



# Year-end report


## Q4 2023

STRAX

# STRAX – Challenging year operationally with two significant transactions completed

- The Group's sales for the period January 1 – December 31, 2023, amounted to MEUR 30.2 (41.5) with a gross margin of -34.9 (1.0) percent.
- The Group's result for the period January 1 – December 31, 2023, amounted to MEUR -44.6 (-19.6) corresponding to EUR -0.37 (-0.16) per share.
- EBITDA from remaining operations for the period January 1 – December 31, 2023, amounted to MEUR -39.4 (-15.5).
- Equity as of December 31, 2023, amounted to MEUR -49.8 (-6.5) corresponding to EUR -0.41 (-0.05) per share.
- Gross profit was MEUR 8.1 after adjusting for inventory write off and other non-recurring items, corresponding to 23.3% gross margin.
- As of December 31, 2023, STRAX is not fulfilling the special conditions in the loan agreement with PCP due to the development of profitability and financial position in the Group. STRAX board and management is working closely with PCP on the strategical and tactical plan to return to compliance of the agreement. The plan includes divestment of non-core assets to increase focus as well as reduce costs and lightening the balance sheet and in the longer perspective increase the financial position of the Group. In addition, several initiatives have been taken to partially divest and find strong financial partners for core parts of the business to ensure they can continue to grow and prosper without being limited by the constrained cash of the Group. With these initiatives we are optimistic STRAX will be sitting on solid assets that will continue to develop in the right direction and generate value for STRAX and its stakeholders. STRAX is now executing the plan and expects to considerably lower the debt level of the Group during 2023 and 2024 and repay significant parts of the outstanding amounts under the loan agreement. The board and management have taken numerous actions to ensure the remaining business returns to profitability as well as taking actions on loss making operations being discontinued. After the end of the period STRAX has received a waiver from PCP concerning the breach.
- STRAX AB, through its subsidiary STRAX Holding GmbH, divested its ownership of Urbanista AB for a total consideration of the equivalent of approximately MEUR 24.5 to P Capital Partners AB ("PCP"), with a potential upside for the Group. The consideration of approximately MEUR 24.5 was fully assigned towards the outstanding loans under the facility agreement with PCP. The sale will also lead to a capital gain of approximately MEUR 19.4.

"During the past three challenging years we have continuously been changing the operating structure of STRAX as well as adjusting our business model. The primary objectives have been to lower our interest-bearing debt and unwind the cumbersome company structure. We have worked tirelessly on these objectives over the last 18 months, which has already resulted in several positive changes, and we expect to complete most of these within the next 3-6 months."

Gudmundur Palmason, CEO

# COMMENTS FROM THE CEO

During the past three challenging years we have continuously been changing the operating structure of STRAX as well as adjusting our business model. The primary objectives have been to lower our interest-bearing debt and unwind the cumbersome company structure. We have worked tirelessly on these objectives over the last 18 months, which has already resulted in several positive changes, and we expect to complete most of these within the next 3-6 months.

In line with this backdrop, we divested Urbanista in December to PCP, our primary creditor, for 24.5 MEUR. The transaction effectively reduces our interest-bearing debt by the corresponding transaction value. Considering the tough external market conditions and changed business we have additionally revalued and written off various other assets to better reflect their fair value impacting on our profit and losses in the period.

In Q3 we completed a transaction for 50.1% of our European distribution platform. The effective transaction date was 1 July 2023 and from that date onwards that business will no longer be considered as part of the consolidated financial statements of STRAX AB but accounted for using the equity method. Effectively this makes the comparison to prior periods difficult and to address that we have restated prior periods to reflect this change in our reported results.

Due to the challenging macro-economic factors, such as higher inflation, higher interest rates and decreased consumer spending power, STRAX is being negatively affected. We must therefore execute our previously communicated restructuring. There are several other processes ongoing, most of which we expect to be closed in the first half of 2024.

**Q4 in numbers**
Sales in Q4 amounted to MEUR 5.3 (9.7), corresponding to a decrease of 45.7% compared to the same period last year. The decline stems from Health & Wellness products, whilst sales of core accessories products have largely held up. The slowdown in sales throughout the year forced us to take additional 14 MEUR inventory write-off, negatively impacting our gross profit. Gross margin is negative as a result of the inventory adjustments. EBITDA for the quarter amounted to MEUR -13 (-10.7), significantly impacted by non-recurring costs and charges.

**FY in numbers**
Sales in 2023 were MEUR 30.2 (41.5), a 27.3% decline that is solely attributed to a MEUR 13.7 drop in sales of Health & Wellness products. We generated growth in excess of 10% in the core mobile accessories category during the period. Gross margin for the period was negative as a result of inventory adjustments. Due to challenging industry environment, we furthermore revalued goodwill of several of our assets with a combined negative impact of MEUR 15 and also reported a bad debt allowance of MEUR 2.7. Our EBITDA was MEUR -39.4 (-15.5). Discontinued businesses generated a net profit of MEUR 3.5 (0.7) in 2023.

**Restructuring and recovery plan**
Our restructuring and recovery plan is ongoing. It aims to get the company into a position to effectively manage our operational activities and get back to focusing on profitable growth. Along the way we have had to make tough choices and those will unfortunately continue into this year. Our goal is to have a simple and lean company that's prepared for growth in the second half of 2024, and we strongly feel that is achievable.

