

# FINANCIAL SUMMARY 2018



## OUR YEAR IN SHORT

The Handheld Group is a leading manufacturer of rugged mobile handheld computers 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 \$8.1 billion in 2018
- Continued growth at a steady single digit percentage growth year on year
- Small form factor devices and tablets show the largest growth
- A large increase in demand for Android based operating system



## NEW PRODUCT RELEASE



**“The key to being a rugged handheld leader is listening to what customers really want. They’ve asked for an ultra-rugged phablet, and with the Nautiz X6 we’re delivering the form factor and performance they’re looking for.”**

*Johan Hed,  
Director Product Management*



### MAXGO ANDROID APPS

Designed to make Handheld’s growing lineup of ultra-rugged Android devices even easier to use. The growing suite of MaxGo software apps for Android is designed to facilitate quick custom setups for a curated, secure experience across all Handheld Android devices even across large-scale deployments.

## KEY APPOINTMENTS



**FREDRIK ELMERS**

Business Development Director  
for Handheld Group



**JEFF ROGERS**

Eastern Regional Sales Manager  
for Handheld US



**JOHN O'CONNOR**

Strategic Account Manager  
for Handheld US



**ERIC GRADINE**

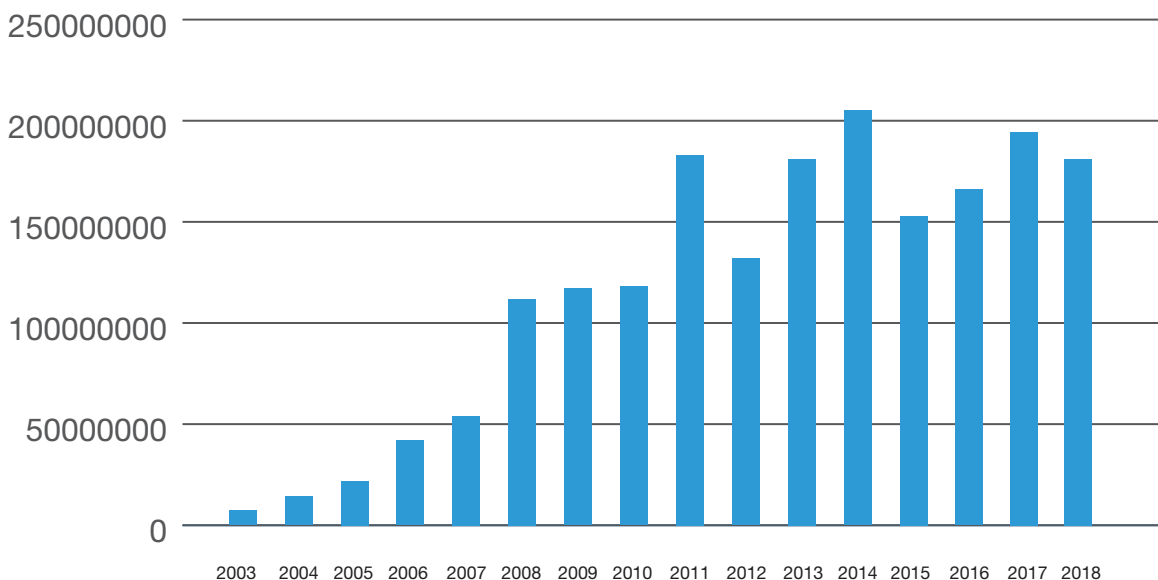
Technical Program Manager  
for Handheld Group



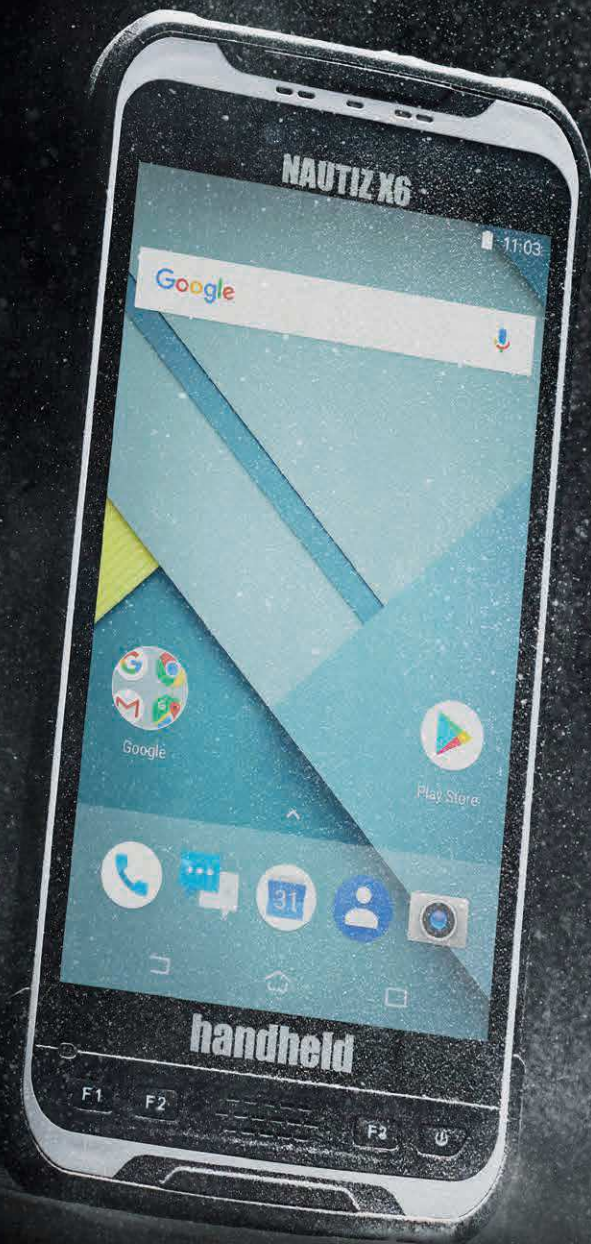
**FUN FACT: HANDHELD'S RUGGED MOBILE COMPUTERS  
FEATURE IN MISSION: IMPOSSIBLE - FALLOUT**

