

FINANCIAL SUMMARY 2017



OUR YEAR IN SHORT

The Handheld Group is a manufacturer of rugged mobile computers, PDAs and tablets. Handheld and its partners worldwide deliver complete mobility solutions to businesses in industries such as geomatics, logistics, forestry, public transportation, utilities, construction, maintenance, mining, military and security. The Handheld Group of Sweden has subsidiaries in Finland, the U.K., the Netherlands, Italy, Germany, Switzerland, Australia and the USA.

MARKET AT A GLANCE

- The global market for rugged computing was approximately \$7.7 billion in 2017
- Steady single digit percentage growth year on year
- An increased demand for tablet format
- A large increase in demand for Android based operating system



NEW APPOINTMENTS



MYRA LONG
appointed new
Director of Development



JIM RIMAY
appointed new President and
CEO for Handheld US

TWO NEW PRODUCT RELEASES



NAUTIZ X9:
THE ULTIMATE OUTDOOR-RUGGED PDA



ALGIZ 8X:
PORTABLE AND POWERFUL FIELD COMPUTING

“Adding the Algiz 8X rugged tablet and the Nautiz X9 ultra-rugged PDA to our family of products reflects our commitment to bringing truly rugged field devices to market.”

*Johan Hed,
Director Product Management*

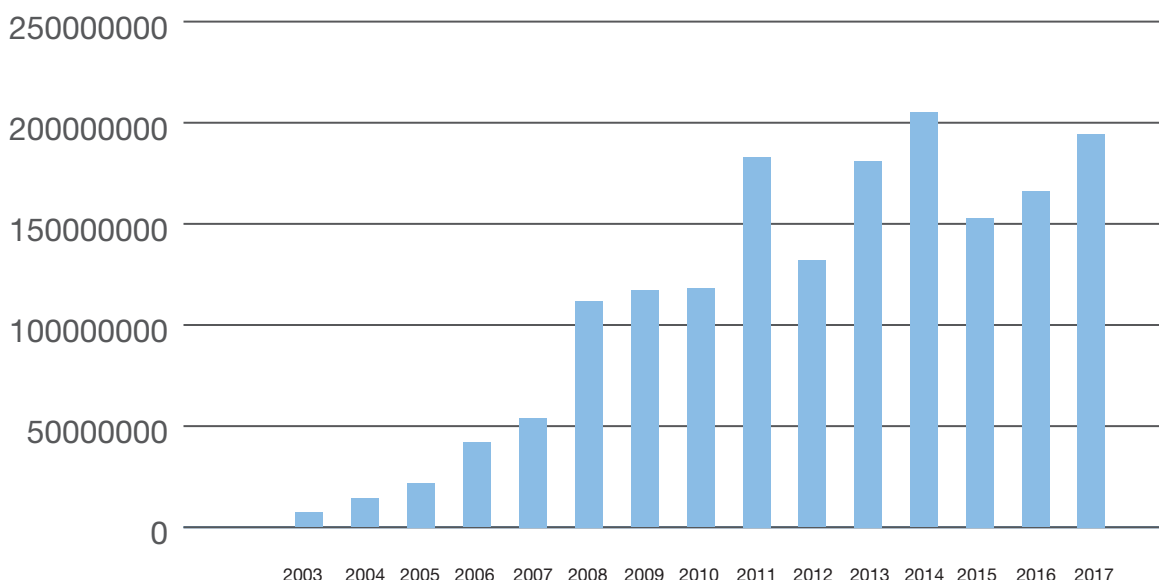


RUGGED MOBILE COMPUTER SPONSOR OF THE WIGHTLIGHTNING OCEAN ROWING TEAM IN THE TALISKER ATLANTIC CHALLENGE



**EBITDA
18,7%
RECORD LEVEL
PROFITABILITY**

REVENUE SEK 2003-2017





NAUTIZ X9

Google

Google

handheld

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STRONG GROWTH AND IMPROVED PROFITABILITY



“The largest factor in Handheld’s ongoing success has been the hard work of our teams around the world. Their fantastic contributions have led us to improve in every aspect of our business.”

As we enter 2018, it is with great momentum from a very successful year behind us. Last year, we increased business, kept costs down, brought great new products to market and improved our overall profitability. These are no small achievements, and I am very proud of this organization and so pleased that our hard work has paid off.

We had a record year for order intake in 2017, and our order stock was at one of its highest points ever going into the current year. Revenues last year increased by 18 percent compared with 2016, and with our operational costs at almost the same level as before, our profit margins grew dramatically. We not only increased sales to existing customers, but also added several new blue-chip companies to our portfolio of partnerships. With all this in mind, we anticipate that 2018 will be a very strong — possibly even record-setting — year for Handheld.

In February 2017, we pushed the limits of modern field technology and launched the all-new Algiz 8X, the most compact and ergonomic Windows tablet we have ever developed. In January 2018, we introduced the Nautiz X9 enterprise PDA, one of the toughest and most rugged products in our lineup. As of this moment, we have a number of new developments coming down the pipeline and we’re very excited to reveal even more additions to our product portfolio soon.

We hosted another successful Business Partner Conference in May in Stockholm, with partners attending from all around the world. This event now

alternates with our “CEO World Tour,” a span of months in which I travel around meeting customers in their own cities. The next Partner Conference will take place in 2019 — and since it will be our 10th event, we’ll be planning a few extra special surprises!

Speaking of anniversaries, 2018 marks Handheld’s 20th year of business. I’m both proud and very humbled as I recognize this milestone, knowing that the only way to stay successful for two decades is to have an extraordinary team of employees as well as many loyal and happy customers. Over the past 20 years, we have expanded our business and grown our customer base, built strong relationships with customers and provided high quality products at an exceptional value.


Although changing market conditions and economic improvements over the last year played a role in our growth, I am fully convinced that the largest factor in Handheld’s ongoing success has been the hard work of our teams around the world. Their fantastic contributions have led us to improve in every aspect of our business. I’m confident that if we maintain the same focus and determination we’ve had since our inception, Handheld will continue to grow successfully for another 20 years — and I’m very much looking forward to the journey.

Jerker Hellström
CEO

Lidköping, April 2018



THE HANDHELD STORY



“We have built our legacy upon pioneering new methods, expanding our reach and producing the very best rugged computers in the world.”

Handheld is a privately held manufacturer and supplier of rugged handhelds and tablets, and one of the fastest-growing companies in the rugged device sector. In partnership with numerous resellers and software companies around the globe, we offer products for the toughest conditions and provide technology solutions for almost any application imaginable.

Celebrating 20 years of Handheld

Handheld was founded in 1997. At that time, products from the British company Husky Computers Ltd. were marketed and distributed to Scandinavian markets. In 2003, there was an ownership change. With ambitions of building a leading company in the worldwide rugged industry, a two-fold strategy was formed – to expand globally and begin to develop, produce, market and sell unique products under Handheld’s own brand.

The vision to build best-in-class rugged computers came to fruition in a lean and efficient virtual production model that enables Handheld to bring new products to market quickly in order to meet current demands, while minimizing production costs and maximizing design flexibility.

Over the past ten years, we have invested significantly in product development and established our efficient virtual production model with carefully selected engineering and production partners. We provide a unique customer proposition with a full lineup of affordable and high-quality products that help improve efficiency for end-users operating in the toughest of environments.

Built on ruggedness

All of Handheld’s devices hold ruggedness ratings of IP65 or higher, combined with slim designs and fully integrated features to ensure speedy and precise computing. They operate on the Android, Windows

Mobile or Windows 7/8/10 platforms, are PC-compatible and offer memory and storage capacity to handle any application.

Handheld holds a strong position within rugged mobility, with a specific focus on the most rugged segment of the industry. Our products are designed to handle harsh environments, but they are also compact and ergonomic. They come standard with a generous list of integrated features, and are compatible with industry-specific software to improve efficiency in a wide range of industries.

Partnered for success

In addition, a channel-centric approach allows Handheld to focus on building a strong worldwide network of resale and distribution partners. To truly fulfill our goals and the ambition of being a global company with a local mindset, we have built an extensive partner network with more than 1,000 authorized partners covering all territories. Numerous local subsidiaries also support our growth and allow Handheld to offer better, more personalized service to our customers. Handheld is headquartered in Lidköping, Sweden, and has subsidiaries in Finland, the United States, Italy, the Netherlands, Australia, Germany, Switzerland and the United Kingdom.

Handheld’s journey so far has been marked by great achievement and success. We have won numerous awards for growth and excellence and we continually attract top talent to our management team, which is made up of some of the most experienced people within the rugged handheld device industry.

