



Q3
2022

STRAX

STRAX – still facing challenges but actions taken and a positive outlook for 2023

- The Group's sales for the period January 1 – September 30, 2022, amounted to MEUR 83.2 (65.1) with a gross margin of 20.6 (19.0) percent.
- The Group's result for the period January 1 – September 30, 2022, amounted to MEUR -6.4 (-1.3) corresponding to EUR -0.05 (-0.01) per share.
- EBITDA from remaining operations for the period January 1 – September 30, 2022, amounted to MEUR 4.9 (4.0).
- Equity as of September 30, 2022, amounted to MEUR 4.7 (17.1) corresponding to EUR 0.04 (0.14) per share.
- Following a decision by the board of directors in September 2022 to have a more focused strategy and simplified group operating structure, these brands and businesses are reported as discontinued operations: own brands Dóttir and grell, licensing business under Telecom Lifestyle Fashion, and the Health and Wellness business.
- External factors continued to have negative impact on sales of own mobile accessories and personal audio products, whilst sales of lower margin health products remained relatively stable. Our average blended gross margin does therefore remain compressed relative to those we achieved prior to the Covid-19 pandemic.

“The new streamlined STRAX is well positioned for profitable growth and all the remaining own brands have a sound potential for continued expansion, particularly in North America. By focusing on the European distribution business and fewer brands we will be able to enhance efficiency, growth, and profitability as we are freeing up both resources and management attention. Some of the businesses that will be divested also have viable commercial potential, but we believe those will benefit more under a different ownership. We don't expect the divestments to generate any losses.”

Gudmundur Palmason, CEO

This information is information that STRAX AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:55 CET on November 24, 2022.

COMMENTS FROM THE CEO



STRAX today consist of both growing businesses as well as parts that we have not developed as expected. We have reached a strategic decision to divest the parts of our business that no longer fit in the future STRAX, in line with what we have previously indicated. The result will be a more focused and profitable STRAX consisting of the robust European distribution business and own brands Urbanista, Cickr, RichmondFinch and Planet Buddies*.

The new streamlined STRAX is well positioned for profitable growth and all the remaining own brands have a sound potential for continued expansion, particularly in North America. By focusing on the European distribution business and fewer brands we will be able to enhance efficiency, growth, and profitability as we are freeing up both resources and management attention. Some of the businesses that will be divested also have viable commercial potential, but we believe those will benefit more under a different ownership. We don't expect the divestments to generate any losses.

Q3 in numbers

Due to several macro-economic factors, such as higher inflation, stronger USD and decreased consumer spending power, STRAX is being negatively affected. Sales in Q3 amounted to MEUR 22.2 (23.2), corresponding to a decrease of 4% compared to the same period last year. The decline in sales are largely from the Health & Wellness business unit as societies have gone back to a more normal way of life after Covid-19, causing our Own Brands segment sales to drop to MEUR 6.7 (10.8). Distribution sales continued showing momentum and grew by 25% to MEUR 15.4 (12.3).

EBITDA for the quarter amounted to MEUR 0.9 (1.7) and the gross margin increased to 28.7% (10.3%).

We are seeing a future in STRAX new shape that will provide for a higher margin profile. Both on gross level, but also on our EBITDA as cost efficiencies will become more transparent in a less scattered business.

YTD & TTM numbers

Sales for the period January – September 2022 were MEUR 83.2 (65.1) a 27.8% growth that is mainly related to sales of antigen tests in Germany. The remaining part of STRAX displayed an improved profitability with an EBITDA of MEUR 4.9 (4.0) inclusive of MEUR 1.0 (2.2) in DTC eCommerce losses. Discontinued businesses showed a negative EBITDA of MEUR -4.4 (-1.3) for the same time period. Gross margin for the period rose to 20.6% (19.0) for the remaining business.

Looking at the trailing twelve-month period ending 30 September 2022, sales from remaining business were MEUR 120 and the EBITDA reached MEUR 6.3, fully taking into consideration MEUR 1.7 losses from DTC eCommerce, now fully scaled back and operated at breakeven. This clearly highlights the underlying prospects and the profitability of the new streamlined STRAX.

Strategic decisions – discontinued businesses

In line with our ambitions of a company with less operational complexities, fewer brands as well as types of businesses, we have taken the strategic decision to divest Health & Wellness, Telecom Lifestyle Fashion (licensing business), grell and Dóttir. This outcome will give STRAX the possibility to focus on the remaining parts of the business that are growing and have underlying increased sales potential. This strategic decision was based on an analysis centered on each brand and business unit growth prospects and differentiation on one hand, and continued investments with a preserved risk profile on the other hand.