<p><b>EBITDA</b></p> <p><b>16,1%</b></p> <p><b>SOLID PROFITABILITY</b></p>	<p><b>MORE THAN</b></p> <p><b>1,000+</b></p> <p><b>PARTNERS WORLDWIDE</b></p>
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**REVENUE SEK 2003-2018**









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# AN EXCEEDINGLY BRIGHT FUTURE

**“With a stable foundation, an extraordinary team, strong partners and a very sound business model, the future is looking bright indeed.”**

The past year turned out to be another very successful year for Handheld. We moved into the year with great momentum, and kept it going. Although our revenues and orders were a little bit lower than the previous year, we took great steps forward with business that will materialize over the next couple years. Our bottom line continues to show healthy profitability, which is a key to our ongoing development as a company. With a stable foundation, an extraordinary team, strong partners and a very sound business model, the future is looking bright indeed.

During 2018 we continued our intensified product-development efforts, and over the next 12 to 24 months we'll see several exciting new products hit the market. But we've also seen some great new innovations reach the market in the past 12 months.

- On January 10, 2018, we launched the new Nautiz X9, an ultra-rugged Android handheld targeted for industrial and field applications where reliability is critical and ruggedness is key.
- On October 9 we released MaxGo, our new suite of software apps, which are designed to facilitate an easier, safer, more productive experience for Handheld customers and their clients using rugged Android devices. Expect to see additional MaxGo software apps from us in 2019.
- At the start of 2019 we announced the new Nautiz X6 Android phablet (phone+tablet). It's ideal for industrial and field applications, and combined with the MaxGo Android software suite it delivers a trailblazing combination of practicality and productivity.

2018 also saw the second edition of the “CEO World Tour,” as I visited customers and partners in four continents over just six weeks – a lot of travel, for sure, but well worth it! I received great input on our planned new products, and also got even greater insights into the needs and desires of our customers and partners. In May 2019 we're hosting our Business Partner Conference for the 10<sup>th</sup> time. This is a great event where partners from around the world gather in Stockholm to be updated on our plan going forward, hearing from industry experts as well as meeting international colleagues. Since this is a big anniversary, we'll try to make it the best one yet!

The rugged computing market continues to show steady growth, projected to be worth over \$9 billion by 2022 – a mind-boggling opportunity for a company like ours. The expected growth is primarily for handheld devices and tablets, whereas demand for legacy notebooks and fixed-mount computers will decline. We are ideally positioned for the market, with our focus on both tablets and handheld devices.

With all these things in mind, I honestly think the next few years will be the best in our history. Of course we'll need to keep pushing boundaries to improve every aspect of our business, and continue to nurture and improve the relationships we have with our ever-growing network of partners.

I'm very much looking forward to 2019 and beyond, as our entire team continues to build on our success.

Jerker Hellström  
CEO

*Lidköping, April 2019*







# THE HANDHELD STORY

**“A channel-centric approach allows Handheld to focus on building a strong worldwide network of resale and distribution partners.”**

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.

## More than two decades of experience

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 last decade, 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.

## Products that are built to last

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, WEH or Windows 7/10 platforms 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 average growth of 20 percent or more over time.



## 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!

# WHAT DEFINES A RUGGED COMPUTER?



**“From a user perspective, ruggedness describes a computer’s ability to operate in any type of exposed working condition.”**

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.

## **Military 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.

## **Ingress protection**

You have probably heard of IP-rating, but what does that mean? IP stands for Ingress Protection and 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.

## **Performance in tough conditions**

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.

## **TCO - Total Cost of Ownership**

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 & FORECAST

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 2018, the worldwide rugged mobile computer market totaled app. USD 8,1 billion in sales.

## Form factors

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.

## Geographical market share

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.

## Efficiency

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 global market for tablets has changed significantly over the past several years. While consumer demand for tablets has largely petered, the opportunity in the enterprise – in particular for ruggedized devices – remains strong.”