From our founding to the present, we have built our legacy upon pioneering new methods, expanding our reach and producing the very best rugged computers in the world.

BUSINESS IDEA

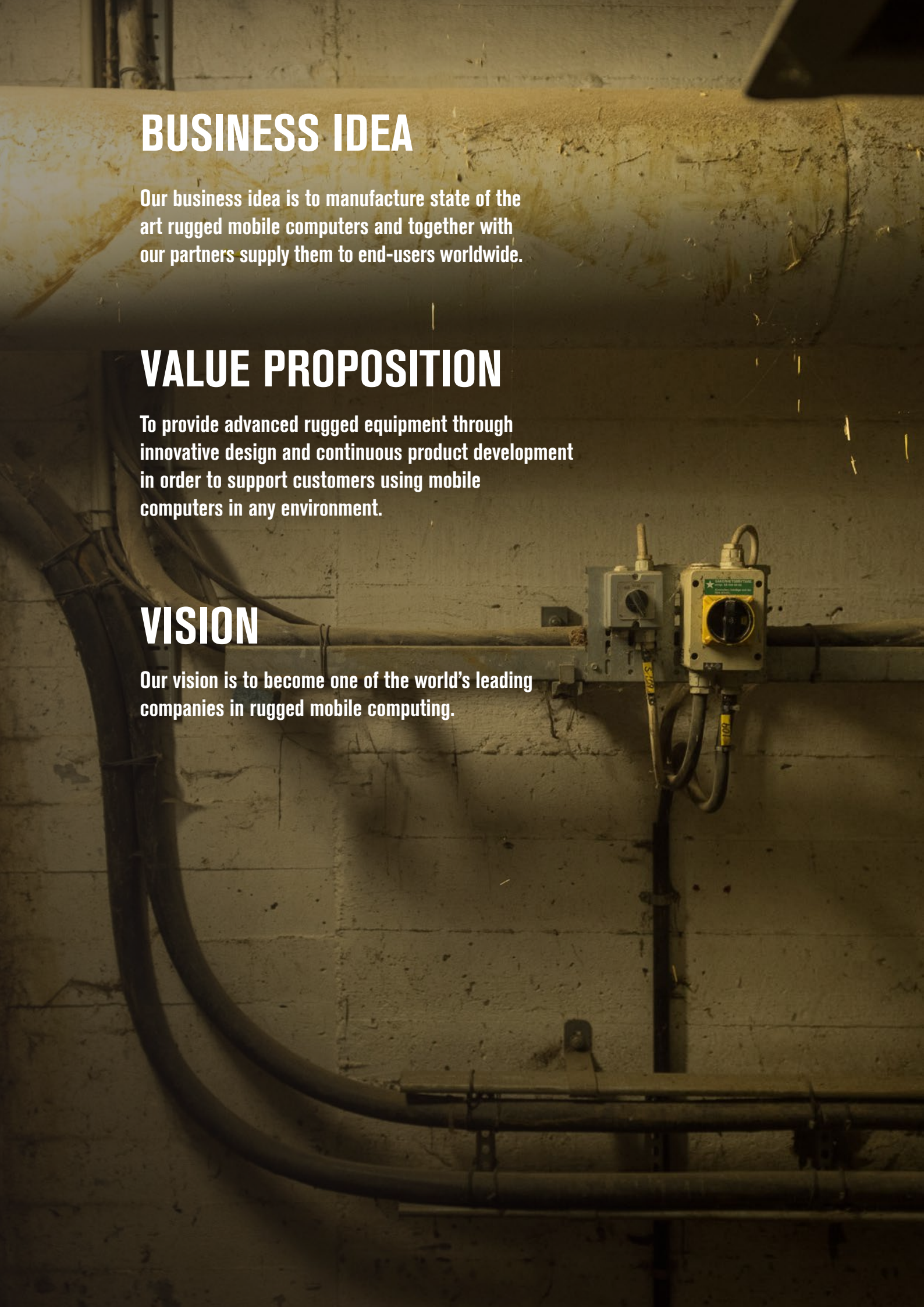
Our business idea is to manufacture state of the art rugged mobile computers and together with our partners supply them to end-users worldwide.

VALUE PROPOSITION

To provide advanced rugged equipment through innovative design and continuous product development in order to support customers using mobile computers in any environment.

VISION

Our vision is to become one of the world's leading companies in rugged mobile computing.



GOALS



FINANCIAL

To reach a sustainable EBITDA level of 15 percent or higher.



GROWTH

To grow faster than the market and reach an annual growth of 20 percent or higher.



ORGANIZATIONAL

Handheld should be a challenging, rewarding and fun work place that focuses on achievement and teamwork with the goal to create a working environment that sustains an operational excellence.

VALUES

PROFESSIONALISM

At all times and in all situations, employees and stakeholders are expected to act and perform in a professional manner and not leave things to chance. Whether it regards internal or external matters, the people within Handheld believe that by setting a standard of professionalism, we will receive the same courtesy in return.

HONESTY

Shared between all our employees is a mutual belief in an honest approach to running our business. In all situations, we prefer to keep a transparent working environment and to explain things matter-of-factly. All our employees are expected to act in an honest manner towards both co-workers and external contacts.

COURAGE

As part of our vision to become one of the leading companies in our industry, we have set the bar high. To achieve this, our organization and employees must display courage. We have to strive towards generating new and creative ideas in order to succeed in growing as a business and increase our market share.

LOYALTY

We believe loyalty and strong long-term relationships to be amongst the most important factors behind our historical and current success, resulting from loyal employees and partners. To build and maintain a close relationship is something we regard as an essential part of any sound business relation.


ENTREPRENEURIAL SPIRIT

Handheld is an entrepreneurially oriented company – this entrepreneurial spirit keeps us motivated to work faster and smarter than our competitors. We have to dare to be different in order to outpace the market. All our employees are encouraged to share this spirit and to believe that with extra effort, anything is possible.

TEAMWORK

Organization-wise, Handheld aims to continuously keep building a strong team, both internally and together with our partners. Our internal approach is team- and project-oriented, and we coordinate with our partners to make sure we create the best possible opportunities to succeed. Together we can do it!

WHY CHOOSE A RUGGED DEVICE?



“Rugged devices are not regular tablets or smartphones wrapped in tough shells. Rather, these work tools are designed from the inside out for efficient work in tough environments.”

Even professional users of rugged tablets and handhelds are sometimes unsure of what defines a “rugged” computer, which tests validate ruggedness, and how these tests are carried out. Understanding rugged specifications is the key to choosing the right rugged mobile computer for your needs.

Walk into any mobile phone storefront today, and you can purchase a water-protected smartphone right off the shelf. At first, that may seem easier and more economical than ordering a purpose-built rugged device from a manufacturer. But field workers who rely on technology for enhanced productivity, efficiency, safety and cost savings in the workplace require a different kind of mobile device: one that’s truly rugged.

Depending on the kind of work being performed, what is rugged for one user may not be rugged for another. For example, warehouse computers may be dropped often or exposed to a lot of dust, while units used in forestry need greater protection against water and varying temperatures.

Built rugged, inside and out

From a user perspective, ruggedness describes a computer’s ability to operate in any type of exposed working condition. Rugged devices are not regular tablets or smartphones wrapped in tough shells. Rather, these work tools are designed from the inside out for efficient work in tough environments.

MIL-STD-810 test standards

The United States military issues equipment ratings based on tests performed in a variety of environments. Handheld devices are tested with the MIL-STD-810G standard, ensuring that they can handle low pressure at high altitudes, exposure to sand and dust, high and low temperatures including temperature shocks, rain, humidity, leakage, shock and vibration.

Extreme temperatures

Temperature specifications define a device’s operational temperature range. Handheld purposely targets a large variety of environments by offering products that can operate in temperatures ranging from -30°C up to 60°C.

What’s an IP rating?

IP stands for Ingress Protection. An IP rating consists of two numbers: the first digit indicates the device’s level of protection against dust, and the second digit reflects the level of protection against liquids. All of Handheld’s rugged computers are IP65- or IP67-rated, which means they are completely dustproof and can withstand jets of water or submersion.

A variety of challenges

Aside from being designed for performance in a wide variety of challenging environments, Handheld’s devices also include features such as exceptional display visibility in both indoor and outdoor conditions, extended battery life and solid-state disk drive components that support performance in adverse conditions.

In short, every single detail of a Handheld device is researched, selected and developed to make the computer as rugged as possible.