With the divestiture of the discontinued business, we have the possibility to strengthen our liquidity when the businesses are ultimately sold, as well as decrease our balance sheet and debt levels. We are seeing a positive development in our remaining businesses, where our European distribution continues to perform well, while there is an upward sales and profitability trend in Urbanista, Cickr and Planet Buddies.

* Figures for remaining and discontinued business may be found further down in the report.

We have furthermore fully scaled back our DTC eCommerce performance marketing activities, an area where we have sustained losses in excess of MEUR 6 in the past 30 months. This will give us the possibility to further invest in businesses we are certain have the best growth and profitability prospects.

We have previously communicated our ambition of enhancing the understanding of our business by separating the Distribution segment, STRAX Distribution, and our own consumer brands, under Xstra Brands with those being Urbanista, Clckr, Planet Buddies and RichmondFinch. This is something that would mean a leaner and simpler operating structure and provide for better transparency of each business. It would also create a more favorable foundation for each segment to reach their full potential. This is something we are preparing STRAX for as we are now taking more steps to lay the pavement for a less complex business operation and focus on profitability and growth.

A better fitted STRAX for the future

As we are now shaping the new STRAX we see future potential to grow existing businesses and increase profitability. Within European distribution we have seen a steady growth during the year with its broad and diversified customer base, stretching from telecom operators to consumer electronic stores, mass retailers and B2B enterprises. However, we see continued growth prospects if we invest in further automatization and infrastructure that will increase our margins and facilitate new customer expansion. We also see growth opportunities within existing businesses in distribution, such as expanding brand partners and portfolios.

Together with our remaining own brands, now better fit for profitability, we see a STRAX that can focus and put more resources on enhancing growth, efficiency and profitability in our current portfolio and our lucrative distribution segment.

We have been going through a tough 30-month spell, during which everyone at STRAX has stayed positive towards our common objectives whilst being resilient at the same time. This type of perseverance, day-in-day-out, by every single colleague deserves special praise, and I want to thank everyone for their commitment to continue on this path until we are through this.

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 categories: Protection, Power, Connectivity, as well as Personal Audio. Own brands are Urbanista, Clckr, Planet Buddies and RichmondFinch. Our distribution business reaches a broad customer base, through 70 000 brick and mortar stores around the globe, as well as through online marketplaces and direct-to-consumers. Our distribution business also services over 40 other major mobile accessory brands.

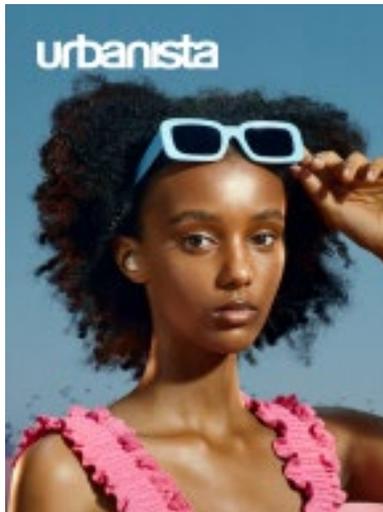
Founded as a trading company in 1995, STRAX has since expanded worldwide and evolved into a global brand and distribution business. Today we have over 200 employees in 13 countries. STRAX is listed on the Nasdaq Stockholm stock exchange.

Discontinued operations include Health & Wellness, own brands Dóttir and grell, and licensed brand portfolio of adidas and Diesel.



, Office and warehouse in Troisdorf, Germany

OWN BRANDS - MOBILE ACCESSORIES



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.



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

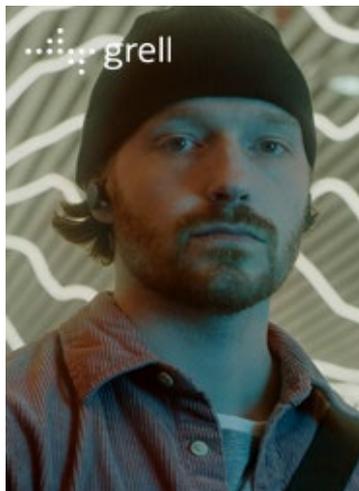
RichmondFinch is a Scandinavian tech accessories brand. RichmondFinch designs and produces contemporary mobile phone and travel accessories. The unisex lifestyle brand creates unique designs which reflect current fashion trends.

DISCONTINUED - OWN BRANDS



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.