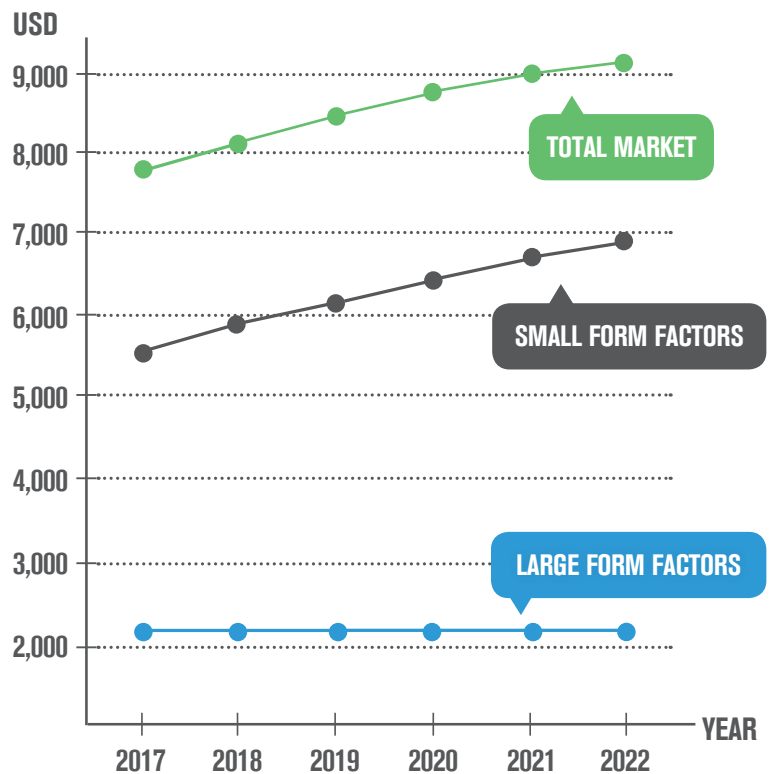
– David Krebs, VDC Research Group.

## MARKET TREND AND FORECAST

### Market trend

The market for rugged mobile devices is expected to undergo continued growth and expansion in the next several years driven primarily in a growth in demand for the small form factor devices. 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.



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

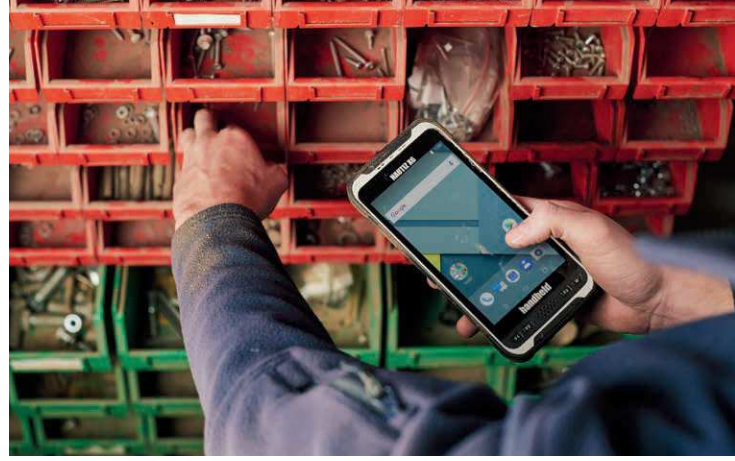
In tough industrial environments, our rugged, lightweight computers are a perfect fit for data collection, inventory management, merchandising and communication tasks. From manufacturing to warehousing applications, our handhelds can send data wirelessly in real-time, create robust reports that sync 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

The Handheld product lineup of rugged computers are marketed and sold under the brands ALGIZ and NAUTIZ. The Algiz product family covers large form factors, like rugged tablets, and the Nautiz family includes ultra-rugged handhelds and enterprise smartphones. Here are a few examples:



## NAUTIZ X6 THE ULTRA-RUGGED ANDROID PHABLET

The Nautiz X6 is an ultra-rugged phablet—phone, plus tablet— that combines the large-format functionality of a tablet with the go-anywhere size of a rugged phone in a single device. The 6-inch touchscreen display is sunlight-readable and protected by super-hardened Gorilla Glass. The Nautiz X6 is fully dust- and waterproof, yet lightweight and slim, making it a perfect ultra-rugged phablet to bring anywhere — whether you are in utilities, field service, GIS, warehousing, or logistics.



## 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.



## ALGIZ RT7 HEAVYWEIGHT FIELD PERFORMANCE

The Algiz RT7 is a powerful, ultra-lightweight, easy-to-carry 7-inch Android tablet designed to balance full ruggedness and lightweight ergonomics — without compromising either. The Algiz RT7 was designed from the inside out to be comfortable to hold and easy to carry, resulting in a tablet that weighs just 650 grams. The Algiz RT7 also meets stringent MIL-STD-810G military standards for withstanding extreme temperatures, drops and vibrations, and its IP65 rating means it's waterproof and fully protected against sand and dust.



## 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.





# MAXGO ANDROID APPS

## For quick custom setups across Handheld Android devices

Designed to make Handheld's growing lineup of ultra-rugged Android devices even easier to use, MaxGo apps get customers up and running fast, letting them apply customized mobile device staging and security configurations quickly, even across large-scale deployments. The growing suite of MaxGo software apps for Android is designed to facilitate quick custom setups for a curated, secure experience across all Handheld Android devices.



### MaxGo Staging

Don't waste another minute configuring multiple devices with the same settings. The MaxGo Staging app lets customers define mobile device staging configurations on a web platform, then quickly deploy their settings and applications to any number of Handheld rugged Android units via a project file, barcode or RFID card. Choose from more than 20 commands, including user settings, network connections, app installations, file downloads, wallpaper and other customizations.