Total cost of ownership: Making a cost-effective purchase

The complete cost of a product over its entire lifecycle is known as total cost of ownership (TCO). TCO, not initial cost, is the most appropriate figure to use when comparing mobile device pricing. When it comes to choosing mobile computers, final decisions are usually made based on cost. Technology is a significant expense for today’s businesses, and IT departments are some of the first places that are audited for potential cost savings — but too often, these calculations take the short view, leaving out critical information about the lifespan of computer equipment and increasing long-term expenses.

Choosing a device that’s rugged enough to handle a harsh work environment may cost more up front, but has the potential to save a remarkable amount of money over time.





MARKET ENVIRONMENT

Handheld targets the global market for rugged mobile devices. This market includes notebooks, tablets, fixed-vehicle computers, forklift-mounted devices, rugged smartphones, handhelds/PDAs and wearable computers designed for use in a wide range of industries with challenging working conditions. As these mobile devices improve connectivity and productivity for workers in harsh environments, they are becoming increasingly popular. In 2017, the worldwide rugged mobile computer market totaled app. USD 7,7 billion in sales.

The market for rugged mobile devices can be divided into two product categories: large form factors (LFFs) such as tablets and notebooks, and small form factors (SFFs) including handhelds/PDAs and rugged smartphones. The different product groups target various end-user needs and are exposed to different market characteristics and trends. In addition, the market is further divided into business verticals based on industry and specific end-user requirements. Handheld is one of few companies focusing on both large and small form factors while also targeting a wide range of business verticals with a specific focus

on very demanding environments that require a high degree of ruggedness.

Within the global market for rugged handheld devices, the Americas account for app 50 percent of total sales, EMEA (Europe, the Middle East and Africa) make up the second-largest market share at app. 32 percent and APAC (Asia-Pacific) accounting for 18 percent of the total. Each geographic region is exposed to different demands, trends and economic outlooks, requiring products and sales processes to be adapted to local conditions. Even – or perhaps especially – in a global market, local knowledge is important for gaining a continuous competitive advantage within our industry.

Handheld's enterprise-specific experience enables us create and deploy effective long-term business solutions. Thanks to our virtual development and production model we can develop high-quality, full-featured and totally rugged products at a price point that is lower than most competitors. Customers can also achieve the maximum value for their investment by taking advantage of the lower total cost of ownership associated with rugged devices.

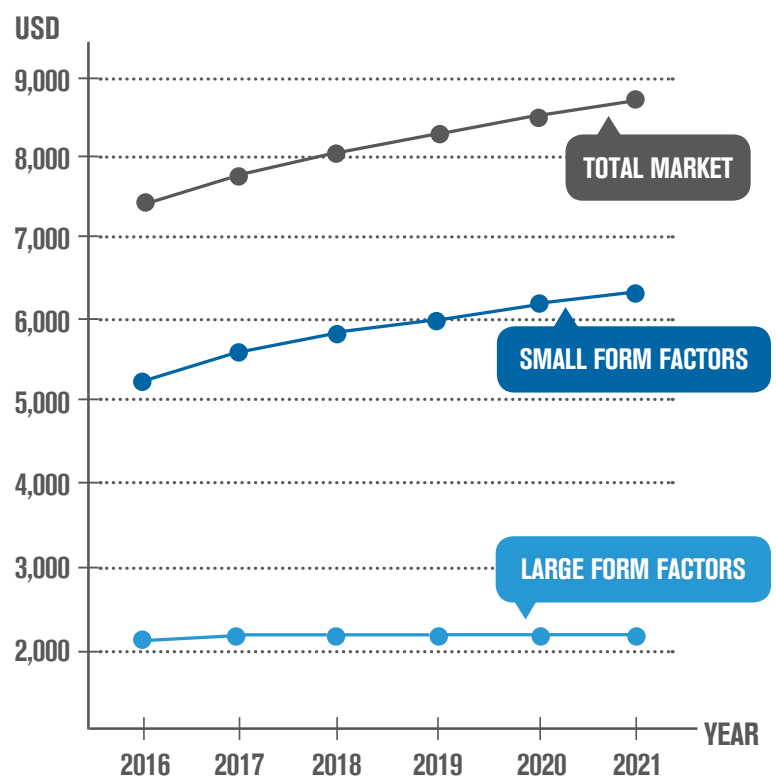
“The market for rugged mobile devices is expected to undergo continued growth and expansion in the next several years.”

MARKET FORECAST

The market for rugged mobile devices is expected to undergo continued growth and expansion in the next several years as more workplaces in a variety of industries adopt the use of mobile technology products and expand their mobile IT budgets. Mobilizing workers by equipping them with rugged handheld devices offers many benefits to industry verticals such as manufacturing, transportation, utilities and public safety, for which ruggedness is a requirement.

The market's offerings – including competitive mobile operating systems, new form factors and better applications – will continue to push growth in a positive direction, and investments from businesses and government organizations will play a significant part in improving product offerings, enhancing customer service and cutting costs as well as attracting and retaining talent.

MARKET TREND AND FORECAST



Source: VDC Research Group

BUSINESS VERTICALS

Regardless of mobile application and whether our customers are moving from pen and paper, upgrading from a consumer-grade computer or already on the cutting edge of mobile field technology, Handheld can provide rugged mobile computers to get the work done faster, more consistently and with greater efficiency. Designed for anyone who works in tough environments such as extreme weather and temperatures or harsh conditions, our products measure up to it. We are constantly working on new solutions together with our partners and customers and always looking for new challenges. Here below are some of the markets where our products can be found.

AGRICULTURE

Whether its use is mission-critical or just to make the job a little easier, agricultural demand for rugged mobile technology is increasing. Our handhelds keep up with the latest agriculture technology innovations and our customers are using them to help track livestock with RFID, manage farm inventory, run irrigation control systems and more. We offer affordable rugged options that you can depend on.

CONSTRUCTION

It isn't hard to see why construction workers require rugged equipment – what might not be so obvious is how construction workers can use rugged computers. From carrying blueprints to the field and not having to worry about wind or rain making a mess of the paper, or doing on-site job calculations, to keeping track of on-site inventory, rugged mobile computers can increase efficiency and decrease costs.

ENVIRONMENTAL WORK

One could say that all the work our computers do is environmental since holding up to any environment is exactly what these handhelds are made to do. With the help of our fully rugged mobile computers, biologists, scientists and environmental consultants have journeyed to one of the coldest places on earth in order to collect sea ice samples, used precise GPS information to speed cleanup of oil spill sites after a tornado, and inspected stormwater assets to comply with federal reporting requirements. No matter the environment, our devices have it covered.

FIELD SERVICE

The efficiency and effectiveness of field service workers have taken a quantum leap over the past few years with all the advantages of rugged mobile computers. Gone are the days of shuffling through piles of work orders and calling back to the home office for driving directions or schedule updates. Handhelds with integrated barcode scanners can help ensure that each truck is stocked with all parts that might be required on a call.

FORESTRY

Forestry, by its very nature, takes workers into tough outdoor environments. We've had customers use our devices for timber cruising, GPS navigation, wildlife surveying and various types of forest management. From silviculture to wildfire management, the mapping, imaging and reporting capabilities of today's rugged handhelds are an essential part of keeping our forests healthy – and foresters efficient.

GIS/MAPPING

Geographic Information Systems (GIS) capture, manage and analyze geographically referenced data. To gather data or to create maps with GIS commonly requires users to be out in the field and often in remote locations. Moreover, companies and government agencies are increasingly using GIS data to track the location, features and quality of their assets. Either situation warrants a device tough enough to withstand the conditions and long work days, and is feature-rich enough to get the job done.

INDUSTRIAL

In tough industrial environments, our rugged, lightweight computers are a perfect fit for data collection, inventory management, merchandising and communication tasks. From manufacturing to warehousing applications, our handhelds can send data wirelessly in real-time, create robust reports that sync seamlessly with office technology, integrate with on-site machinery for status tracking and help assist customers with a wealth of information right at their fingertips.

LOGISTICS AND WAREHOUSING

Logistics and warehouse management applications call for units that can withstand drops to concrete, temperature fluctuations and dust. Along with many other tasks, rugged mobile computers can help in tracking inventory and carrying PDF versions of maintenance manuals. With fast processors and powerful scanning capabilities, our computers are reliable in even the toughest environments. All around the world within distribution, supply chain management, refrigerated warehouses and other industrial settings, customers are trusting our truly portable handheld devices to bring key information to the palm of their hand.

