

STRAX

PRESS RELEASE
November 26, 2020

STRAX: Interim report no. 3 for the financial year 2020

STRAX performance in the third quarter driven by strong growth across all online channels and market recovery in retail distribution

- The Group's sales for the period January 1 – September 30, 2020, amounted to MEUR 76.7 (72.3), with a gross margin of 25.5 (24.1) percent.
- The Group's result for the period January 1 – September 30, 2020, amounted to MEUR -2.6 (-2.7) corresponding to EUR -0.01 (-0.02) per share. The result for the period was negatively affected by MEUR 3.1 (1.1) related to the decline in value of the Zagg shares.
- EBITDA for the period January 1 – September 30, 2020, amounted to MEUR 4.9 (5.1).
- Equity as of September 30, 2020 amounted to MEUR 17.5 (18.8) corresponding to EUR 0.14 (0.16) per share.
- STRAX entered the health & wellness product category and started delivering facemasks, gloves and disinfectants to existing as well as new customers, including branches within the United Nations and hospitals in Q2 2020.
- In July 2020 STRAX signed a senior secured loan facility in the amount of MEUR 30 with Proventus Capital Partners.
- The loan proceeds from Proventus were paid out in two tranches, a subordinated tranche of MEUR 6 in July 2020, to provide additional working capital until the full amount was paid out in October 2020, in connection with the refinancing of maturing loans of already existing German bank consortium.
- STRAX signed a five-year global exclusive distribution agreement with Aetheris to accelerate sales of their established and intelligent face mask brand, Airpop. The Airpop product range will be brought to market by STRAX in Q3 2020.

Significant events after the end of the period

- STRAX continues to experience strong interest and demand for health & wellness products and has already established a name for itself in the category. STRAX continues to participate in and winning tenders in the category and volumes are expected to increase in the fourth quarter 2020.
- STRAX and Erikson Consumer, a Jam Industries company, have signed an exclusive distribution agreement in Canada for all STRAX own and licensed mobile accessories brands. The agreement covers both STRAX mobile accessories brands, such as Urbanista, Clckr and Richmond & Finch, as well as newly established health & wellness brands, AVO+ and Airpop as a non-exclusive agreement.

“STRAX performed well during the third quarter, a period heavily impacted by the Covid-19 pandemic. Demand for mobile accessories remained relatively weak in brick and mortar retail, whilst our online sales maintained strong momentum delivering year-over-year growth in excess of 200% in the quarter. Our newly established health & wellness business furthermore secured several large contracts for personal protection equipment (PPE) with deliveries starting later this year. The entire STRAX team has demonstrated both resilience and resourcefulness throughout the pandemic and is fully committed to work tirelessly to future proof our business”.

[Gudmundur Palmason, CEO](#)

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This is information that STRAX AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:55 CET on November 26, 2020.

About STRAX

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

We develop and grow brands through an omnichannel approach, we operate two complementary businesses: Own brands – including Urbanista, Clckr, Richmond & Finch, Planet Buddies, xqisit, AVO+, and licensed brands such as adidas, Bugatti, Diesel, SuperDry and WeSC – and Distribution (traditional retail, enterprises and online marketplaces). In addition to own and licensed brands, STRAX distributes over 40 major mobile accessory brands and several health and wellness brands. We sell into all key sales channels ranging from telecom operators, mass merchants and consumer electronics to lifestyle retailers, large enterprises and direct to consumers online. Founded in Miami and Hong Kong in 1995, STRAX has since expanded worldwide. Today, we have over 200 employees in 13 countries, with our operational HQ and logistics center in Germany. STRAX is listed on the Nasdaq Stockholm stock exchange.