### MaxGo Kiosk

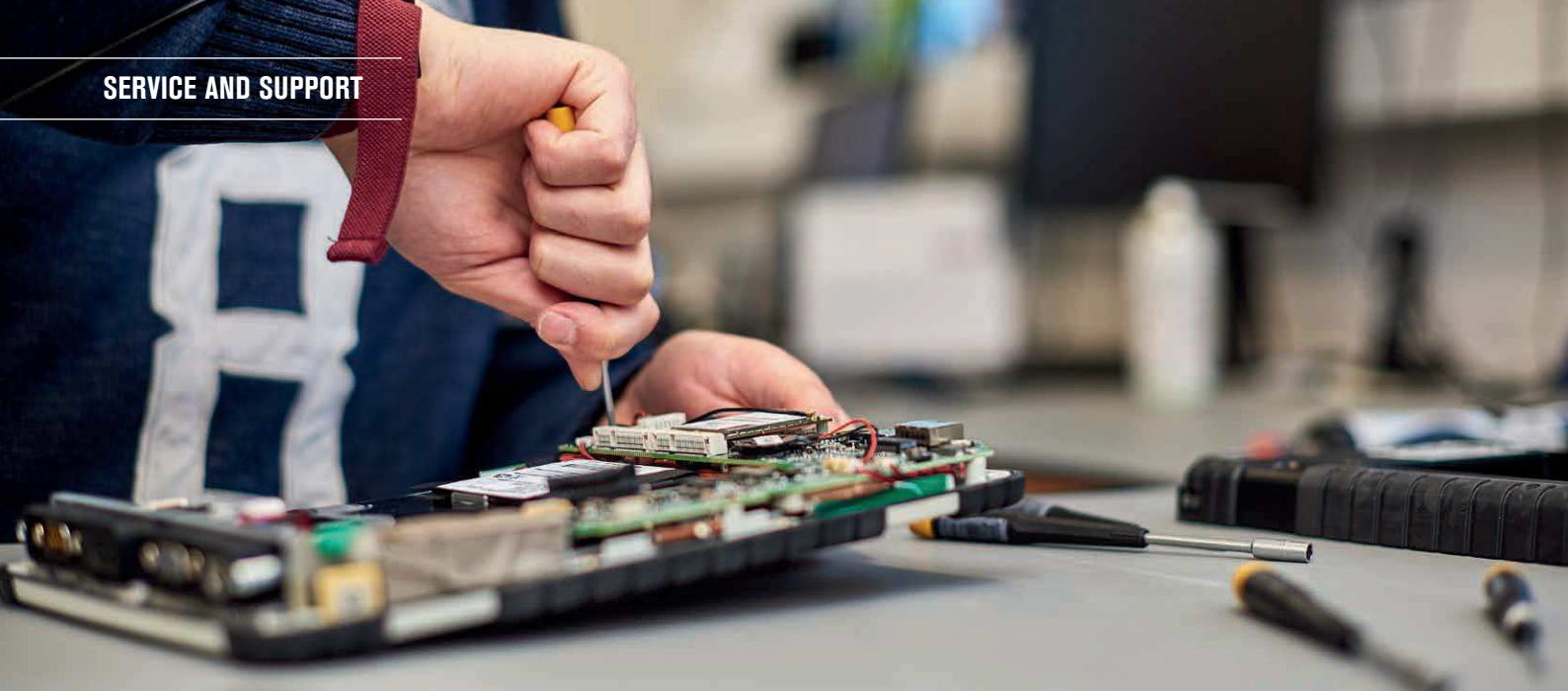
Users who want to limit device use to specific applications can use MaxGo Kiosk custom settings to ensure devices are only used for their designated purpose. Restrict system access, block or allow individual apps, and change and remove settings in order to save time, stay productive and eliminate misuse.



### MaxGo KioskBrowser

Some data collection applications only require an HTML5-based browser — no other apps, and no extra settings. Keep device use focused, safe and relevant with MaxGo KioskBrowser, a customizable Chrome-based browser solution with Kiosk Mode that restricts device use to authorized websites and functions. Need to access built-in data capture tools? No problem: KioskBrowser allows scanning and use of other device features via JavaScript integration.

The entire MaxGo suite of apps is free of charge for all Handheld Android rugged computers.



## HANDHELD SERVICE AND SUPPORT

**Handheld's products are designed for work in harsh conditions. With the help of Handheld service and support, our products are made even more trustworthy.**

Whether the challenges are due to weather elements, extreme temperatures or rough handling, our devices are built to operate reliably in any application, but sometimes there are issues that need to be solved.

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 more than 50 different locations worldwide, from Australia in the east to the United States in the west. These locations include four Handheld service centers and multiple 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.