MINING

Mining and drilling naturally takes place in an extremely harsh environment, so the computer solution has to be tough enough to withstand challenges like vibrations, dust, moisture and temperature fluctuations. The mining and drilling industry uses handheld computers to handle timekeeping, vehicle tracking, maintenance, supplies deliveries and real-time communication with the back office. The advantages over a paper-based system are obvious: data collectors greatly streamline job functions, data errors are reduced and labor costs are minimized.

PUBLIC SAFETY

Public safety workers broke ground long ago on getting computers out in the field. Vehicle-mounted notebooks are an expected part of police working forces nowadays – an innovation that continues with rugged PDAs for tracking ambulance patient data, rugged tablets for navigating unfamiliar routes and pre-planning for fire departments. Whether it's for fire, police, Emergency Medical Services (EMS) or other areas of public safety, Handheld can provide form factors and features for top performance.

PUBLIC TRANSPORTATION

Conductors taking cash or electronic payments, bus drivers following complicated or changing routes, municipal mechanics using diagnostic tools and referencing trouble-shooting manuals – these are only a few examples of how rugged mobile computers are making work easier and more productive for employees in the world of public transportation.

INFRASTRUCTURE

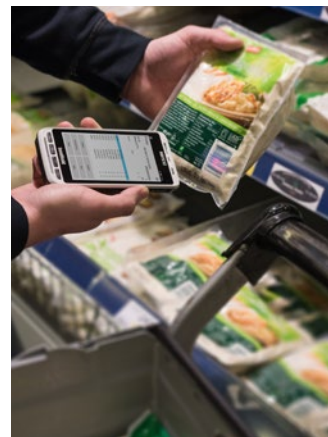
Infrastructure work, like planning, constructing and maintaining roads, railways, tunnels and bridges is obviously the domain of rugged tools, including durable tablets and handhelds. Professionals in this market can communicate project progress with a central office, carry design plans without worrying about protecting them from the elements, and perform complex job calculations on the fly.

SECURITY

In security applications, every minute counts – and no one wants security personnel to be fumbling with technology when there's an important job to be done. With reliable real-time communication capabilities, long battery life, easy-to-use features, multiple connectivity options and fully rugged construction in a compact, ergonomic body, our handhelds protect the data so the staff can focus on protecting the community.

WASTE MANAGEMENT

Another market for which it isn't too hard to see why ruggedness should be essential is waste management. Dirty, wet and dusty conditions are an accepted part of each day out in the field. GPS navigation, tracking carts and recording data on routes are just a few areas where rugged mobile computers can help getting the job done faster, better and easier.



OUR RUGGED COMPUTERS

Handheld's high-performing and fully rugged computers are marketed and sold under the brands **ALGIZ** and **NAUTIZ**. The **ALGIZ** family covers large form factors, like rugged tablets and the **NAUTIZ** family covers small form factors including handhelds and PDAs.

These are the most recent add-ons to our broad product lineup:



NAUTIZ X9

THE ULTIMATE OUTDOOR-RUGGED PDA

The Nautiz X9 rugged computer is a tough-as-nails Android data collector that can handle any environment a field worker might encounter. Loaded with all the enterprise-level capabilities available, it delivers best-in-class field performance with a battery that works through even your longest days in the field. The Nautiz X9 is designed for the most demanding environments, continuing Handheld's tradition of delivering unyielding ruggedness and maximum performance without compromise.

Technical specifications

- | | |
|--|-------------------------------------|
| • 1.3 GHz quad-core processor | • BT 4.1 (BLE, HS compliant) |
| • 2 GB RAM/16 GB Flash | • NFC 13.56MHz, ISO14443A/ISO15693 |
| • Android 7.0 | • GPS/GLONASS |
| • 5" capacitive touchscreen, 1280x720 | • 1D/2D Imager (Zebra SE4710) |
| • 4800 mAh Lithium-ion battery | • Weight: 385 g (13.5 oz) |
| • 13 MP camera with AF and flash, 2 MP front | • -20 °C to 55 °C (-4 °F to 131 °F) |
| • 2G, 3G, 4G/LTE | • IP67, MIL-STD-810G |
| • WLAN 802.11 a/b/g/n (2.4GHz+5GHz) | |

MAXCARE

Handheld MaxCare is a comprehensive service plan available for newly purchased Handheld devices worldwide. Our objective is to provide customers with the best choice of a cost-effective and efficient service plan for our products. Handheld products are designed for those who work in less-than-gentle environments. Whether the challenges come from weather, extreme temperatures or tough work environments, all our devices are made to rise to the challenge. However, in case something does go wrong, we've developed the MaxCare service concept: multiple extended coverage options that provide you with peace of mind on future service costs and add the advantage of a lower total cost of ownership for our devices.

Handheld's rugged computers are made to last longer than consumer units – and that includes repairs and service. We carry spare parts longer and offer longer warranty options for our already long-lasting products, making our offerings even more cost efficient. The Handheld MaxCare service plan is a comprehensive package of add-on service options that will help protect technology investments and offer additional security for our customers. Both MaxCare service plans are valid for a period of either three or five years from the product's purchase date to ensure extended life-cycle protection. We offer both a standard plan and an all-inclusive plan.



ALGIZ 8X

PORTABLE AND POWERFUL FIELD COMPUTING

The ultra-mobile Algiz 8X rugged tablet combines powerful computing with ultimate reliability in the toughest environments. This rugged 8" Windows tablet offers fast processing along with user-friendly features and design, maximizing your efficiency on long days in the field.

With a full range of features and built rugged from the inside out, the powerful, compact Algiz 8X offers an ideal compact tablet solution at an excellent value for today's field professionals.



Technical specifications

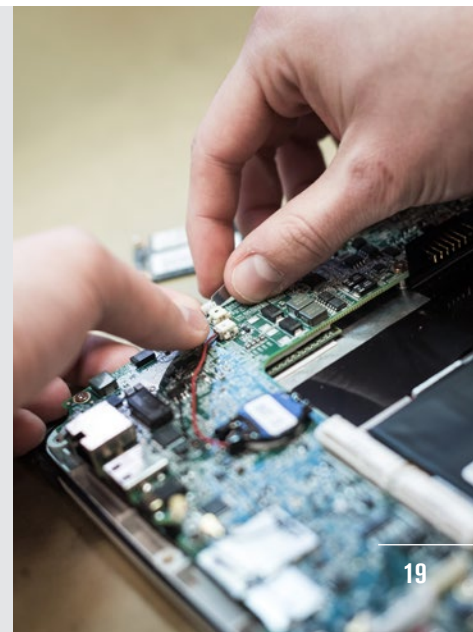
- Intel® Pentium® Processor N3710 2.40 GHz
- 4 GB DDR3L RAM/128 GB SSD
- Windows 10 Enterprise CBB (64-bit)
- 8" capacitive touchscreen, 1280x800 resolution
- 5200 mAh (39.52 Wh) or 10350 mAh (74.52 Wh), Hot-swappable Li-Ion Battery Pack
- 8 MP camera with LED light
- 2G, 3G, 4G/LTE
- WLAN 802.11ac, a/b/g/n, 2.4GHz and 5GHz
- BT v4.2 LE
- u-blox GPS/GLONASS
- USB 3.0, Micro HDMI, Micro SDXC, Micro SIM
- Expansion: RJ45, COM, CAN bus, Barcode imager
- Weight: 990 g (2.18 lbs)
- -20 °C to 60 °C (-4 °F to 140 °F)
- IP65, MIL-STD-810G

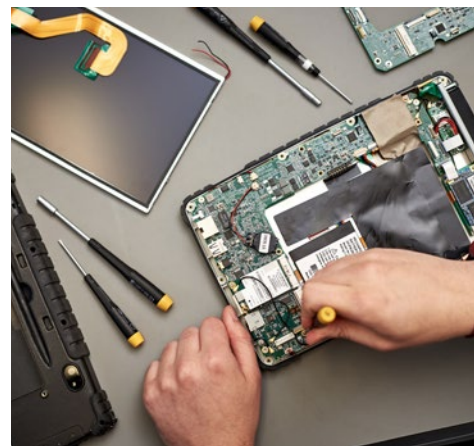
MaxCare Standard

The standard option of MaxCare is a straightforward service plan for the user who wishes to extend our standard warranty coverage and free outgoing shipping service for three or five years. This efficient warranty-extension plan makes repairs easy and fast, adds cost effectiveness to the product and provides the customers with a greater sense of security.

MaxCare All-Inclusive

The all-inclusive option of MaxCare is our no-questions-asked coverage plan designed for the mission critical user. This includes coverage for all repairs required as a result of accidental damage, including non-warranty repairs – all at one low, fixed cost. It also includes free return shipping, a service meeting and an annual service report. In short, the MaxCare All-Inclusive offers our best value, covering any necessary repairs during the extended warranty period of three or five years.