During the year, we completed MEUR 10 investment agreement with ZEBRA Invest, a German based investment company, for 50.1% ownership of the European based distribution business. We are now working closely with ZEBRA to restructure and reposition the distribution company to be able to pursue a scalable growth strategy. We divested Urbanista for a total consideration of MEUR 24.5 PCP and retain distribution of the brand in Europe and Americas. We have already sold grell and Dóttir has been phased out. Other processes are ongoing.

We are determined to get STRAX back on track by completing the restructuring and recovery plan with the objective of presenting a well-funded, leaner, and simpler company with a sound upside prospective. Finally, I would like to thank all our stakeholders for their patience and support whilst we salvage STRAX and prepare it for a somewhat different-looking future.

# WE INNOVATE, WE CREATE, WE INSPIRE, WE DELIVER

STRAX is a global leader in accessories that empower mobile lifestyles.
Our portfolio of branded accessories covers all major mobile accessory brands and categories: Protection, Power, Connectivity, as well as Personal Audio.
Own brands are Clckr, Planet Buddies and RichmondFinch. Our brands reach a broad customer base, through 70 000 brick and mortar stores around the globe, as well as through online marketplaces and direct-to-consumers.

Founded as a trading company in 1995, STRAX has since expanded worldwide and evolved into a global brand business. Today we have approximately 90 employees in 6 countries. STRAX is listed on the Nasdaq Stockholm stock exchange.

Divested own brands include Urbanista and Gear4.

Discontinued operations include Health & Wellness, and licensed brand portfolio of adidas and Diesel.

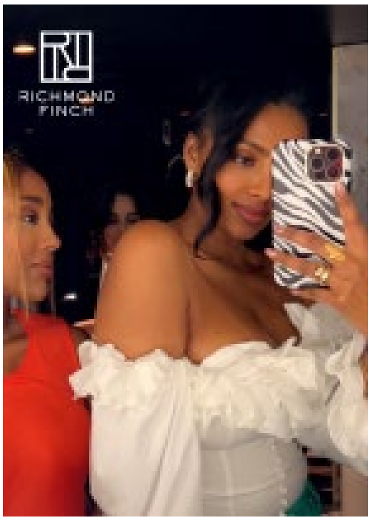
# OWN BRANDS - MOBILE ACCESSORIES


## CHILDREN'S 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.


## A UNIVERSAL PHONE GRIP AND STAND

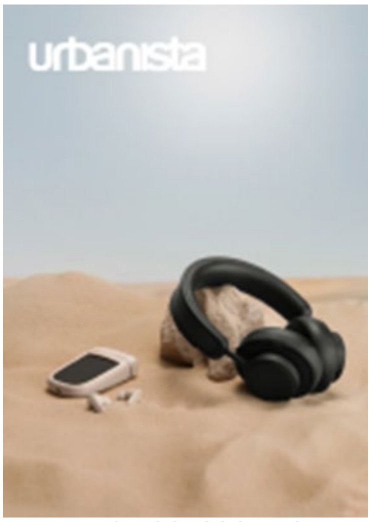
A patented universal and multi-functional phone grip that helps prevent users dropping their phone, enables better quality selfies and a more enhanced mobile video watching experience. A thin and stylish design, Clckr is easy to apply using 3M-adhesive which will not leave residue.




## PREMIUM LIFESTYLE BRAND

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

# DIVESTED – OWN BRANDS




## 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.

# DISCONTINUED - OWN BRANDS


## HIGH-END PERSONALIZED LISTENING EXPERIENCES

Designed to make high-end audio quality more accessible, grell headphones offer personalized listening experience at a price that reflects the cost for quality of the sound, alone. Created by renowned headphone engineer Axel Grell, grell headphones feature a unique combination of high-end technological components, German design, and meticulous attention to detail.

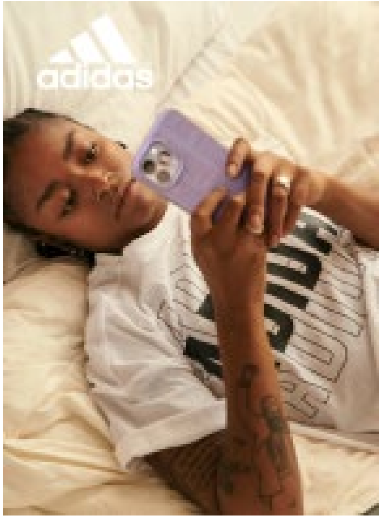

## HEADPHONES FOR WORLD CLASS ATHLETES

Dóttir started as an idea between friends that popped up on a stroll around London, creating a headphone for World Class athletes that allows them to train freely without outside distraction. From there it has grown into something much bigger, not only a brand that creates headphones for athletes but a brand that supports female empowerment and equality.

## DISCONTINUED - LICENCED 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


### DISTINGUISHED DEVICE CASES

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


### 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.

## 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.

## The Board of Directors and the CEO of STRAX AB hereby submit the Year-end report for the period January 1 – December 31, 2023

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, 2023

The Group's net sales for the period January 1 – December 31, 2023, amounted to 30 180 (41 512). Gross profit amounted to -10 527 (357) and gross margin amounted to -34.9 (1.0) percent. Operating profit amounted to -39 105 (-16 745).

Result for the period from continuing operations amounted to -48 187 (-20 348) and the result for the period amounted to -44 642 (-19 628).
The result included gross profit -10 527 (357) selling expenses -30 997 (-12 762), administrative expenses -3 549 (-3 378), other operating expenses -12 472 (-22 406), other operating income 23 503 (21 444), income from associated company -5 062 (-) net financial items -9 454 (-2 921) and tax 372 (-682).