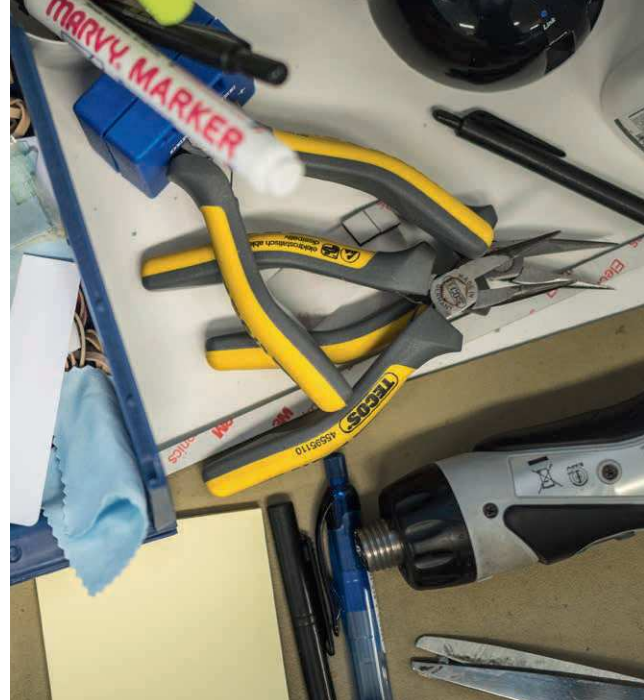
The support teams handle inquiries related to software, development and programming. Most frequently, these questions come from customers who have integrated their own software into Handheld's devices.

### 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.





## 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.

### 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.









### CHALLENGE

Improve communication during emergency-response calls, so everyone involved has reliable information in real time.



### SOLUTION

Algiz 10X rugged tablets, dock-mounted in fire engines and ambulances so responders can instantly access information and update situations.



### RESULT

Time-stamped records of each stage of a response, reduced radio chatter, and reliable shared communication during emergencies.

# ALGIZ 10X IMPROVES EMERGENCY RESPONSE

**Rugged tablet provides instant updates, reliable data.**

In an emergency response situation, time is the most important asset firefighters, EMTs and ambulances have – anything that helps them work faster and more efficiently has a magnified impact on their success. The ability to know the current status of a situation and respond accordingly can literally mean the difference between life and death.

Icelandic Red Cross and the Capital District Fire and Rescue Service understand the value of timely, reliable communication, and their investment in Handheld Algiz 10X rugged tablets has allowed them to save precious time and cut emergency response times for fire engines and ambulances. Improved communication, navigation, decision-making and reliability have proved the worth of these devices time and again.

## The right tool in an emergency

Icelandic Red Cross is responsible for all ambulances in the country; Capital District Fire and Rescue oversees firefighters and EMTs in the area of Reykjavik, the national capital. And like emergency responders everywhere, their main concerns are clear communication, efficient response and successful outcomes.

That starts the minute the nearest 112 centre (the country's emergency phone system – like 911 in the U.S.) gets an emergency call that requires a response from a fire crew or ambulance – the call sets into motion an entire chain of actions.

In the past these organizations had used off-the-shelf, non-rugged desktop computers with capacitive touch screens. But the harsh environments, extreme need for mobility and the importance of reliability pointed them

toward rugged handheld tablets. Their main priorities were integrated features and strong support. After some online searching, local reseller Edico suggested the Handheld Algiz 10X.

Olafur Ragnarsson, manager and software developer at Capital District Fire and Rescue, says “The Algiz 10X's available accessories such as the vehicle dock, and the good support Handheld offers in its knowledge base, lead us to an easy decision to choose the Handheld computers.”

## Essential communication, instantly

Using custom-configured software on the Algiz 10X, the emergency-response process is streamlined and immediate. A 112 centre call-taker puts out a request for response, which shows up on the screens of all emergency vehicles on duty; each one has an Algiz 10X mounted in a car dock for easy one-finger use. The nearest available vehicle's operator simply presses an onscreen button to accept the call, and immediately gets all the pertinent information on the screen – including real-time navigation to the location using the tablet's built-in GPS. As they drive to the scene, any updated information appears on their screen in real time.

When the emergency responders arrive, they touch another button to show they're “On Scene.” Once they've assessed the situation, they communicate their status again, and when they're ready to go on another call, they press “Available” and the cycle begins again. This simple electronic communication avoids misunderstandings and delays, and makes for more efficient communication overall. “Radio voice communication is less busy because a lot



of communicating is done with the handhelds,” Ragnarsson says. “Firefighters, EMTs and 112 centre call-takers all agree on that.”

### Real-time rescue resources

The system lets the rugged tablet communicate as much helpful information as possible. For example, if an ambulance is transporting someone to a hospital, they press “Off Scene” and indicate which medical facility they’ve selected. They get navigation directions on screen, and call information is relayed to the hospital. If a fire engine is responding to a call, they see a map for navigation as well as nearby buildings, fire hydrants and other data – they can plan their strategy before they arrive at the scene.

And each time an emergency responder updates status – from accepting a call to being available for the next call – that response is time-stamped so the 112 centre has an accurate record of every step.

### Simple functionality and rugged durability

In an emergency situation, the last thing anyone wants to deal with is complicated or hard-to-use technology. The combination of the software and the Algiz 10X makes the process intuitive. Simple one-button responses are all that’s required for most actions, and the tablet’s 10-inch, daylight-readable screen displays information clearly in all environments.

And the switch from off-the-shelf devices to rugged tablets has been a revelation. The Algiz 10X has an IP65 rating and meets stringent military standards for performing in harsh environments; by the very nature of their jobs, emergency responders work in challenging environments. They can take the handheld from its vehicle dock and use it on-scene, not worrying about rain, dust, cold or even accidental drops.