HANDHELD SERVICE AND SUPPORT

Handheld's products are designed for work in harsh conditions. Whether the challenges are due to weather elements, extreme temperatures or rough handling, our devices are built to operate reliably in any application.

With the help of Handheld service and support, our products are made even more trustworthy. For general product-related questions, assistance with software, and any issue that could arise with your device, the service and support department can provide the necessary tools and information to keep your team running efficiently. Multiple extended warranty coverage options through the MaxCare service plan provide additional peace of mind and further lower the total cost of ownership for Handheld devices.

The Handheld service and support is divided into two types of teams:

The hardware service teams perform repairs in 49 different locations worldwide, from Australia in the east to the United States in the west. These locations include four Handheld service centers and

45 authorized service partners strategically positioned all over the world to ensure a personal level of assistance, as well as quick turnaround time for any repairs. The hardware service teams manage all inquiries related to warranty, repair and product maintenance

The support teams handle inquiries related to software, development and programming. Most frequently, these questions come from customers who have integrated their own software into Handheld's devices.



THE SERVICE PROCESS

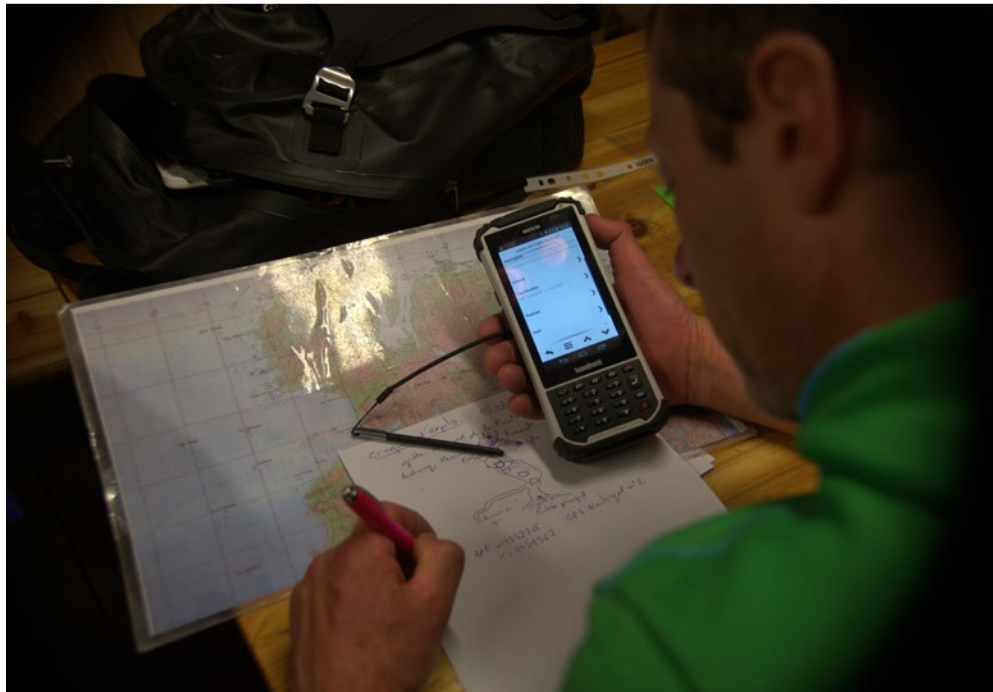
To begin the service process, a customer fills out a service inquiry form on the Handheld website. The customer then receives instructions about how to proceed with the request and how to send the device in for service.

If a repair is not eligible for warranty coverage, Handheld will send a quote for service costs. Otherwise, the service center will repair the device within days and return it to the customer.

Prioritizing a strong service and support department is one way that Handheld works to provide excellent customer service to our clients. Resulting from continuous improvements, our customers can now follow the service status of their device directly online by entering a case number. They can also see their computer's guarantee level by entering the serial

number of their device. Furthermore, working with service centers in many parts of the world allows us to maintain closer relationships with customers and also helps to keep the repair process as smooth and efficient as possible, minimizing unnecessary downtime for the customer and saving associated downtime costs.

Service and support are also closely linked to our product development efforts. The service and support teams pay close attention to product issues and customer feedback, and pass them along to the product development team. Handheld is always striving to improve internal processes in order to create better, more efficient solutions – and that's something we believe is best done together with our partners and customers.



EXTREME ENVIRONMENT SURVEYING WITH RUGGED HANDHELDS

Explorers surveying remote Patagonia.

In early 2017 the Ultima Patagonia team of cave divers used the Nautiz X8 rugged handheld for marine cave surveying, gathering data to classify the inaccessible northern half of Madre de Dios for UNESCO World Heritage. From Michel PHILIPS, cave explorer and cave diver from the Association Centre Terre:

"Over the course of twenty years and seven successive expeditions to the limestone islands of the western Patagonia Archipelago in the far south of Chile, we have discovered the Marble Glaciers, the largest cavities in South America, new animal species, unknown rock paintings and the archaeological remains of the first inhabitants of these hostile lands. We have travelled across the Madre de Dios and Diego de Almagro archipelagos, in search of caves and sinkholes.

Being so isolated, the entire northern half of Madre de Dios was inaccessible. Beyond latitude 50° south, the Barros Luco fjord and its unexplored karst presented us with a challenge. In 2006, 2008 and 2010 we were only able to touch upon the southern shore, taking advantage of tiny weather windows, carrying our boats on our backs across the mountain or assisted by helicopter drops by the French and Chilean armies. But in the north, there was still a 150 km² unexplored plateau, potentially offering exceptional discoveries.

Franco-Chilean exploration team

The Ultima Patagonia 2017 expedition brought a multidisciplinary Franco-Chilean team of 25 speleologists to explore this unknown area. It required building a scientific base, enabling our team to live entirely on our own for two months in some of the harshest conditions on the planet. The objectives included surveying, exploration and the topography of the caves and chasms of the island, including cave diving, as well as scientific studies in fields as diverse as climatology, hydrology, geology, geomorphology, botany, zoology and archaeology. We also devoted time and effort to communication, through our Internet site or through video conferences with schools and colleges throughout France. A documentary was shot and produced for television. We also gathered data to classify the island for UNESCO World Heritage.

Nautiz X8 rugged handheld joins the team

While preparing for the expedition, the robust nature of the Nautiz X8 rugged handheld and its potential uses were of great interest to us. Before departure, we installed a GPS application with geo-referenced

satellite images, cave-mapping software, software for calculating decompression stops and planning dives, a tool for calculating gas mixtures specific for deep dives, software for taking and processing images, a compass, etc.

The team of cave divers used the Nautiz X8 rugged handheld mainly for marine surveying and for locating cavities. We explored freshwater springs on the seashore or directly under the sea. The surveys were undertaken when sailing along the coastline in our Bombard inflatable boats. We had to cope with heavy rain, strong winds and difficult sailing conditions at all times, even inside the channels.

Extreme environments require extreme ruggedness

The robust design of the Nautiz X8 meant that we could take it everywhere with us and use it even on our boats. The devices were sprayed with copious amounts of both fresh and salt water. They stood up well to this treatment.

The Nautiz X8 rugged PDA is well-designed ergonomically and has a really large display, which made spotting objects on the pre-loaded satellite images easy. The display is easily visible, regardless of the lighting conditions. It is large, bright, and with good definition. As you'd expect, the touch function quickly became unusable in heavy spray. In this case, the physical keyboard is really useful, and proved easy to use.

We had software to calculate the pressures for producing the air-, oxygen- and helium-based gas mixtures for deep dives. This software installed on the Nautiz X8 rugged handheld proved to be very useful, because we could calculate the different parts of air, oxygen or helium to put in our bottles at our filling station which was far from the scientific base.

Nautiz X8, a versatile team tool

We also took the Nautiz X8 handhelds with us to our forward camps in the middle of the island. We mainly used their GPS and compass facilities for pinpointing newly discovered cavities. We usually spent 3 to 6 days at these camps, and the reliability of the devices was excellent even in the cold temperatures at altitude.

All cavities we explore are subject to topographical survey. Topography requires making a skeleton of the cavity, taking the distance, slope and azimuth between



CHALLENGE

The Ultima Patagonia 2017 team needed a device rugged enough to handle the extreme conditions of unexplored parts of Chilean Patagonia.



SOLUTION

The ultra-rugged Nautiz X8 joins the team and is used to handle GPS, data collection, topography, telephone, photography, and note taking in extreme environments.