The divestment of the majority ownership in the European Distribution represented the full Segment "Distribution" and as an effect it has been reported applying IFRS – Discontinued operations. The effect is that the profit or loss for the period January 1 – December 31, 2023, and October 1 – December 31, 2023, and corresponding figures last year has been reported Profit/loss from discontinued operations in the Income statement. The result relating to the divestment of the Distribution, including goodwill, amounted to MEUR 0.5.

As a result of the changing business for the Group as well as general market conditions the inventory has also been revaluated by MEUR 12 with a negative impact on the result and resulting in a negative gross margin for the 12-month period.

As of December 31, 2023, total assets amounted to 23 376 (99 595), of which equity totaled -49 796 (-6 482), corresponding to equity/assets ratio of -213.0 (-6.5) percent. Interest-bearing liabilities as of December 31, 2023, amounted to 12 687 (49 836). The group's cash and cash equivalents amounted to 1 163 (2 909).

STRAX has for the past eight quarters received waivers concerning breach of certain conditions in the loan agreement with its lenders. The communication and relationship with P Capital (PCP) as main lender have been constructive throughout this period. As communicated in the Q4 report for 2022 published February 23, 2023, STRAX has worked out a tactical plan involving divesting certain assets to strengthen the liquidity and balance sheet. As a part of that, PCP has also agreed to restate the covenants for Q1, Q2 and Q3 of 2023 to adjust for the current situation.

As of December 31, 2023, STRAX is not fulfilling the special conditions in the loan agreement with PCP due to the development of profitability and financial position in the Group. STRAX board and management is working closely with PCP on the strategical and tactical plan to return to compliance of the agreement. The plan includes divestment of non-core assets to increase focus as well as reduce costs and lightening the balance sheet and in the longer perspective increase the financial position of the Group. In addition, several initiatives have been taken to partial divest and find strong financial partners for core parts of the business to ensure they can continue to grow and prosper without being limited by the constrained cash of the Group. With these initiatives we are optimistic STRAX will be sitting on solid assets that will continue to develop in the right direction and generate value for STRAX and its stakeholders. After the end of the period STRAX has received a waiver from PCP concerning the breach.

STRAX is now executing the plan and expects to considerably lower the debt level of the Group during 2023 and 2024 and repay significant parts of the outstanding amounts under the loan agreement. The Board and the management have taken numerous actions to ensure the remaining business returns to profitability as well as taking actions on loss making operations being discontinued. This is in combination with the contemplated transactions described in this report leads to the conclusion that liquidity is secured for the coming 12 months, and despite there is some uncertainties of market conditions, liquidity, and profitability the business has been reported as a going concern. In this aspect it must be pointed out that current market conditions are very challenging and the longer it takes to execute necessary measures and the longer it takes for markets to recover impacts the risk in a negative way.

STRAX AB, through its subsidiary STRAX Holding GmbH, divested its ownership of Urbanista AB for at total consideration of the equivalent of approximately MEUR 24.5 to P Capital Partners AB ("PCP"), with a potential upside for the Group.
The consideration of approximately MEUR 24.5 was fully assigned towards the outstanding loans under the facility agreement with PCP. The sale will also lead to a capital gain of approximately MEUR 19.4.

## Significant events during the period

STRAX subsidiary Urbanista, received two awards at CES 2023 in Las Vegas, the most influential tech event in the world. Urbanista Phoenix – the world's first true wireless, noise cancelling earphones powered by light – was awarded best of CES by technology magazines TWICE and MakeUseOf (MUO).

STRAX reached an agreement with lenders and implementation of plan to strengthen the balance sheet and liquidity. STRAX has for the past eight quarters received waivers concerning breach of certain conditions in the loan agreement with its lenders. The communication and relationship with P Capital (PCP) as main lender have been constructive throughout this period.

As communicated in the Q4 report for 2022 published February 23, 2023, STRAX has worked out a tactical plan involving divesting certain assets to strengthen the liquidity and balance sheet. As a part of that, PCP has also agreed to restate the covenants for Q1, Q2 and Q3 of 2023 to adjust for the current situation. STRAX thereby returned to being in compliance with the loan agreement.
At the end of Q4 2023 STRAX is not in compliance with the restated agreement and have after the end of the period received a waiver.

STRAX signed a MEUR 10 investment agreement with ZEBRA Invest GmbH, a Germany based investment company, for 50.1% ownership of its European based distribution business. All closing conditions have been fulfilled and the transaction closed during the period.

STRAX subsidiary Urbanista launched Malibu, the world’s first solar charging speaker using Powerfoyle solar cell technology by Exeger. Following the previous highly successful launches of the Los Angeles solar charging headphones in 2021 and Phoenix earphones in 2022, the addition of the Malibu speaker to the family of solar powered products completes the brand's offering in the segment. The launch of Malibu speaker further cements Urbanista's position as the leader in the category in the audio space.

Pia Anderberg resigned as a Board Member. Pia was elected as a Board Member in 2018 and has ever since contributed greatly to STRAX. Pia Anderberg has several other board assignments and has recently accepted to join the board of a larger corporation and in light of this will no longer have capacity to be engaged as a board member of STRAX.

Auditors’ review report of the Q3 interim report included a reservation concerning the Segment distribution as well as information of special importance.

The Board has in connection with the Q3 report prepared a Balance sheet for liquidation purposes for the parent company, STRAX AB. The balance sheet for liquidation purposes does not deviate from the balance sheet for the parent company included in the Q3 report.