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

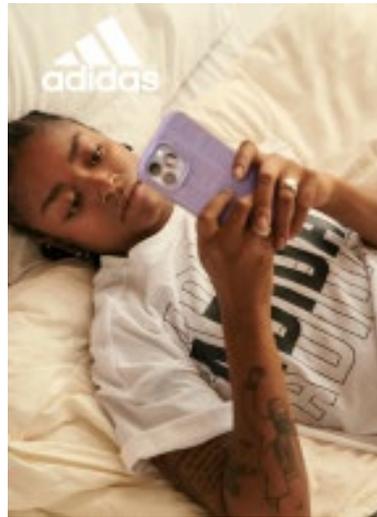
Dóttir started as an idea between friends that popped up on a stroll around London, creating a headphone for World Class athletes that allows them to train freely without outside distraction. From there it has grown into something much bigger, not only a brand that creates headphones for athletes but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

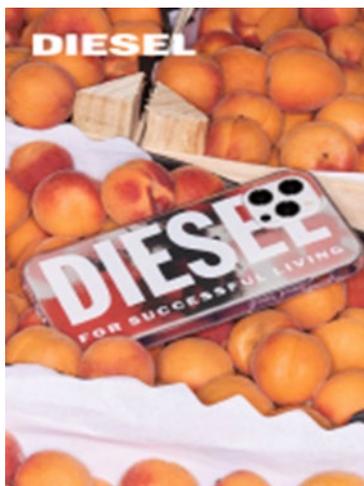
adidas Originals continues to evolve the brand's legacy through its commitment to product innovation. Inspired by the creativity and courage found in sporting arenas, the adidas Originals smartphone cases combine contemporary youth culture design with resilient protection features



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.

DISCONTINUED - HEALTH & WELLNESS



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.



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 interim report for the period January 1 – September 30, 2022

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 – September 30, 2022

The Group's net sales for the period January 1 – September 30, 2022, amounted to 83 198 (65 076). Gross profit amounted to 17 167 (12 243) and gross margin amounted to 20.6 (19.0) percent. Operating profit amounted to 3 332 (2 551).

Result for the period from remaining operations amounted to -1 484 (361) and the result for the period amounted to -6 398 (-1 310).

The result included gross profit 17 167 (12 243) selling expenses -12 637 (-10 847), administrative expenses -3 685 (-2 957), other operating expenses -23 135 (-6 395), other operating income 25 623 (10 506), net financial items -4 316 (-3 389) and tax -500 (1 175).

As of September 30, 2022, total assets amounted to 112 923 (109 884), of which equity totaled 4 695 (17 178), corresponding to equity/assets ratio of 4.2 (14.6) percent. Interest-bearing liabilities as of September 30, 2022, amounted to 50 288 (39 747). The group's cash and cash equivalents amounted to 2 591 (1 876).

As a result of the compressed margin and inventory write down during the second half of 2021, the group did not meet one of the financial covenants in the loan agreement with PCP as of December 31, 2021. After the end of the period a waiver for the breach was granted and this waiver was again granted for Q3 2022. The fact the waiver was granted after the end of the period has the effect under IFRS that the related interest-bearing debt is reported as current in the balance sheet as of September 30, 2022.

Significant events during the period

STRAX entered a partnership with a German personal protective equipment specialist company to deliver Covid-19 tests to a regional government body in Germany.

STRAX extended its partnership with the German personal protective equipment specialist company to deliver Covid-19 tests to another regional government body in Germany. The total value of the contract has increased and will be covering a 24-month period, where total volumes are expected to be higher with lower volumes in Q2.

AirPop, the premium high performance face mask brand STRAX holds a five-year global exclusive distribution agreement for, recently secured key

retail channels in the United States, Canada, and Australia.

CLCKR, the mobile phone accessory brand, wholly owned by STRAX announced that their range of mobile stand and grip accessories are now available in over 10,000 stores in the US.

STRAX subsidiary Urbanista, the Swedish lifestyle audio brand, announced the launch of Urbanista Phoenix – the world's first true wireless, active noise cancelling earphones powered by light.

Following a decision by the board of directors in September 2022 to have a more focused strategy and simplified group operating structure, these brands and businesses are reported as discontinued operations: own brands Dóttir and grell, licensing business under Telecom Lifestyle Fashion, and the Health and Wellness business.

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 1 730 (1 562), of which investments in intangible assets amounted to 764 (416), property, plant and equipment amounted to 144 (665) and investments in subsidiaries amounted to - (480).

The parent company's result for the period amounted to - (-). The result included gross profit of 528 (840), administrative expenses -883 (-930) and net financial items 355 (90).

As of September 30, 2022, total assets amounted to 79 297 (77 508) of which equity totaled 63 076 (63 076). Cash and cash equivalents amounted to 2 784 (1 266).