RESULT

The Nautiz X8 replaces many fragile devices as the robust design of the Nautiz X8 rugged handheld meant that explorers could take it with them everywhere.

each station, and the height and width values of the underground galleries. All these data enable us to then make a cross-section, a plan and a 3D view of the cavity. The caving software enables readings and precise measurements to be recorded directly from the laser range-finder via a Bluetooth connection with the Nautiz X8. The software also enables you to make freehand drawing profiles of galleries. These two functions worked perfectly and it was possible to take readings even in the wettest shafts. Having a stylus is extremely useful for drawing the detailed shapes of the galleries and the infill accurately.

Standing in for more fragile equipment

Having returned to base camp, the Bluetooth transfer of data from the Nautiz X8 to the computers was done without any problem. Everything worked extremely well, the device stood up to the cold, the humidity and the mud, as well as to the rough treatment inflicted on it by the cave explorers!

We took some photos with the Nautiz X8, which should have been merely of passing interest, because we had professional photographers with sophisticated, high-quality photographic equipment! But, because it was always at hand, the Nautiz X8 rugged handheld allowed us to capture moments when other devices stayed well protected in watertight cases.

The Nautiz X8 is a reliable, multi-purpose tool that can perform many services on an expedition. One thing is certain; we put it seriously to the test in Patagonia! It is robust, waterproof, and reliably self-sufficient. It did not give up when many of our photographic devices, cameras or radios became unusable due to being knocked or submerged. Its reliability is indispensable for an adventure such as ours. It is heavy and bulky, but this must be set against all the services that the device can provide: GPS, topography, telephone, photography, note taking, etc. Fully optimized, it replaces so many devices that its size and weight are no problem, and you can take full advantage of it being easy to hold and of its large display."





HELENA QUISTH, MARKETING ASSISTANT AT HANDHELD

Every brand has a visual identity. And when you look at any element that helps define Handheld's graphic look, it's likely Helena Quisth has had a role in managing it. As a multi-talented marketing assistant, she has her hands on virtually everything visual that relates to the Handheld brand. And you might be surprised how many things that actually includes.

- How long have you been a Handheld employee?

I've been at Handheld since June 2013.

- Describe your role within Handheld.

As a Marketing Assistant, my duties include actively participating in Handheld's marketing strategies, with a main focus on our graphic materials, making sure the company's graphic profile is followed. This includes producing, creating and coordinating marketing materials such as advertisements, data sheets and brochures, event artwork and product-box layouts. I also update our website, produce our newsletters (the Handheld Rugged News), coordinate text translations and support our local sales offices. And there are other things, too, such as updating our image bank, putting graphic layouts and printed material together, and planning, arranging and participating in fairs and events.

- What would you say are the most important factors that give Handheld a competitive advantage?

A strong team of people who work great together – and listening to our customers.

- From your perspective in marketing, what makes Handheld stand out compared to other rugged computer companies?

We have a nice, modern graphic look, and awesome product images. We have a good website, and are doing a good job with our marketing. We have a small but flexible marketing team, with many different skills that complement each other.

We have good relationships with our reselling partners, and we listen to them and work together. We work hard to provide our resellers with marketing material and images – for events, for example.

- Take us through a typical work day for you in April.

- 7:50 – Arrive at work, grab a coffee and talk to colleagues.
- 8:00 – Check my inbox and answer email. Go through my notes and plan the day.
- 8:15 – Check with the marketing manager and work on graphics for this financial summary.
- 10:15 – Check inbox and answer email.
- 10:30 – Marketing team meeting.
- 11:45 – Continue work on the financial summary.
- 13:00 – Lunch break with colleagues.
- 14:00 – Start on a new booth graphic for an upcoming event.
- 15:20 – Send the event graphics to the marketing manager and sales representative for review.
- 15:30 – Contact the print shop and order some new marketing materials.
- 15:50 – Receive our newest case study from the translation company; pass it on to each respective subsidiary for review to ensure the translation is done correctly.
- 16:15 – Add updates to our website.
- 16:50 – Leave the office.

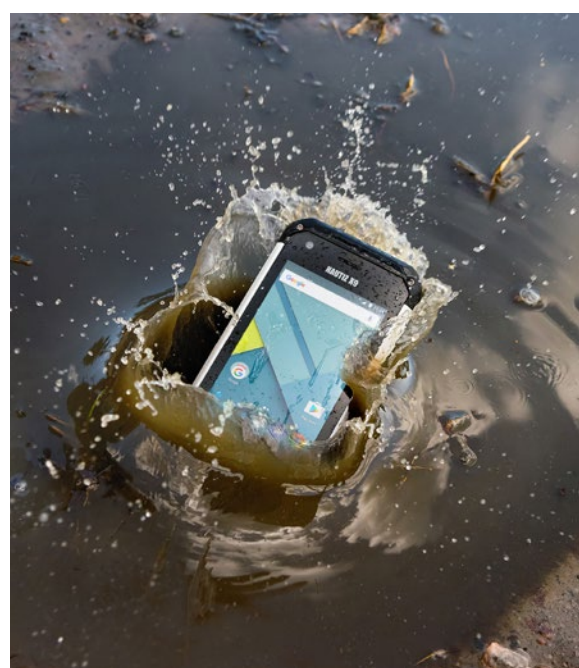
- How do you like to fill your leisure time?

Every chance I get, I enjoy spending time with my family (my 7-year-old son and husband).

Lidköping has a nice archipelago, so in the summer we love to go out with the boat and also spend time in our summer house right by Lake Vänern (Sweden's largest lake). I also like travelling, skiing, running and golfing.

- What is your most memorable moment at Handheld?

My most memorable moment at Handheld was my first day at work. It was the Handheld Partner Conference in Gothenburg, in 2013. I was assigned to registration, helping with sign-up and nametags. I met all my new Handheld colleagues, and all our nice customers. Very many people to meet and remember! They were fun, intense days with a lot of impressions, information and a nice atmosphere. I really appreciate the family feel we have at Handheld.



RUGGED MOBILE, SOUTH AFRICA

Africa's variety of tough environments, along with a warm, dusty, sunny and often wet climate, lead to strong demand for high-quality rugged mobile computers. And for Rugged Mobile — a mobile technology supplier, Handheld partner and Handheld Service Center based in South Africa — these environmental challenges make work especially rewarding.

"It's exciting to join with so many companies in different sectors to provide quality equipment and create more efficient solutions together," says Thomas Walters, founder of Rugged Mobile. "The quality of the Handheld brand makes it easy to sell to clients who already know what they are looking for, and easier to sell to clients who need assistance finding the right device for a job."

Rugged Mobile has worked closely with Handheld since 2012, when Walters decided to source Handheld products to sell as part of a meter-reading solution that has run on the Nautiz X3 and Nautiz X4, and is currently being developed to operate on the brand-new Nautiz X9.

Once he saw the potential for rugged tablets and PDAs in Africa, Walters reached out to other companies that he saw might have use for Handheld products. As the company grew, so did the variety of customers. Now Rugged Mobile clients span a truly diverse range of industries, including agriculture, city management, finance, stainless steel production and metering.

"Handheld products have performed exceptionally well here in Africa, holding their own in every environment where they've been put to the test," Walters says.

A close working partnership

As a business partner and a Service Center location, Rugged Mobile works closely with the Handheld team. "We're very integrated into each other's businesses," Walters says. "This is important to us, because we believe in teamwork."

Rugged Mobile always attends the Handheld Business Partner Conference in Sweden despite the long distance — even receiving awards for traveling the

farthest to get to the event. Walters visits Handheld headquarters occasionally to keep up to date with the latest product and support information, and simply to maintain a close relationship with Handheld.

Handheld employees also make it out to visit Rugged Mobile: "We do joint exhibitions here in South Africa," says Walters. Carsten Billeschou (Handheld Managing Director) will join us at our stands to bring in leads and create sales opportunities for the Handheld brand. I also have Skype calls at least weekly with Carsten, so we can update each other on the latest business opportunities."

Adding value goes both ways

Working as a team means using two sets of strengths to generate business and retain customers long-term.

As a distributor of Handheld products responsible for all market verticals and industries for the south of Africa, Rugged Mobile's client base is distributed across South Africa, in all nine provinces. Extensive product visibility and happy customers around the country benefit both Handheld and Rugged Mobile.

"We also have the capacity and skills to develop software applications if needed, and can therefore add extra value to the Handheld hardware at times when we need these motivations to close deals," Walters explains.

Rugged Mobile's role as a Handheld Service Center is also incredibly important. "Local support can be absolutely crucial," Walters says. "Clients don't want to wait too long for repairs or service work to be done. They're under a lot of pressure to resume their work, and our local service center allows us to diagnose and repair devices ourselves and return them to the customer as soon as possible."