Zebra Invest GmbH, after the Q3 period raised concerns over their majority investment into the European distribution business that could potentially lead to them making claims towards guarantees in the investment participation agreement entered with Strax Holding GmbH. The transaction was carried out in a customary process with respect to legal and financial due diligence by the investor and all questions raised was answered during the process The business has been challenging in the European distribution business, especially during September and October, negatively impacting the results. At the same time a lot of efforts are focused on stabilizing the business and together with Zebra a both strategic and operational overview is performed.

STRAX AB, through its subsidiary STRAX Holding GmbH, divested its ownership of Urbanista AB for at total consideration of the equivalent of approximately MEUR 24.5 to P Capital Partners AB (“PCP”), with a potential upside for the Group. The consideration of approximately MEUR 24.5 was fully assigned towards the outstanding loans under the facility agreement with PCP. The sale will also lead to a capital gain of approximately MEUR 19.4.

## 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 -360 (-2 028), of which investments in software amounted to - (-1 922), property, plant and equipment amounted to - (-106), divestment in subsidiaries amounted to -360 (-).

## The parent company’s result for the period

amounted to -53 863 (-). The result included administrative expenses -1 965 (-1 092) and net financial items -51 898 (149). As of December 31, 2023, total assets amounted to 24 768 (79 078) of which equity totaled 9 213 (63 076). Cash and cash equivalents amounted to 9 (2 538). In the parent company shares and participations in subsidiaries have been written down by 51.7 MEUR to reflect the market conditions, divestment of operations and expected values as a consequence thereof. The Board has in connection with the Q3 report prepared a Balance sheet for liquidation purposes for the parent company, STRAX AB.
The balance sheet for liquidation purposes does not deviate from the balance sheet for the parent company included in the Q3 report.

## Significant events after the end of the period

As of December 31, 2023, STRAX is not fulfilling the special conditions in the loan agreement with PCP due to the development of profitability and financial position in the Group. STRAX board and management is working closely with PCP on the strategical and tactical plan to return to compliance of the agreement. After the end of the period STRAX has received a waiver from PCP concerning the breach.

Bertil Villard resigned as a Board member and as Chairman of STRAX AB. Ingvi Tyr Tomasson has been appointed the Chairman of the Board following the resignation of Bertil Villard.

The Nomination Committee is working on the proposal for the Board composition to be elected at the AGM planned for May 2024.

The Board of Directors propose no dividend be paid out for the financial year 2023.

## 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.

Subject to acceptable profitability threshold STRAX will invest in eCommerce sales channels, through indirect channels, direct brand websites and marketplaces to diversify its traditional retail customer base and secure growth.

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. Reduced overall demand for mobile accessories, initially stemming from the Covid-19 pandemic, now high inflation, is expected to continue through 2024 but will not alter our mid- to longer-term plans in the product category.

## 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, financing, interest rate and credit risk. The current market conditions in combination with the losses and financial position of the group significantly increases the liquidity risk as well as the financing risk of the company.

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.

Russia's military intervention in Ukraine has led to growing geopolitical uncertainty. STRAX does not conduct any operations in Russia or Ukraine and is not directly impacted from a business perspective, but is indirectly affected by, among other things, increased material prices and supply chain disruptions. STRAX is actively working to limit the negative effects of the situation that has arisen.

For further information on risks and risk management, reference is made to the 2022 annual report.

## FINANCIAL CALENDAR:

February 27 2024
Year-end report 2023

April 2024
Annual report 2023

May 22 2024
Interim report January – March 2024

May 22 2024
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 27, 2024

Ingvi Tyr Tomasson
Chairman

Anders Lönnqvist
Director

Gudmundur Palmason
Director/CEO

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

# Group

| Key ratios | 2023 (3 months) Oct 1– Dec 31 | 2022 (3 months) Oct 1– Dec 31 | 2023 (12 months) Jan 1- Dec 31 | 2022 (12 months) Jan 1 - Dec 31 |
|---|---|---|---|---|
| **FINANCIAL KEY RATIOS** | | | | |
| Sales growth, % | -45.7 | 70.1 | -27.3 | 38.5 |
| Gross margin, % | -220.0 | -36.4 | -34.9 | 0.90 |
| Equity, MEUR | -49.8 | -6.5 | -49.8 | -6.5 |
| Equity/asset ratio, % | -213.0 | -6.5 | -213.0 | -6.5 |
| **DATA PER SHARE** | | | | |
| Equity, EUR | -0.41 | -0.05 | -0.41 | -0.05 |
| Equity, SEK | -4.58 | -0.60 | -4.58 | -0.60 |
| Result continuing operations, EUR | -0.15 | -0.08 | -0.40 | -0.17 |
| Result continuing operations, SEK | -1.71 | -0.82 | -4.58 | -1.80 |
| Result from discontinued operations, EUR | 0.00 | -0.03 | 0.03 | 0.01 |
| Result from discontinued operations, SEK | 0.00 | -0.35 | 0.34 | 0.06 |
| **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 |
| **EMPLOYEES** | | | | |
| Average number of employees | 86 | 203 | 86 | 203 |

