INVESTMENT ACTIVITIES				
Investments in intangible assets	-1 388	-501	-1 761	-1 301
Investments in tangible assets	-173	-409	-359	- 536
Investments in subsidiaries	-157	-95	-326	- 95
Divestments in subsidiaries	-1	-	-	-
Cash flow from investment activities	**-1 719**	**-1 004**	**-2 447**	**-1 932**
FINANCING ACTIVITIES				
Interest-bearing liabilities	27 331	3 748	34 000	3 623
Amortization of interest-bearing liabilities	-17 733	-3 667	-21 313	-9 618
Distribution to the shareholders	-	-	-	-12 742
Paid interest and other expenses	-1 517	-3 155	-3 195	-3 709
Cash flow from financing activities	**8 081**	**-3 074**	**-9 492**	**-22 446**
Cash flow for the period	**5 473**	**2 258**	**3 734**	**-21 200**
Cash and cash equivalents at the beginning of the period	1 906	1 387	3 645	24 845
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**7 379**	**3 645**	**7 379**	**3 645**

NOTE 1 REFERENCES

- Seasonal and phone launch fluctuations, see page 8
- Reporting per operating segment see page 12
- For further information on accounting principles reference is made to the 2019 annual report
- For events after the end of the period see page 8

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 same accounting principles are applied as in the annual report for 2019.

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 received amounted to KEUR 20 for the period April – July 2020 and 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

STRAX holds 637,628 shares in Zagg received as part of the purchase price from the sale of Gear4, valued at USD 10.23 per share at the time of the transaction and valued at USD 4.17 per share as of December 31, 2020 and has 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.

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) Oct 1 - Dec 31	**2019** (3 months) Oct 1- Dec 31	**2020** (12 months) Jan 1- Dec 31	**2019** (12 months) Jan 1- Dec 31
EBITDA				
Operating profit	3 179	2 487	6 774	6 147
+ Depreciation & amortization	472	693	1 756	2 175
EBITDA	**3 651**	**3 180**	**8 530**	**8 322**

Parent Company

Summary income statements, KEUR	2020 (3 months) Oct 1 - Dec 31	2019 (3 months) Oct 1 - Dec31	2020 (12 months) Jan 1 - Dec 31	2019 (12 months) Jan 1 - Dec 31
INVESTMENT ACTIVITIES				
Net Sales	289	364	1 036	1 042
Gross profit	**289**	**364**	**1 036**	**1 042**
Administrative expenses	-247	-237	-976	-925
Operating income	**42**	**127**	**60**	**117**
Net financial items	-42	-28	-60	-17
Result after financial items	**-**	**99**	**-**	**100**
Current taxes	-	-	-	-
RESULT FOR THE PERIOD	**-**	**99**	**-**	**100**
Statement of comprehensive income, KEUR				
Result for the period	-	99	-	100
Other comprehensive income	-	-20	-	-20
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**79**	**-**	**80**

Summary balance sheets, KEUR	2020 Dec 31	2019 Dec 31
ASSETS		
Non-current assets	132	134
Non-current financial assets	75 693	75 693
Total non-current assets	**75 825**	**75 827**
Current receivables	495	189
Cash and bank balances	3 976	1
Prepaid expenses and accrued income	-	205
Total current assets	**4 471**	**395**
TOTAL ASSETS	**80 296**	**76 222**
EQUITY AND LIABILITIES		
Equity	**63 076**	**63 076**
Current liabilities	17 220	13 146
Total liabilities	17 220	13 146
TOTAL EQUITY AND LIABILITIES	**80 296**	**76 222**

Summary of changes in equity, KEUR	
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 30, 2019	80
Equity as of December 30, 2019	**63 076**
Comprehensive income Jan 1 – Dec 31, 2020	-
Equity as of December 31, 2020	**63 076**