Ultimately, working closely to benefit one another isn't just smart business sense — it's personal.

"We have been working together with Handheld for a long time, and we cherish the strong relationship we have with them," Walters says.



HBPC

THE HANDHELD BUSINESS PARTNER CONFERENCE

The Handheld Business Partner Conference (HBPC) is an event held exclusively for reselling members of the Handheld Business Partner network. It's where we come together to network, drive progress and identify new opportunities for profitability.

In 2019, we will be hosting our 10th event — and that calls for celebration. Make sure to join us then!

Who can attend?

The HBPC is open to any member of the Handheld Business Partner network. Attendees come from more than 30 countries and represent many of our most successful partners worldwide. Handheld resellers are a mix of small and large companies. They are hardware vendors, system integrators and software providers from a broad spectrum of industries. At the HBPC, you'll network with mobile computing leaders and visionaries, coming together to generate plans for expanded growth and increased market share.

Event topics and speakers

HBPC attendees gain valuable information about market directions that can inform their planning. External speakers will join Handheld staff to bring you up to speed on industry trends and what's working in sales, marketing and deployment for rugged solutions. Plus, we'll fill you in on the latest news from Handheld, including product updates and our roadmap moving forward.

Partner showcase

In addition to the latest news and updates about Handheld products, many partners and suppliers showcase their solutions in a mini-exhibition. We love this portion of HBPC for the personal interaction we get with our partners — and we've also been known to offer first glimpses of our own unreleased offerings here. We encourage attendees to take advantage of this time to meet and exchange ideas, information and hands-on solutions in person.

Nothing beats face-to-face

There's no replacement for face-to-face interactions. Propel your business growth by networking with innovative partners, Handheld team members and mobility experts from across the globe.

Mobile technology has never been so dynamic. Product discussions, product roadmaps and state-of-the-industry reports help you plan for the future and provide the best solutions for your customers.

But the HBPC is not all business. Enjoy Swedish cuisine, bright Stockholm evenings, entertainment and conversations with your fellow attendees.

For information about the next upcoming Handheld Business Partner Conference, see

www.handheldgroup.com/HBPC



PREVIOUS ATTENDEES SAY...

"I have attended at least 20 conferences in my business career, but yesterday's conference was very different. It is a partner conference, not a sales meeting. It was fantastic to know how much value you give to your business partners."

"The HBPC was an exceptionally well-organized event with a welcoming and easy atmosphere. It gave us a lot of connections and the information we needed to create fruitful business partnerships in the Handheld community."

"I have participated in dealer meetings for 20 years across Europe and the world. This one was a great, unique experience. Really warm and friendly relationships, useful speeches and sessions, and excellent organization made for a top-notch event."





HARD WORK ESTABLISHED THE FOUNDATION FOR A PROSPEROUS YEAR



“We are very pleased to present strong improvements in all key ratios of our business.”

In line with our expectations and forecast for 2017, we can summarize a very successful year in all areas. We entered 2017 with strong momentum that continued throughout the year, and we saw volume growth, higher profitability and cost efficiency that all contributed to our very prosperous year. We are very pleased to present strong improvements in all key ratios of our business.

Handheld Group revenues amounted to 194 million SEK, an increase of 18% compared to last fiscal year. We maintained our positive growth in order intake during the year, ending with a strong final quarter. Our gross margin improved to a record level 50%, which was in line with our expectations and is a result of ongoing hard work and preparation, an increase in sales and our diverse and growing product portfolio.

Our operational expenses decreased as a percentage of total revenue, which also impacted profitability at the EBITDA level to a record figure for the year. Our EBITDA totaled 36,2 million SEK (18,7%), a significant increase from 2016 figures. Intensive work done by the Handheld team during the last two years is now paying off in a positive way, and we believe it will keep impacting growth well into the future.

We invested 8,4 million SEK into our product portfolio during the year, and with our financial result and high

operational cash flow amounting to 26 million SEK, we were able to finance our investments within Handheld Group's cash flow. We also strengthened our balance sheet, amortizing our loan and using short-term funding within our credit limit. Our total balance increased to 102 million SEK and our equity ratio is 41%, also a notable improvement from last year's 34%.

Overall, Handheld has built a firm financial foundation. We are planning for continued growth in the coming years, with a focus on profitability and product development within our business model. We will continue to launch products frequently, a key factor for us to keep improving and to stay competitive. We will also continue to emphasize signing long-term agreements with partners in order to maintain and strengthen our position in the global market.

Christer Florén
CFO

Lidköping, April 2018

FINANCIAL OVERVIEW



COMPARATIVE FIGURES COVERING SEVERAL YEARS

| CONSOLIDATED FIGURES IN THOUSANDS SEK | 2017 | 2016 | 2015 | 2014 | 2013 |
|---------------------------------------|---------|---------|---------|---------|---------|
| Sales | 193 825 | 164 143 | 153 635 | 200 067 | 180 808 |
| Result before tax | 21 429 | -1 831 | -12 732 | 18 500 | 23 488 |
| Balance sheet total | 102 228 | 91 904 | 97 276 | 118 528 | 84 880 |
| Employed | 42 | 41 | 50 | 48 | 42 |
| Solidity | 41 | 34 | 34 | 41 | 46 |
| Return on assets, % | 21 | neg | neg | 17 | 28 |
| Return on equity, % | 51 | neg | neg | 41 | 59 |

2017

| INCOME STATEMENTS | 2017 | 2016 |
|---|---------------------|---------------------|
| Sales | | |
| Net sales | 193 824 886 | 164 142 659 |
| Work performed by the company for its own use and capitalised | 1 619 302 | 2 681 991 |
| Total sales | 195 444 188 | 166 824 650 |
| Operating expenses | | |
| Cost of sold goods | -96 689 453 | -94 267 730 |
| Other external expenses | -21 171 591 | -20 835 444 |
| Personnel costs | -41 349 236 | -37 232 969 |
| Depreciations and amortizations | -14 404 448 | -15 798 576 |
| Total operating expenses | -173 614 728 | -168 134 719 |
| Operating profit/loss | 21 829 460 | -1 310 069 |
| Profit/loss from financial items | | |
| Interest received | 144 792 | 170 415 |
| Interest paid | -725 405 | -691 702 |
| Total profit/loss from financial items | -580 613 | -521 287 |
| Profit/loss after financial items | 21 248 847 | -1 831 356 |
| Tax on profit for the year | -4 637 422 | -658 176 |
| Net profit for the year | 16 611 425 | -2 489 532 |

2017

| BALANCE SHEETS | 2017-12-31 | 2016-12-31 |
|--|--------------------|-------------------|
| ASSETS | | |
| Fixed assets | | |
| Intangible fixed assets | | |
| Capitalized expenditure for development work | 21 211 184 | 26 862 459 |
| Trademark, license and similar rights | 895 863 | 1 139 866 |
| | 22 107 047 | 28 002 325 |
| Tangible fixed assets | | |
| Equipment, tools, fixtures and fittings | 164 966 | 326 039 |
| Total fixed assets | 22 272 013 | 28 328 364 |
| Current assets | | |
| Inventories, etc. | | |
| Goods for resale | 24 227 093 | 26 171 472 |
| Advance payments to suppliers | 51 678 | 35 191 |
| | 24 278 771 | 26 206 663 |
| Current receivables | | |
| Accounts receivable - trade | 49 889 544 | 29 433 134 |
| Tax receivables | 11 564 | - |
| Other current receivables | 3 514 752 | 3 342 228 |
| Prepaid expenses and accrued income | 1 793 669 | 3 657 465 |
| | 55 209 529 | 36 432 827 |
| Cash and bank balances | 467 230 | 936 018 |
| Total current assets | 79 955 530 | 63 575 508 |
| Total assets | 102 227 543 | 91 903 872 |