## Calculation ratios

| | 3 Months 2023 Oct 1 - Dec 31 | 3 Months 2022 Oct 1 - Dec 31 | 3 Months 2021 Oct 1 - Dec 31 | 12 Months 2023 Jan 1 - Dec 31 | 12 Months 2022 Jan 1 - Dec 31 | 12 Months 2021 Jan 1 - Dec 31 |
|---|---|---|---|---|---|---|
| **Sales** | | | | | | |
| Sales | 5 269 | 9 697 | 5 700 | 30 180 | 41 512 | 29 964 |
| Increase (+)/decrease (-) | -4 428 | 3 997 | | -11 332 | 11 548 | |
| Sales growth | | | | | | |
| Increase (+)/decrease (-) | -4 428 | 3 997 | | -11 332 | 11 548 | |
| Value previous year | 9 697 | 5 700 | | 41 512 | 29 964 | |
| = Sales growth | -45,7% | 70,1% | | -27,3% | 38,5% | |
| **Gross profit** | | | | | | |
| Gross profit | -11 593 | -3 532 | | -10 527 | 357 | |
| Sales | 5 269 | 9 697 | | 30 180 | 41 512 | |
| = Gross profit % | -220,0% | -36,4% | | -34,9% | 0,9% | |
| **Equity assets ratio** | | | | | | |
| Equity | -49 796 | -6 482 | | -49 796 | -6 482 | |
| Total assets | 23 376 | 99 595 | | 23 376 | 99 595 | |
| = Equity assets ratio % | -213,0% | -6,5% | | -213,0% | -6,5% | |

# Group

| Summary income statements, KEUR | 2023 (3 months) Oct 1 – Dec 31 | 2022 (3 months) Oct 1 – Dec 31 | 2023 (12 months) Jan 1 – Dec 31 | 2022 (12 months) Jan 1- Dec 31 |
|---|---|---|---|---|
| Net sales | 5 269 | 9 697 | 30 180 | 41 512 |
| Cost of goods sold | -16 862 | -13 229 | -40 707 | -41 155 |
| **Gross profit** | **-11 593** | **-3 532** | **-10 527** | **357** |
| | | | | |
| Selling expenses | -24 082 | -3 734 | -30 997 | -12 762 |
| Administrative expenses [(1)] | -760 | -489 | -3 549 | -3 378 |
| Other operating expenses | 3 181 | -3 180 | -12 472 | -22 406 |
| Other operating income | 22 165 | 1 517 | 23 503 | 21 444 |
| Income from associated company | -3 502 | - | -5 062 | - |
| **Operating profit** | **-14 592** | **-9 418** | **-39 105** | **-16 745** |
| | | | | |
| Financial income | 1 | 2 | 42 | 2 |
| Financial expenses | -3 347 | 636 | -9 496 | -2 923 |
| **Net financial items** | **-3 346** | **638** | **-9 454** | **-2 921** |
| | | | | |
| **Profit before tax** | **-17 938** | **-8 780** | **-48 559** | **-19 666** |
| Tax | -47 | -454 | 372 | -682 |
| **Profit or loss from continuing operations after tax** | **-17 985** | **-9 234** | **-48 187** | **-20 348** |
| Profit or loss from discontinued operations after tax | -46 | -3 995 | 3 545 | 720 |
| **PROFIT OR LOSS FOR THE PERIOD** [(2)] | **-18 031** | **-13 229** | **-44 642** | **-19 628** |
| *Basic earnings per share continuing operations, EUR* | *-0.15* | *-0.08* | *-0.40* | *-0.17* |
| *Diluted earnings per share continuing operations, EUR* | *-0.14* | *-0.07* | *-0.39* | *-0.16* |
| *Basic earnings per share discontinued operations, EUR* | *0.00* | *-0.03* | *0.03* | *0.01* |
| *Diluted earnings per share discontinued operations, EUR* | *0.00* | *-0.03* | *0.03* | *0.01* |
| *Weighted average number of shares during the period* | *120 592 332* | *120 592 332* | *120 592 332* | *120 592 332* |
| *Weighted diluted average number of shares during the period* | *124 687 332* | *124 687 332* | *124 687 332* | *124 687 332* |

| Statement of comprehensive income, KEUR | | | | |
|---|---|---|---|---|
| Result for the period | -18 031 | -13 229 | -44 642 | -19 628 |
| Other comprehensive income, translation gains/losses on consolidation net of tax | 1 822 | 630 | 1 328 | - 890 |
| **Total comprehensive income for the period** | **-16 209** | **-12 599** | **-43 314** | **-20 518** |

[1)] Depreciation and amortization for the period January 1 – December 31, 2023, amounted to -334 (1 231).
[2)] The result for the period, respectively the total comprehensive income is attributed to the parent company's shareholders.