Significant events after the end of the period

The company and PwC has, in light of the company's size and to adapt thereto, agreed that PwC's assignment as auditor shall terminate prematurely. The Board of Directors, which in its entirety fulfills the duties assigned to an audit committee, has carried out a procurement process to identify a new auditor and found that Mazars AB, with Samuel Bjälkemo as auditor in charge, and Andreas Brodström, also at Mazars AB, are well suitable for the assignment. Against this background, the Board of Directors proposes an EGM called for December 16, 2022, votes in line with the proposal which have been endorsed by the nomination committee.

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 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. 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.

We expect our overall online sales to grow significantly, albeit from a relatively low base, with total eCommerce accounting for 20-30% of our sales in 2025. 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 through 2022 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, 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.

The Covid-19 pandemic continues to impact our day-to-day business and some of the initial measures taken back in March 2020 remain intact. We expect these measures to remain in place throughout 2022.

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 2021 annual report.

FINANCIAL CALENDAR:

February 23, 2023
Year-end report 2022

April 2023
Annual report 2022

May 25, 2023
Interim report January – March 2023

May 25, 2023
Annual General Meeting

**For further information
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Johan Heijbel (CFO)

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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, November 24, 2022

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	2022	2021	2022	2021	2021
	(3 months) Jul 1– Sept 30	(3 months) Jul 1– Sept 30	(9 months) Jan 1– Sept 30	(9 months) Jan 1– Sept 30	(12 months) Jan 1– Dec 31
FINANCIAL KEY RATIOS					
Sales growth, %	-4.2	2.0	27.8	9.1	10.7
Gross margin, %	28.7	10.3	20.6	19.0	15.1
Equity, MEUR	4.7	17.2	4.7	16.2	14.0
Equity/asset ratio, %	4.2	15.6	4.2	14.6	12.3
DATA PER SHARE					
Equity, EUR	0.04	0.14	0.04	0.14	0.12
Equity, SEK	0.42	1.45	0.42	1.45	1.19
Result continuing operations, EUR	-0.01	0.02	-0.01	0.00	-0.02
Result continuing operations, SEK	-0.12	0.18	-0.13	0.03	-0.19
Result from discontinued operations, EUR	-0.02	-0.01	-0.04	-0.01	-0.01
Result from discontinued operations, SEK	-0.26	-0.06	-0.43	-0.15	-0.14
Result per share continuing operations after dilution, EUR	-0.01	0.02	-0.01	0.00	-0.02
Result per share discontinued operations after dilution, EUR	-0.02	-0.01	-0.04	-0.01	-0.01
NUMBER OF SHARES					
Number of shares at the end of the period	120 592 332	120 592 332	120 592 332	120 592 332	120 592 332
Average number of shares	120 592 332	120 592 332	120 592 332	120 592 332	120 592 332
Average number of shares during the period after dilution	124 687 332	124 687 332	124 687 332	124 687 332	124 687 332
EMPLOYEES					
Average number of employees	232	218	232	231	231

Calculation ratios

	3 Months		2020	9 Months		2020	12 Months	
	2022	2021		2022	2021		2021	2020
	Jul 1 - Sept 30	Jul 1 - Sept 30	Jul 1 - Sept 30	Jan 1 - Dec 31	Jan 1 - Dec 31			
Sales								
Sales	22 201	23 176	23 657	83 198	65 076	72 386	101 795	104 722
Increase (+)/decrease (-)	-975	-481		18 122	-7 310		-2 927	
Sales growth								
Increase (+)/decrease (-)	-975	-481		18 122	-7 310		-2 927	
Value previous year	23 176	23 657		65 076	72 386		104 722	
= Sales growth	-4,2%	-2,0%		27,8%	-10,1%		-2,8%	
Gross profit								
Gross profit	6 375	2 680		17 167	12 243		16 663	
Sales	22 201	23 176		83 198	65 076		101 795	
= Gross profit %	28,7%	11,6%		20,6%	18,8%		16,4%	
Equity assets ratio								
Equity	4 695	17 178		4 695	17 178		14 036	
Total assets	112 884	109 884		112 884	109 884		114 354	
= Equity assets ratio %	4,2%	15,6%		4,2%	15,6%		12,3%	