This ruggedness also leads to greater reliability and durability.

“After we started to use the Algiz 10X, the need for hardware maintenance has significantly decreased, and is very little now,” Ragnarsson notes.

### Innovative capabilities ahead

With all the built-in functionality available, the organizations have bigger plans for their mobile tablets. For example, there are plans to have the Algiz 10X available in the back of ambulances, so medical professionals can communicate in real time with hospitals about patient conditions and treatments while en route.

And these highly capable rugged computers will deliver a new level of safety for “smokedivers” – firefighters who have to use breathing apparatus to go into burning buildings or heavy smoke. Fellow fire-crew members currently track each smokediver’s oxygen usage and length of time in hazardous conditions using a plastic board and a marking pen; soon they will use software on the Algiz 10X to project the oxygen usage rate and track the smokediver’s time in the hazardous zone. The site commander will get an automatic notification when a firefighter needs to “come out.” The tablet will be mounted on a tripod at the scene so the commander can use it hands-free.

In the chaos and high-stress environment of emergency response, tools that offer simple, reliable efficiency are worth their weight in gold. That may not be literally true for the Algiz 10X, but if you ask a firefighter, EMT, ambulance driver or 112 centre worker, they’ll tell you these rugged tablet computers have made a big difference in helping do what they do: save lives.





## MARK SULLIVAN, SERVICE & SUPPORT TECHNICIAN AT HANDHELD USA

Mark Sullivan works as a Service & Support Technician in our United States office. He joined Handheld in August 2017 after 30 years in the computer technology industry in various roles, and he's quickly become a valued member of the team. He also has an interesting side job – but you'll have to read further to get the details!

### - Describe your role within Handheld.

I work as a member of a global support team. I provide technical support for existing and potential partners, re-sellers and end customers, for the extensive line of Handheld products and accessories. I work with customers to resolve issues, to provide productivity in their environments. I also work to develop "outside the box" solutions for customers with unique requirements.

With each call I strive to achieve a level of support that surpasses our competitors. We have a very cohesive global technical support team, and I work with them daily to collaborate on complex issues – and to exceed customer expectations for support.

### - What does a typical work day look like for you?

One thing I truly enjoy about my role with Handheld is that no two days are alike. My role within Handheld is so diverse, allowing me to truly multi-task throughout my work day. This can include communicating with customers globally regarding support cases, developing streamlined processes and solutions to better serve our customers, and developing positive, solid relationships with our customers.

### - What would you say is Handheld's main competitive advantage?

In my opinion, the people who work for Handheld are the most important factor behind our success. I work with bright individuals who do their best for our customers and Handheld as a company. From product

development and improvement to ensuring the satisfaction of our customers, Handheld is successful because of the loyalty, commitment and dedication of its employees.

The main competitive advantage for Handheld is that commitment from its employees to ensure excellent products, timely service and support, and good relationships with our partners and customers. Without good people in place... well, there's no competitive advantage. Handheld holds that advantage!

### - How do you like to fill your leisure time?

I love spending time and doing things with my family – camping trips, drives to the coast or anything we can do together. My wife and I enjoy motorcycle riding as well.

My primary hobby and passion is music. I've loved and enjoyed music for as long as I can remember, across diverse genres. I'm a DJ at a local radio station in Eugene, Oregon, and have a weekly radio show, and I'm the MC at CresFest, a rock festival held each August in Oregon. I also began learning to play guitar 6 months ago, and now I'm part of a band performing locally. Yes, life is good!

### - What is your most memorable moment at Handheld?

I had never traveled to Europe, so I'd have to say visiting our headquarters in Sweden and meeting such an awesome team was my most memorable moment. I got to work and interact with my counterparts from Germany, who had also traveled to Sweden. After meeting them and working together for a week, I knew we were going to make an awesome global support team, and it's proved to be true.





Matt Yearling



# PINC, UNITED STATES

**“We only work with the best vendors in the market. That means we only associate with partners that can deliver on their promises and help us exceed our customers’ expectations.”**

Handheld business partners are innovators and connectors. They dream up new technology solutions for the markets they inhabit, then pair these solutions with trusted Handheld products backed by personalized support.

Our partner PINC is bringing creativity and connection to customers via its Yard Management System (YMS), a complete hardware and software solution that resolves supply chain challenges in distribution and manufacturing center yards.

## Tools for better chain reactions

Many supply chain inefficiencies originate in yards — areas where goods are trailered and taxied between storage and shipment. For example, an arrival may not be recorded, or a loading dock may get double-booked. Even small missteps can turn into serious issues as they trickle down the supply chain.

But for a yard that runs smoothly — arrivals and departures tracked, locations and load status logged — successes are amplified instead, saving huge amounts of time and money.

Traditionally, yard management systems have relied on two-way radio, pen and paper, and lots of driving and manual recording tasks. PINC uses a combination of RFID and drone technology to perform automated yard inventory checks, then delivers data from these checks to YMS software on Algiz 10X ultra-rugged tablets in real time.

PINC’s YMS allows managers and shuttle drivers to navigate the yard, locate and move inventory, send and receive assignments and report status updates with maximum efficiency — and all of this information is saved in the YMS for ongoing access and reporting.