# Operating segment

## YTD 2023

| Operating Segment, KEUR | 2023<br>(12 months)<br>Jan 1 - Dec 31 | 2022<br>(12 months)<br>Jan 1 - Dec 31 | 2023<br>(12 months)<br>Jan 1 - Dec 31 | 2022<br>(12 months)<br>Jan 1 - Dec 31 |
|---|---|---|---|---|
| | **Own Brands and Others** | | **Total** | |
| Net Sales | 30 180 | 41 512 | 30 180 | 41 512 |
| Net COS | -40 707 | -41 155 | -40 707 | -41 155 |
| **Gross profit** | **-10 527** | **357** | **-10 527** | **357** |
| Gross Margin | -34,9% | 0,9% | -34,9% | 0,9% |
| | | | | |
| Distribution Costs | -30 997 | -12 762 | -30 997 | -12 762 |
| Administrative Expenses | -3 549 | -3 378 | -3 549 | -3 378 |
| Other Operating Expenses | -12 472 | -22 406 | -12 472 | -22 406 |
| Other Operating Income | 23 503 | 21 444 | 23 503 | 21 444 |
| Income from associated company | -5 062 | - | -5 062 | - |
| **EBIT** | **-39 105** | **-16 745** | **-39 105** | **-16 745** |
| Depreciations and amortizations | | | -334 | 1 231 |
| **EBITDA** | | | **-39 438** | **-15 514** |
| Depreciations and amortizations | | | 334 | -1 231 |
| Financial Income | | | 42 | 2 |
| Financial Expenses | | | -9 496 | -2 923 |
| **Profit before tax** | | | **-48 559** | **-19 666** |
| Taxes | | | 372 | -682 |
| **Profit or loss from continuing operations after tax** | | | **-48 187** | **-20 348** |
| Profit or loss from discontinued operations after tax | | | 3 545 | 720 |
| **Profit or loss for the period** | | | **-44 642** | **-19 628** |

# Q4 2023

| Operating Segment, KEUR | 2023 (3 months) Oct 1 - Dec 31 | 2022 (3 months) Oct 1 - Dec 31 | 2023 (3 months) Oct 1 - Dec 31 | 2022 (3 months) Oct 1 - Dec 31 |
|---|---|---|---|---|
| | **Own Brands and Others** | | **Total** | |
| Net Sales | 5 269 | 9 697 | 5 269 | 9 697 |
| Net COS | -16 862 | -13 229 | -16 862 | -13 229 |
| **Gross profit** | **-11 593** | **-3 532** | **-11 593** | **-3 532** |
| Gross Margin | -220,0% | -36,4% | -220,0% | 17,8% |
| | | | | |
| Distribution Costs | -24 082 | -3 734 | -24 082 | -3 734 |
| Administrative Expenses | -760 | -489 | -760 | -489 |
| Other Operating Expenses | 3 181 | -3 180 | 3 181 | -3 180 |
| Other Operating Income | 22 165 | 1 517 | 22 165 | 1 517 |
| Income from associated company | -3 502 | - | -3 502 | - |
| **EBIT** | **-14 592** | **-9 418** | **-14 592** | **-9 418** |
| Depreciations and amortizations | | | -925 | -57 |
| **EBITDA** | | | **-15 516** | **-9 475** |
| Depreciations and amortizations | | | 925 | 57 |
| Financial Income | | | 1 | 2 |
| Financial Expenses | | | -3 347 | 636 |
| **Profit before tax** | | | **-17 938** | **-8 780** |
| Taxes | | | -47 | -454 |
| **Profit or loss from continuing operations after tax** | | | **-17 985** | **-9 234** |
| Profit or loss from discontinued operations after tax | | | -46 | -3 995 |
| **Profit or loss for the period** | | | **-18 031** | **-13 229** |

## Breakdown of net sales by operating segment

| Net sales per segment, KEUR | 2023 Jan 1 – Dec 31 | % | 2022 Jan 1 – Dec 31 | % |
|---|---|---|---|---|
| Own brands | 30 180 | 100% | 41 512 | 100% |
| **Total** | **30 180** | **100%** | **41 512** | **100%** |

## Breakdown of net sales by product category

The tables below show net sales by product category in total and operating segment:

| Own brands net sales per product category, KEUR | 2023 Jan 1 – Dec 31 | % | 2022 Jan 1 – Dec 31 | % |
|---|---|---|---|---|
| Accessories | 13 581 | 45% | 9 963 | 24% |
| Audio | 12 072 | 40% | 13 284 | 32% |
| Health and Wellness | 4 527 | 15% | 18 265 | 44% |
| **Total** | **30 180** | **100%** | **41 512** | **100%** |

| Own brands net sales per product category, KEUR | 2023 Oct 1 – Dec 31 | % | 2022 Oct 1 – Dec 31 | % |
|---|---|---|---|---|
| Accessories | 2 371 | 45% | 1 277 | 13% |
| Audio | 2 107 | 40% | 3 803 | 39% |
| Health and Wellness | 790 | 15% | 4 617 | 48% |
| **Total** | **5 269** | **100%** | **9 697** | **100%** |

# Geographic market and regions

Below geographic information reflects net sales per geographical market and by region:

| | 2023 | 2022 |
|---|---|---|
| **Geographic market and regions, KEUR** | **Own Brands** | **Own Brands** |
| **Western Europe** | | |
| Denmark | 324 | 158 |
| France | 1 118 | 101 |
| Germany | 1 676 | 5 634 |
| Netherlands | 265 | 71 |
| Switzerland | 1 179 | -28 |
| Austria | 42 | 93 |
| Norway | 29 | 13 |
| Poland | 151 | -14 |
| Sweden | 1 033 | 673 |
| UK | 3 543 | 8 340 |
| Spain | 638 | 408 |
| Belgium | 232 | 10 |
| Italy | 1 099 | 1 327 |
| Finland | 742 | 121 |
| **North America** | **14 231** | **20 934** |
| **Rest of the world** | **3 877** | **3 671** |
| **Total** | **30 180** | **41 512** |