Group

	2022	2021	2022	2021	2021
	(3 months)	(3 months)	(9 months)	(9 months)	(12 months)
Summary income statements, KEUR	Jul 1 – Sept 30	Jul 1 – Sept 30	Jan 1 – Sept 30	Jan 1 – Sept 30	Jan 1- Dec 31
Net sales	22 201	23 176	83 198	65 076	101 795
Cost of goods sold	-15 826	-20 496	-66 032	-52 833	-85 133
Gross profit	6 375	2 680	17 167	12 243	16 663
Selling expenses	-4 421	-2 413	-12 637	-10 847	-15 771
Administrative expenses ⁽¹⁾	-943	-639	-3 685	-2 957	-4 772
Other operating expenses	-10 662	-1 543	-23 135	-6 395	-8 839
Other operating income	9 951	3 219	25 623	10 506	16 215
Operating profit	300	1 305	3 332	2 551	3 495
Financial income	-	-12	-	24	24
Financial expenses	-1 518	-1 237	-4 316	-3 389	-4 881
Net financial items	-1 518	-1 248	-4 316	-3 365	-4 857
Profit before tax	-1 219	56	-984	-814	-1 363
Tax	-174	2 061	-500	1 175	-906
Profit or loss from continuing operations after tax	-1 393	2 117	-1 484	361	-2 269
Profit or loss from discontinued operations after tax	-2 966	-728	-4 915	-1 672	-1 629
PROFIT OR LOSS FOR THE PERIOD ⁽²⁾	-4 359	1 389	-6 398	-1 310	-3 898
<i>Basic earnings per share continuing operations, EUR</i>	<i>-0.01</i>	<i>0.02</i>	<i>-0.01</i>	<i>0.00</i>	<i>-0.02</i>
<i>Diluted earnings per share continuing operations, EUR</i>	<i>-0.01</i>	<i>0.02</i>	<i>-0.01</i>	<i>0.00</i>	<i>-0.02</i>
<i>Basic earnings per share discontinued operations, EUR</i>	<i>-0.02</i>	<i>-0.01</i>	<i>-0.04</i>	<i>-0.01</i>	<i>-0.01</i>
<i>Diluted earnings per share discontinued operations, EUR</i>	<i>-0.02</i>	<i>-0.01</i>	<i>-0.04</i>	<i>-0.01</i>	<i>-0.01</i>
<i>Weighted average number of shares during the period</i>	<i>120 592 332</i>				
<i>Weighted average number of shares during the period after dilution</i>	<i>124 687 332</i>				
Statement of comprehensive income, KEUR					
Result for the period	-4 359	1 389	-6 398	-1 310	-3 898
Other comprehensive income, translation gains/losses on consolidation	-1 423	-424	-2 943	317	-237
Total comprehensive income for the period	-5 782	965	-9 341	-993	-4 135

¹⁾ Depreciation and amortization for the period January 1 – September 30, 2022, amounted to 1 575 (1 498).

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

Operating segment

YTD 2022

Operating Segment, KEUR	2022	2021	2021	2022	2021	2021	2022	2021	2021
	(9 months) Jan 1 - Sept 30	(9 months) Jan 1 - Sept 30	(12 months) Jan 1 - Dec 31	(9 months) Jan 1 - Sept 30	(9 months) Jan 1 - Sept 30	(12 months) Jan 1 - Dec 31	(9 months) Jan 1 - Sept 30	(9 months) Jan 1 - Sept 30	(12 months) Jan 1 - Dec 31
	Distribution			Own Brands and Others			Total		
Net Sales	57 247	40 812	71 831	25 951	24 264	29 964	83 198	65 076	101 795
Net COS	-44 731	-31 326	-57 397	-21 301	-21 507	-27 736	-66 032	-52 833	-85 133
Gross profit	12 516	9 486	14 434	4 651	2 757	2 228	17 167	12 243	16 662
Gross Margin	21,9%	23,2%	20,1%	17,9%	11,4%	-3,7%	20,6%	18,8%	16,4%
Distribution Costs	-4 985	-4 220	-6 252	-7 652	-6 627	-9 519	-12 637	-10 847	-15 771
Administrative Expenses	-1 914	-2 818	-3 702	-1 771	-139	-1 070	-3 685	-2 957	-4 772
Other Operating Expenses	-3 573	-617	-1 268	-19 562	-5 778	-7 571	-23 135	-6 395	-8 839
Other Operating Income	4 979	1 008	1 894	20 644	9 497	14 321	25 623	10 506	16 215
EBIT	7 024	2 839	5 106	-3 691	-288	-1 611	3 332	2 551	3 495
Depreciations and amortizations							1 575	1497	1935
EBITDA							4 907	4 048	5 430
Depreciations and amortizations							-1 575	-1 497	-1 935
Financial Income							-	24	24
Financial Expenses							-4 316	-3 389	-4 881
Profit before tax							-984	-814	-1 362
Taxes							-500	1 175	-902
Profit or loss from continuing operations after tax							-1 484	361	-2 264
Profit or loss from discontinued operations after tax							-4 915	-1 672	-1 629
Profit or loss for the period⁽²⁾							-6 398	-1 310	-3 893