## A purpose-built partnership

PINC’s solution is the top-selling YMS in the world. They have paired their software with other ruggedized tablets in the past, but turned to Handheld for its

superior price point, high quality, integrated features and product support.

Currently, PINC customers are using hundreds of Algiz 10X units in industries such as food and beverage manufacturing, consumer packaged goods (CPG) manufacturing, third-party logistics, automotive and retail.

Interacting with 3D maps and communication tools is easy on the Algiz 10X, with its simple navigation features and large, sunlight-readable screen. Since the Algiz 10X is purpose-built for challenging environments, rattling away in a truck cab for hours at a time is no problem, even when you add exposure to dust or extremely hot and cold temperatures.

“Handheld offers products that are durable, with the feature set we need, at a reasonable price. And all this along with quality support, which makes the customer experience great,” says Steve Huey, PINC’s Vice President of Operations.

## Successfully exceeding expectations

PINC’s YMS lets yard managers monitor, schedule and record events and inventory across large facilities, based on accurate, real-time data. Handheld’s reliable products make it possible for PINC customers to access all the benefits of the YMS: efficiency, accuracy and automation that return tangible time and cost savings.

“We only work with the best vendors in the market,” says PINC CEO Matt Yearling. “That means we only associate with partners that can deliver on their promises and help us exceed our customers’ expectations.”

Our relationships with partners and their customers are built on ingenuity, trust and support: Because our partners can rely on us, their customers can rely on them.





# 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 the 10th HBPC — 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](http://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.”**







# BUILDING ON MOMENTUM FOR A STRONG 2019

**“We’re pleased to have established our profitability at a high level.”**

We had high expectations for the year after our successes in 2017, and we were able to end 2018 in a very positive way. We saw strong momentum in the last quarter of 2018, and we’ve established our profitability at a high level, which is very promising for the future. We have a strong product lineup for future growth, and we operate very cost-effectively.

We plan to grow more in 2019, and therefore we’ve built up our inventory in anticipation of our customers’ needs. We think this will strengthen our business in a very positive way going forward; the additional production has some effect on our balance sheet and working capital, but this is temporary.

Handheld Group revenues totaled 181 million SEK in 2018, an overall decrease of 7% compared to the previous fiscal year. We had a surge in customer orders toward the end of the year, leading to a very strong final quarter. Our gross margin is now established at the 50% level, which is in line with our expectations – and is the result of ongoing hard work and preparation, and our diverse and growing product portfolio.

Our operational expenses decreased from last year, which positively impacted profitability at the EBITDA level. Our EBITDA totaled 29,1 million SEK (16,1%), which is slightly below last year but still at a level we’re satisfied with. This was made possible through continuous work by the Handheld team throughout the year. We believe this operational streamlining will continue to have a beneficial impact on our financial growth well into the future.

We invested 11,3 million SEK into our product portfolio during 2018, which is higher than 2017 (8,4). Due to the financial impact of planned changes in our working capital, we’ve temporarily funded this investment externally, through increased credit limit. We plan to decrease our stock levels, and this will have a reverse effect on our operative cash flow starting in 2019. Our total balance increased to 129 million SEK (102 in 2017), and our equity ratio is 36%.

Overall, Handheld has established our profitability at a higher level, and we’ve built a firm financial foundation. We’re planning for continued growth in the coming years, with a focus on volume sales, strong profitability and expanded product development within our business model. We plan to further increase our new-product launches, 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 2019*



# FINANCIAL OVERVIEW



## COMPARATIVE FIGURES COVERING SEVERAL YEARS

CONSOLIDATED FIGURES IN THOUSANDS SEK	2018	2017	2016	2015	2014
Sales	179 194	193 825	164 143	153 635	200 067
Result before tax	18 569	21 429	-1 831	-12 732	18 500
Balance sheet total	128 925	102 228	91 904	97 276	118 528
Employed	42	42	41	50	48
Solidity	36	41	34	34	41
Return on assets, %	15	21	neg	neg	17
Return on equity, %	40	51	neg	neg	41

**2018**

INCOME STATEMENTS	2018	2017
<b>Sales</b>		
Net sales	179 194 050	193 824 886
Work performed by the company for its own use and capitalised	1 645 135	1 619 302
<b>Total sales</b>	<b>180 839 185</b>	<b>195 444 188</b>
<b>Operating expenses</b>		
Cost of sold goods	-90 398 578	-96 689 453
Other external expenses	-22 105 180	-21 171 591
Personnel costs	-39 202 010	-41 349 236
Depreciations and amortizations	-9 992 572	-14 404 448
<b>Total operating expenses</b>	<b>-161 698 340</b>	<b>-173 614 728</b>
<b>Operating profit/loss</b>	<b>19 140 845</b>	<b>21 829 460</b>
<b>Profit/loss from financial items</b>		
Interest received	148 378	144 792
Interest paid	-720 533	-725 405
<b>Total profit/loss from financial items</b>	<b>-572 155</b>	<b>-580 613</b>
<b>Profit/loss after financial items</b>	<b>18 568 690</b>	<b>21 248 847</b>
Tax on profit for the year	-5 191 321	-4 637 422
<b>Net profit for the year</b>	<b>13 377 369</b>	<b>16 611 425</b>