# Group

| Summary balance sheets, KEUR | 2023 December 31 | 2022 December 31 |
|---|---|---|
| **ASSETS** | | |
| **NON-CURRENT ASSETS** | | |
| Goodwill | 4 001 | 22 774 |
| Other intangible assets | 771 | 4 317 |
| Property, Plant & Equipment | 666 | 886 |
| Investments in associated companies | 4 357 | - |
| Other assets | 1 138 | 1 706 |
| Deferred tax assets | - | 514 |
| **Total non-current assets** | **10 932** | **30 197** |
| **CURRENT ASSETS** | | |
| Inventories | 6 934 | 26 644 |
| Tax receivables | 784 | 1 170 |
| Accounts receivable | 3 203 | 18 661 |
| Other assets | 361 | 8 646 |
| Cash and cash equivalents | 1 163 | 2 909 |
| Assets held for sale | - | 11 368 |
| **Total current assets** | **12 444** | **69 398** |
| **TOTAL ASSETS** | **23 376** | **99 595** |
| **EQUITY AND LIABILITIES** | | |
| **Equity** | **-49 796** | **-6 482** |
| **NON-CURRENT LIABILITIES:** | | |
| Tax liabilities | 422 | 3 |
| Other liabilities | 648 | 3 629 |
| Interest-bearing liabilities | 1 188 | 1 742 |
| Deferred tax liabilities | - | 1 536 |
| **Total non-current liabilities** | **2 259** | **6 910** |
| **Current liabilities:** | | |
| Provisions | 612 | 714 |
| Interest-bearing liabilities | 11 499 | 48 094 |
| Accounts payable | 10 088 | 26 720 |
| Tax liabilities | 1 625 | 4 714 |
| Liabilities to associated companies | 33 558 | - |
| Other liabilities | 13 532 | 16 334 |
| Liabilities associated with assets held for sale | - | 2 591 |
| **Total current liabilities** | **70 913** | **99 167** |
| **Total liabilities** | **73 172** | **106 077** |
| **TOTAL EQUITY AND LIABILITIES** | **23 376** | **99 595** |

| Summary of changes in equity, KEUR | |
|---|---|
| **Equity as of December 31, 2021** | **14 036** |
| Comprehensive income January 1 – December 31 2022 | -20 518 |
| **Equity as of December 31, 2022** | **-6 482** |
| Comprehensive income January 1 – December 31, 2023 | -43 314 |
| **Equity as of December 31, 2023** | **-49 796** |

# Group

| Summary cash flow statements, KEUR | 2023 (3 months) Oct 1- Dec 31 | 2022 (3 months) Oct 1- Dec 31 | 2023 (12 months) Jan 1- Dec 31 | 2022 (12 months) Jan 1- Dec 31 |
|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | |
| Result before tax, continuing operations | -17 937 | -8 780 | -48 558 | -19 666 |
| Adjustment for items not included in cash flow from operations or items not affecting cash flow | 5 634 | 2 775 | 9 165 | 8 699 |
| Paid taxes | -48 | -1 732 | -512 | -2 099 |
| **Cash flow from continuing operations prior to changes in working capital** | **-12 351** | **-7 737** | **-39 905** | **-13 066** |
| Cash flow from changes in working capital: | | | | |
| Increase (-)/decrease (+) operating items | 3 708 | 23 253 | 39 301 | 28 752 |
| **Cash flow from operating activities continuing operations** | **-8 643** | **15 516** | **-604** | **15 686** |
| Cash flow from operating activities discontinued operations | 9 881 | -5 860 | 2 660 | -6 805 |
| **Cash flow from operations** | **1 238** | **9 836** | **2 056** | **8 881** |
| **INVESTMENT ACTIVITIES** | | | | |
| Investments in software | - | -1 158 | - | -1 922 |
| Investments in property, plant & equipment | - | -250 | - | -106 |
| Divestment subsidiaries | -29 | - | -360 | - |
| **Cash flow from investing activities of continuing operations** | **-29** | **-1 408** | **-360** | **-2 028** |
| Cash flow from investing activities of discontinued operations | - | -2 562 | - | -3 672 |
| **Cash flow from investment activities** | **-29** | **-3 970** | **-360** | **-5 700** |
| **FINANCING ACTIVITIES** | | | | |
| Interest-bearing liabilities | 2 056 | -1 240 | - | 5 995 |
| Amortization of interest-bearing liabilities | -3 007 | -11 | -3 007 | -98 |
| Repayment Leasing liabilities | - | -456 | - | -1 476 |
| Paid interest and other expenses | - | -2 727 | -435 | -7 076 |
| **Cash flow from financing activities of continuing operations** | **-951** | **-4 434** | **-3 442** | **-2 655** |
| Cash flow from financing activities of discontinued operations | - | **-1 114** | - | -218 |
| **Cash flow from financing activities** | **-951** | **-5 548** | **-3 442** | **-2 873** |
| **Cash flow for the period** | **258** | **318** | **-1 746** | **308** |
| Cash and cash equivalents at the beginning of the period | - | - | 2 909 | 2 601 |
| **Cash and cash equivalents at the end of the period** | **258** | **318** | **1 163** | **2 909** |

## NOTE 1 REFERENCES

- Seasonal and phone launch fluctuations, see page 7.
- Reporting per operating segment see pages 12-14.
- For further information on accounting principles reference is made to the 2022 annual report.
- For events after the end of the period, see pages 7-8.

## NOTE 2 ACCOUNTING PRINCIPLES

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 2022.

## HELD FOR SALE OR/AND DISCONTINUED OPERATIONS

During the fall of 2022 the board of directors conducted a strategic review of the groups business and as a result of that process it was decided to simplify the group structure and reduce the number of brands and types of businesses we engage in as well as operational entities in the group.