2017

| BALANCE SHEETS | 2017-12-31 | 2016-12-31 |
|---|--------------------|-------------------|
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Restricted equity | | |
| Share capital | 520 200 | 520 200 |
| Other added capital | 8 168 200 | 8 494 000 |
| Development capital | 14 675 091 | 9 070 030 |
| Other equity inclusive P/L for the year | 18 526 951 | 13 236 666 |
| Equity assignable to owner | 41 890 442 | 31 320 896 |
| Minority shareholding | 137 119 | - |
| Total equity | 41 890 442 | 31 320 896 |
| Non-current liabilities | | |
| Liabilities to credit institutions | 7 812 500 | 14 062 500 |
| Total non-current liabilities | 7 812 500 | 14 062 500 |
| Current liabilities | | |
| Liabilities to credit institutions | 6 250 000 | 6 250 000 |
| Bank overdraft facilities | 717 219 | 6 493 471 |
| Advance payments from customers | 117 988 | 90 457 |
| Accounts payable - trade | 13 549 161 | 14 488 873 |
| Tax liabilities | 4 320 623 | 1 396 387 |
| Other current liabilities | 4 354 622 | 4 531 590 |
| Accrued expenses and deferred income | 23 077 869 | 13 269 698 |
| Total current liabilities | 52 387 482 | 46 520 476 |
| Total equity and liabilities | 102 227 543 | 91 903 872 |

2017

| CONSOLIDATED CASH FLOW STATEMENTS | 2017 | 2016 |
|--|--------------------|-------------------|
| Operating business | | |
| Operating profit/loss | 21 829 460 | -1 310 069 |
| Adjustment for depreciation / amortization | 14 662 756 | 15 657 597 |
| Received interest | 144 792 | 170 415 |
| Paid interest | -725 405 | -691 702 |
| Tax | -1 724 750 | -3 384 856 |
| | 34 186 853 | 10 441 385 |
| Inventory change | 1 944 379 | -2 278 392 |
| Customer receivables change | -20 456 410 | -304 660 |
| Short term receivables change | 1 674 785 | 693 109 |
| Vendors change | -939 712 | 6 379 752 |
| Short term liabilities change | 9 658 734 | -2 604 518 |
| Cash flow from operating business | 26 068 629 | 12 326 676 |
| Business Investments | | |
| Intangible assets investments | -8 410 456 | -9 543 231 |
| Tangible assets investments | -13 936 | -8 817 |
| Sold tangible assets | - | 81 900 |
| Investments in subsidiaries | -17 773 | -19 250 |
| Cash flow from investments | -8 442 165 | -9 489 398 |
| Finance | | |
| New share issue | - | 1 189 000 |
| Bank loan | -6 250 000 | -4 687 500 |
| Bank credit change | -5 776 252 | -82 658 |
| Reclassification bank credit | - | -339 832 |
| Dividend | -6 069 000 | - |
| Cash flow from financing operations | -18 095 252 | -3 920 990 |
| Cash flow | -468 788 | -1 083 712 |
| Bank statement year start | 936 018 | 2 019 730 |
| Bank statement year end | 467 230 | 936 018 |
| Bank limit available on balance day | 30 517 611 | 24 811 094 |

NOTES, FOR PARENT COMPANY AND THE GROUP

Note 1

Accounting and Valuation Principles

The company's annual report has been prepared in accordance with the Annual Accounts Act and BFNAR 2012: 1 (K3 regulations). The accounting policies are unchanged compared with the previous year.

Consolidated Accounts

The consolidated financial statements have been prepared using the purchase method. The consolidated accounts include subsidiaries where the parent company holds more than 50% of the voting rights or otherwise has a controlling influence. Consolidated financial statements for the Handheld Group AB with subsidiaries Handheld Europe AB (org nr 556635-3495), Handheld Scandinavia AB (org nr 556643-9526), Handheld Finance AB (org nr 556835-0259), HHCS Handheld Finland Oy (org nr 2089502-4), Handheld US Inc (org nr 262128172), Handheld Italia SRL (org nr 10065441007), Handheld Benelux BV (org nr 153 7360), Handheld Apac Pty Ltd (org nr 146 981 526), Handheld Germany GmbH (9163 128 11085) Handheld Swiss GmbH (org nr 422 378 549) and Handheld UK & Ireland Ltd (nr 7847370).

All the Company's foreign subsidiaries are classified as independent subsidiaries, the current method is applied when translating their accounts. This means that the foreign subsidiaries assets and liabilities are translated at the closing rate. All items in profit/loss are translated at the average rate. Translation differences are taken directly to consolidated equity.

Foreign Currencies

Receivables and payables in foreign currencies are translated at the closing rate. Gains and losses on receivables and liabilities are recognized in operating income

Income

Sales of goods are recognized when products are delivered to the customer in accordance with the terms of sale. Sales are reported net after VAT, discounts and exchange differences on sales in foreign currency. Service revenues are recognized in the period they relate to. In the consolidated financial statements internal sales are eliminated.

Warranty costs

The company's suppliers are responsible for any warranty costs, with no guarantee risk reserve are not included in the balance sheet.

Income taxes

Reported income tax includes tax to be paid or received for the current year and adjustments to previous years' taxes. Tax liabilities / assets are valued at what the company's assessment payable to or receivable from the tax authorities. The assessment is made according to the tax rules and tax rates decided or announced and likely to be adopted.

For items reported in the income statement, related tax effects in the income statement. Tax effects of items recognized directly in equity are recognized in equity.

Deferred tax assets relating to loss carryforwards or other

future tax deductions are recognized to the extent that it is probable that the deduction can be offset against future taxable profits.

Capitalized development expenditure / Tangible assets

Expenditure on development projects (relating to the design and testing of new or improved products) is capitalized in the Group as intangible assets to the extent that they are expected to generate future economic benefits. Other development costs are expensed as incurred.

Development costs that are capitalized are depreciated over the period that the expected benefits are estimated to company and from the time when commercial production begins. The amortization period is three years.

Trademarks, licenses and similar rights and goodwill

Other intangible assets are stated at cost less depreciation. Depreciation is calculated systematically over their estimated useful lives. The following depreciation periods apply: Handheld Group AB 556556-2799

| | Number of Years |
|-----------|-----------------|
| Trademark | 15 |
| Goodwill | 5 |
| License | 5 |

Adjusting for currency changes in the Group both for cost and depreciation. Changes are not expected to have a significant effect.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is linear over the estimated useful lives. The following depreciation periods apply:

Equipment, tools, fixtures and fittings 5 years

Adjusting for currency changes in the Group both for cost and depreciation. Changes are not expected to have a material impact.

Inventories

Inventories are valued using the first-in-first-out principle at the lower of cost and fair value on the balance sheet date.

Receivables

Receivables with maturities greater than 12 months after the balance sheet date are recognized as fixed assets, others as current assets. Receivables are recognized at the amount at which they are expected to be paid.

Key ratio definitions

Solidity

Shareholders' equity, minority interest and untaxed reserves (net of deferred tax) in relation to total assets (TA).

Return on assets

Earnings before Financial Expenses in relation to total assets.

Return on Equity

Profit after financial items in relation to shareholders' equity, minority interest and untaxed reserves (less deferred tax).



BOARD OF DIRECTORS

JERKER HELLSTRÖM
Founder and Board Member

SOFIA LÖFBLAD
Board Member

THOMAS BJÖRKMAN
Chairman of the Board

ANNA HELLSTRÖM
Board Member

THOMAS LÖFBLAD
Board Member

OWNERS

JERKER HELLSTRÖM

CEO and Founder
Handheld Group AB



THOMAS LÖFBLAD

Vice President Global Sales
Handheld Group AB



MIKE ZELMAN

Vice President of Business
Development
Handheld Group AB



CHRISTER FLORÉN

CFO
Handheld Group AB



JUHANI SALAS

Managing Director
HHCS Handheld Finland Oy



SOFIA LÖFBLAD

Marketing Director
Handheld Group AB



MYRA LONG

Director of Development
Handheld Group AB



JOHAN HED

Director Product Management
Handheld Group AB



ANNA HELLSTRÖM

Director Supply Chain
Handheld Group AB



CARSTEN BILLESCHOU

Managing Director
Handheld Europe AB
Handheld APAC Pty Ltd.



HELMUT FEURHUBER

Managing Director
Handheld Germany GmbH



DAVE CAWSEY

Managing Director
Handheld UK & Ireland Ltd



ANDREAS HITZ

Managing Director
Handheld Swiss GmbH



JIM RIMAY

President & CEO
HHCS Handheld USA Inc.

CONTACT US

Handheld headquarters is in western Sweden in the town of Lidköping. We have subsidiaries in Finland, United Kingdom, Germany, Switzerland, USA, Italy, The Netherlands and in Australia. Having these remote branches helps Handheld maintain a close relationship with and offer better service to our customers.

For contact details see:

www.handheldgroup.com/contact-us

Or general email: info@handheldgroup.com

FOLLOW OUR SOCIAL MEDIA CHANNELS

We are present on LinkedIn, Twitter and YouTube. You will find us at:



www.linkedin.com/company/handheld



www.twitter.com/HandheldGroup



www.youtube.com/c/handheldgroup