Q3 2022

Operating Segment, KEUR	2022	2021	2022	2021	2022	2021
	(3 months) Jul 1 - Sept 30					
	Distribution		Own Brands and Others		Total	
Net Sales	15 444	12 334	6 757	10 842	22 201	23 176
Net COS	-12 009	-8 470	-3 817	-12 026	-15 826	-20 496
Gross profit	3 435	3 864	2 940	-1 184	6 375	2 680
Gross Margin	22,2%	31,3%	6,5%	-19,8%	28,7%	11,6%
Distribution Costs	-1 764	-943	-2 657	-1 470	-4 421	-2 413
Administrative Expenses	-585	-842	-358	203	-943	-639
Other Operating Expenses	2 696	-51	-13 358	-1 493	-10 662	-1 543
Other Operating Income	1 367	-10	8 584	3 230	9 951	3 219
EBIT	5 148	2 018	-4 848	-713	300	1 305
Depreciations and amortizations					561	442
EBITDA					861	1 747
Depreciations and amortizations					-561	-442
Financial Income					-	-12
Financial Expenses					-1 518	-1 237
Profit before tax					-1 218	56
Taxes					-174	2 061
Profit or loss from continuing operations after tax					-1 392	2 117
Profit or loss from discontinued operations after tax					-2 966	-728
Profit or loss for the period⁽²⁾					-4 358	1 389

Breakdown of net sales by operating segment

Net sales per segment, KEUR	2022		2021	
	Jan 1 - Sept 30	%	Jan 1 - Sept 30	%
Distribution	57 247	68,8%	40 812	62,3%
Own brands	25 951	31,2%	24 264	37,7%
Total	83 198	100%	65 076	100%

Breakdown of net sales by product category

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

Net sales per product category, KEUR	2022		2021	
	Jan 1 - Sept 30	%	Jan 1 - Sept 30	%
Accessories	42 476	51%	38 412	59,3%
Audio	15 025	18%	12 692	19,4%
Health and Wellness	25 697	31%	13 972	21,3%
Total	83 198	100%	65 076	100%

Distribution net sales, KEUR	2022		2021	
	Jan 1 - Sept 30	%	Jan 1 - Sept 30	%
Accessories	35 765	62%	31 969	78%
Audio	7 109	12%	7 645	19%
Health and Wellness	14 373	25%	1 198	3%
Total	57 247	100%	40 812	100%

Own brands net sales, KEUR	2022		2021	
	Jan 1 - Sept 30	%	Jan 1 - Sept 30	%
Accessories	7 096	27%	7 302	31%
Audio	7 725	30%	5 017	20%
Health and Wellness	11 130	43%	11 944	48%
Total	25 951	100%	24 264	100%

Geographic market and regions

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

Geographic market and regions, KEUR	2022			2021		
	Total	Distribution	Own Brands	Total	Distribution	Own Brands
Western Europe						
Denmark	53	6	47	1 718	24	1 693
France	8 440	8 287	153	9 731	9 571	160
Germany	32 357	27 867	4 404	6 830	6 142	687
Netherlands	1 925	1 855	69	1 468	1 388	79
Switzerland	7 733	7 680	138	12 691	12 551	140
Austria	153	100	53	391	367	24
Norway	238	227	11	272	257	15
Poland	1 201	1 195	6	1 179	1 179	-
Sweden	3 790	3 363	427	4 347	3 445	902
UK	6 610	2 427	4 183	4 488	3 133	1 355
Spain	171	- 8	179	209	13	196
Belgium	1 257	1 234	23	283	251	31
North America	13 109	31	13 078	14 669	4	14 665
Rest of the world	6 162	2 983	3 179	6 803	2 487	4 316
Total	83 198	57 247	25 951	65 076	40 812	24 264