The divestment of the majority ownership in the European Distribution represented the full Segment "Distribution" and as an effect it has been reported applying IFRS – Discontinued operations. The effect is that the profit or loss for the period January 1 – December 31, 2023, and October 1 – December 31, 2023 and corresponding figures last year has been reported Profit/loss from discontinued operations in the Income statement. The divestment of Distribution is an own segment and therefore treated as discontinued operations. The main part of discontinued operations in the schedule below belongs to the segment Distribution.

## Group

| Income statements for discontinued operations, KEUR | 2023<br>(3 months)<br>Oct 1 – Dec 31 | 2022<br>(3 months)<br>Oct 1 – Dec 31 | 2023<br>(12 months)<br>Jan 1 – Dec 31 | 2022<br>(12 months)<br>Jan 1 - Dec 31 |
|---|---|---|---|---|
| Net sales | 1 | 12 968 | 20 754 | 70 795 |
| Cost of goods sold | -1 | -11 835 | -16 327 | -57 292 |
| **Gross profit** | **-** | **1 133** | **4 427** | **13 503** |
| | | | | |
| Selling expenses | -46 | -1 637 | -2 815 | -7 243 |
| Administrative expenses | - | -765 | -1 335 | -3 089 |
| Other operating expenses | -1 | 3 863 | 277 | -852 |
| Other operating income | 1 | -2 752 | 1 321 | 3 295 |
| **Operating profit** | **-45** | **-158** | **1 876** | **5 614** |
| | | | | |
| Financial income | -1 | - | - | - |
| Financial expenses | 1 | -3 589 | 1 118 | -4 374 |
| **Net financial items** | **-** | **-3 589** | **1 118** | **-4 374** |
| | | | | |
| **Profit before tax** | **-45** | **-3 747** | **2 994** | **1 240** |
| Tax | - | -248 | 552 | -520 |
| **Profit or loss from discontinued operations after tax** | **-46** | **-3 995** | **3 545** | **720** |

# Group

| Bridge to EBITDA discontinued operations KEUR | 2023 (3 months) Oct 1 – Dec 31 | 2022 (3 months) Oct 1 - Dec 31 | 2023 (12 months) Jan 1 - Dec 31 | 2022 (12 months) Jan 1 - Dec 31 |
|---|---|---|---|---|
| **Operating profit from discontinued operations** | **-45** | **-158** | **1 876** | **5 614** |
| + Depreciation & amortization from discontinued operations | 48 | -76 | 334 | 416 |
| **EBITDA from discontinued operations** | **3** | **-234** | **2 210** | **6 030** |

# 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 continuing operations KEUR | 2023 (3 months) Oct 1 – Dec 31 | 2022 (3 months) Oct 1 - Dec 31 | 2023 (12 months) Jan 1 - Dec 31 | 2022 (12 months) Jan 1 - Dec 31 |
|---|---|---|---|---|
| **Operating profit from continuing operations** | **-14 592** | **-9 418** | **-39 105** | **-16 745** |
| + Depreciation & amortization from continuing operations | -925 | -1 288 | -334 | 1 231 |
| **EBITDA from continuing operations** | **-15 516** | **-10 706** | **-39 438** | **-15 514** |

# Parent Company

| Summary income statements, KEUR | 2023 (3 months) Oct 1 - Dec 31 | 2022 (3 months) Oct 1 - Dec 31 | 2023 (12 months) Jan 1 - Dec 31 | 2022 (12 months) Jan 1 - Dec 31 |
|---|---|---|---|---|
| **INVESTMENT ACTIVITIES** | | | | |
| Net Sales | - | 415 | - | 943 |
| **Gross profit** | **-** | **415** | **-** | **943** |
| Administrative expenses | -699 | -209 | -1 965 | -1 092 |
| **Operating income** | **-699** | **206** | **-1 965** | **-149** |
| Net financial items | -106 | -206 | -51 898 | 149 |
| **Result after financial items** | **-805** | **-** | **-53 863** | **-** |
| **RESULT FOR THE PERIOD** | **-805** | **-** | **-53 863** | **-** |
| **Statement of comprehensive income, KEUR** | | | | |
| Result for the period | -805 | - | -53 863 | - |
| Other comprehensive income | - | - | - | - |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | **-805** | **-** | **-53 863** | **-** |

| Summary balance sheets, KEUR | 2023 December 31 | 2022 December 31 |
|---|---|---|
| **ASSETS** | | |
| Non-current assets | 43 | 129 |
| Non-current financial assets | 23 999 | 75 755 |
| **Total non-current assets** | **24 042** | **75 884** |
| Current receivables | 286 | 206 |
| Prepaid expenses and accrued income | 431 | 450 |
| Cash and bank balances | 9 | 2 538 |
| **Total current assets** | **726** | **3 194** |
| **TOTAL ASSETS** | **24 768** | **79 078** |
| **EQUITY AND LIABILITIES** | | |
| **Equity** | **9 213** | **63 076** |
| Current liabilities | 15 555 | 16 002 |
| **Total liabilities** | **15 555** | **16 002** |
| **TOTAL EQUITY AND LIABILITIES** | **24 768** | **79 078** |

| Summary of changes in equity, KEUR | |
|---|---|
| **Equity as of December 31, 2021** | **63 076** |
| Comprehensive income Jan 1 – Dec 31 2022 | - |
| **Equity as of December 31, 2022** | **63 076** |
| Comprehensive income Jan 1 - Dec 31 2023 | -53 863 |
| **Equity as of December 31, 2023** | **9 213** |