Group

	2022	2021	2021
Summary balance sheets, KEUR	Sept 30	Sept 30	December 31
ASSETS			
NON-CURRENT ASSETS			
Goodwill	28 176	28 176	28 176
Other intangible assets	1 900	3 199	3 436
Property, Plant & Equipment	1 218	1 120	1 362
Other assets	5 737	2 096	4 178
Deferred tax assets	272	910	287
Total non-current assets	37 304	35 500	37 439
CURRENT ASSETS			
Inventories	34 602	26 530	30 708
Tax receivables	-	1 230	913
Accounts receivable	27 728	22 718	29 124
Other assets	5 883	22 030	13 569
Cash and cash equivalents	2 591	1 876	2 601
Assets held for sale	4 815	-	-
Total current assets	75 619	74 384	76 915
TOTAL ASSETS	112 923	109 884	114 354
EQUITY AND LIABILITIES			
Equity	4 695	17 178	14 036
NON-CURRENT LIABILITIES:			
Tax liabilities	3	3	3
Other liabilities	1 264	4 616	2 974
Interest-bearing liabilities	1 251	1 800	1 840
Deferred tax liabilities	941	1 350	942
Total non-current liabilities	3 459	7 768	5 759
Current liabilities:			
Provisions	480	567	640
Interest-bearing liabilities	50 288	39 747	42 551
Accounts payable	17 088	26 609	28 998
Tax liabilities	4 438	3 124	4 339
Other liabilities	24 564	14 891	18 031
Liabilities associated with assets held for sale	7 911	-	-
Total current liabilities	104 769	84 938	94 559
Total liabilities	108 228	92 706	100 318
TOTAL EQUITY AND LIABILITIES	112 923	109 884	114 354
Summary of changes in equity, KEUR			
Equity as of December 31, 2020		18 171	
Comprehensive income January 1 – December 31 2021		-4 135	
Equity as of December 31, 2021		14 036	
Comprehensive income January 1 – September 30, 2022		-9 341	
Equity as of September 30, 2022		4 695	

Group

	2022	2021	2022	2021	2021
	(3 months)	(3 months)	(9 months)	(9 months)	(12 months)
Summary cash flow statements, KEUR	Jul 1- Sept 30	Jul 1 - Sept 30	Jan 1- Sept 30	Jan 1- Sept 30	Jan 1- Dec 31
OPERATING ACTIVITIES					
Result before tax, continuing operations	731	-672	-984	-2 489	-2 996
Adjustment for items not included in cash flow from operations or items not affecting cash flow	1 824	1 873	5 924	3 763	2 634
Paid taxes	-175	-693	-367	-1 135	-1 406
Cash flow from continuing operations prior to changes in working capital	2 380	507	4 573	139	-1 768
Cash flow from changes in working capital:					
Increase (-)/decrease (+) in inventories	117	3 688	-3 894	1 030	-3 148
Increase (-)/decrease (+) current receivables	5 916	-2 369	7 203	-14 239	-15 930
Increase (-)/decrease (+) in non-current receivables	-1 599	-4 192	-1 544	- 631	-1 794
Increase (+)/decrease (-) current liabilities	-1 946	-1 817	-691	-2 618	-79
Increase (+)/decrease (-) in current liabilities	-4 581	903	-5 477	11 125	16 546
Cash flow from operating activities continuing operations	288	-3 280	170	-8 193	-6 173
Cash flow from operating activities discontinued operations	-1 125	-	-1 125	-	-
Cash flow from operations	-837	-3 280	-955	-8 193	-6 173
INVESTMENT ACTIVITIES					
Investments in intangible assets	-486	-108	-764	-416	-980
Investments in tangible assets	625	-153	144	-665	-1 142
Investments in subsidiaries	-8	-122	-	-480	-671
Cash flow from continuing operations	130	-383	-620	-1 562	-2 793
Cash flow from discontinued operations	-1 110	-	-1 110	-	-
Cash flow from investment operations	-979	-383	-1 730	-1 562	-2 793
FINANCING ACTIVITIES					
Interest-bearing liabilities	2 334	13	7 235	6 271	10 443
Amortization of interest-bearing liabilities	268	1 483	-87	1 327	-
Leasing liabilities	-340	-340	-1 020	-1 020	-1 360
Paid interest and other expenses	-1 361	-906	-4 349	-2 325	-4 895
Cash flow from continuing operations	901	250	1 179	4 253	4 188
Cash flow from discontinued operations	896	-	896	-	-
Cash flow from financing operations	1 797	250	2 675	4 253	4 188
Cash flow for the period	-19	-3 413	-10	-5 503	-4 778
Cash and cash equivalents at the beginning of the period	2 610	5 288	2 601	7 379	7 379
Cash and cash equivalents at the end of the period	2 591	1 876	2 591	1 876	2 601
Less cash and cash equivalents end of period held for sale	-1 338	-	-1 338	-	-
Cash and cash equivalents end of period from continuing operations	1 252	1 876	1 252	1 876	2 601

NOTE 1 REFERENCES

- Seasonal and phone launch fluctuations, see page 7
- Reporting per operating segment see pages 12-13
- For further information on accounting principles reference is made to the 2021 annual report
- For events after the end of the period, see page 7

NOTE 2 ACCOUNTING PRINCIPLES

As of the financial year 2017 the currency of the Parent Company is Euro (EUR), which is also the reporting currency of the parent company and the Group.

STRAX prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and with the restrictions which apply due to the Swedish national legislative when preparing the parent company's financial statements.

The Interim report for the group has been prepared in accordance with IAS 34 "Interim Reporting" and applicable sections of the Annual Accounts Act.

The section of the report applicable to the parent company has been prepared in accordance with Annual Accounts Act, Chapter 9.

The same accounting principles are applied as in the annual report for 2021.

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 brands Dóttir and grell will be divested as well as the licensing business by the subsidiary TLF along with the business segment Health & Wellness. The board's assessment is that a divestment can take place within the coming twelve months and as a consequence of the decision operations relating to the above-mentioned businesses will be reported separately in the income statement in accordance with IFRS 5, discontinued operations. In the balance sheet assets and liabilities attributable to the discontinued operations will be reported separately in the balance sheet as assets held for sale as well as liabilities directly related to assets held for sale.

	2022 (3 months) Jul 1 - Sept 30	2021 (3 months) Jul 1 - Sept 30	2022 (9 months) Jan 1 - Sept 30	2021 (9 months) Jan 1 - Sept 30	2021 (12 months) Jan 1 - Dec 31
Income statements for discontinued operations, KEUR					
Net sales	3 645	3 803	6 444	16 678	21 903
Cost of goods sold	-5 076	-3 708	-7 351	-15 713	-19 922
Gross profit	-1 432	95	- 907	965	1 980
OPEX	-1 527	- 825	-3 980	-2 660	-3 576
Operating profit	-2 958	- 730	-4 887	-1 696	-1 596
Financial income	-	-	-	-	-
Financial expenses	- 7	2	- 28	20	- 38
Net financial items	- 7	2	- 28	20	- 38
Profit before tax	-2 966	- 728	-4 915	-1 676	-1 633
Tax	-	-	-	4	4
Profit or loss from discontinued operations after tax	-2 966	- 728	-4 915	-1 672	-1 629

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.

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

	2022 (3 months) Jul 1 - Sep 30	2022 (3 months) Jul 1 - Sep 30	2022 (9 months) Jan 1 - Sep 30	2021 (9 months) Jan 1 - Sep 30	2021 (12 months) Jan 1 - Dec 31
Bridge to EBITDA from continuing operations, KEUR					
Operating profit continuing operations	300	1 305	3 332	2 551	3 495
+ Depreciation & amortization continuing operations	561	442	1 575	1 498	1 935
EBITDA	861	1 747	4 907	4 049	5 430

Parent Company

	2022	2021	2022	2021	2021
	(3 months)	(3 months)	(9 months)	(9 months)	(12 months)
Summary income statements, KEUR	Jul 1 – Sept 30	Jul 1 – Sept 30	Jan 1 – Sept 30	Jan 1 – Sept 30	Jan 1 - Dec 31
INVESTMENT ACTIVITIES					
Net Sales	37	222	528	840	1 1 47
Gross profit	37	222	528	840	1 147
Administrative expenses	-243	-263	-883	-930	-1 224
Operating income	-206	-41	-355	-90	-77
Net financial items	206	41	355	90	77
Result after financial items	-	-	-	-	-
Current taxes	-	-	-	-	-
RESULT FOR THE PERIOD	-	-	-	-	-
Statement of comprehensive income, KEUR					
Result for the period	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	-	-
			2022	2021	2021
Summary balance sheets, KEUR			September 30	September 30	December 31
ASSETS					
Non-current assets			128	130	130
Non-current financial assets			75 745	75 693	75 755
Total non-current assets			75 873	75 823	75 885
Current receivables			640	419	573
Cash and bank balances			2 784	1 266	673
Total current assets			3 424	1 685	1 246
TOTAL ASSETS			79 297	77 508	77 131
EQUITY AND LIABILITIES					
Equity			63 076	63 076	63 076
Current liabilities			16 221	14 432	14 055
Total liabilities			16 221	14 432	14 055
TOTAL EQUITY AND LIABILITIES			79 297	77 508	77 131
Summary of changes in equity, KEUR					
Equity as of December 31, 2020					63 076
Comprehensive income Jan 1 – Dec 2021					-
Equity as of December 31, 2021					63 076
Comprehensive income Jan 1 – Sept 30, 2022					-
Equity as of September 30, 2022					63 076