2018

<b>BALANCE SHEETS</b>	<b>2018-12-31</b>	<b>2017-12-31</b>
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Intangible fixed assets</b>		
Capitalized expenditure for development work	22 627 906	21 211 184
Trademark, license and similar rights	821 664	895 863
	<b>23 449 570</b>	<b>22 107 047</b>
<b>Tangible fixed assets</b>		
Equipment, tools, fixtures and fittings	223 760	164 966
<b>Total fixed assets</b>	<b>23 673 330</b>	<b>22 272 013</b>
<b>Current assets</b>		
<b>Inventories, etc.</b>		
Goods for resale	63 628 593	24 227 093
Advance payments to suppliers	53 772	51 678
	<b>63 682 365</b>	<b>24 278 771</b>
<b>Current receivables</b>		
Accounts receivable - trade	34 620 108	49 889 544
Tax receivables	98 857	11 564
Other current receivables	3 945 477	3 514 752
Prepaid expenses and accrued income	1 829 874	1 793 669
	<b>40 494 316</b>	<b>55 209 529</b>
<b>Cash and bank balances</b>	<b>1 075 174</b>	<b>467 230</b>
<b>Total current assets</b>	<b>105 251 855</b>	<b>79 955 530</b>
<b>Total assets</b>	<b>128 925 185</b>	<b>102 227 543</b>



2018

<b>BALANCE SHEETS</b>	<b>2018-12-31</b>	<b>2017-12-31</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital	520 200	520 200
Other added capital	8 168 200	8 168 200
Development capital	21 390 607	14 675 091
Other equity inclusive P/L for the year	15 838 998	18 526 951
<b>Equity assignable to owner</b>	<b>45 918 005</b>	<b>41 890 442</b>
Minority shareholding	123 222	137 119
<b>Total equity</b>	<b>46 041 227</b>	<b>42 027 561</b>
<b>Non-current liabilities</b>		
Liabilities to credit institutions	1 562 500	7 812 500
<b>Total non-current liabilities</b>	<b>1 562 500</b>	<b>7 812 500</b>
<b>Current liabilities</b>		
Liabilities to credit institutions	6 250 000	6 250 000
Bank overdraft facilities	27 035 898	717 219
Advance payments from customers	147 373	117 988
Accounts payable - trade	24 352 405	13 549 161
Tax liabilities	4 737 650	4 320 623
Other current liabilities	5 596 067	4 354 622
Accrued expenses and deferred income	13 202 065	23 077 869
<b>Total current liabilities</b>	<b>81 321 458</b>	<b>52 387 482</b>
<b>Total equity and liabilities</b>	<b>128 925 185</b>	<b>102 227 543</b>

2018

<b>CONSOLIDATED CASH FLOW STATEMENTS</b>	<b>2018</b>	<b>2017</b>
<b>Operating business</b>		
Operating profit	19 140 845	21 829 460
Adjustment for depreciation / amortization	9 401 431	14 662 756
Received interest	148 378	144 792
Paid interest	-720 533	-725 405
Tax	-4 861 587	-1 724 750
	23 108 534	34 186 853
Inventory change	-39 401 500	1 944 379
Customer receivables change	15 269 436	-20 456 410
Short term receivables change	-469 024	1 674 785
Vendors change	10 803 244	-939 712
Short term liabilities change	-8 604 974	9 658 734
<b>Cash flow from operating business</b>	<b>705 716</b>	<b>26 068 629</b>
<b>Business Investments</b>		
Intangible assets investments	-11 265 115	-8 410 456
Tangible assets investments	-107 165	-13 936
Investments in subsidiaries	-	-17 773
<b>Cash flow from investments</b>	<b>-11 372 280</b>	<b>-8 442 165</b>
<b>Finance</b>		
Bank loan	-6 250 000	-6 250 000
Bank credit change	26 318 679	-5 776 252
Dividend	-8 794 171	-6 069 000
<b>Cash flow from financing operations</b>	<b>11 274 508</b>	<b>-18 095 252</b>
<b>Cash flow</b>	<b>607 944</b>	<b>-468 788</b>
<b>Bank statement year start</b>	<b>467 230</b>	<b>936 018</b>
<b>Bank statement year end</b>	<b>1 075 174</b>	<b>467 230</b>
<b>Bank limit available on balance day</b>	<b>19 309 752</b>	<b>30 517 611</b>



## 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

#### 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 in relation to total assets.

##### 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



## MANAGEMENT



**JERKER HELLSTRÖM**

CEO and Founder  
Handheld Group AB



**THOMAS LÖFBLAD**

Vice President Global Sales  
Handheld Group AB



**CHRISTER FLORÉN**

CFO  
Handheld Group AB



**MYRA LONG**

Director of Development  
Handheld Group AB



**FREDRIK ELMERS**

Business Development Director  
Handheld Group AB



**JOHAN HED**

Director Product Management  
Handheld Group AB



**SOFIA LÖFBLAD**

Marketing Director  
Handheld Group AB



**ROBERT BROSTRÖM**

Director Service & Support  
Handheld Group AB



**ANNA HELLSTRÖM**

Director Supply Chain  
Handheld Group AB



**JIM RIMAY**

President & CEO  
HHCS Handheld USA Inc.



**JUHANI SALAS**

Managing Director  
HHCS Handheld Finland Oy



**CARSTEN BILLESCHOU**

Managing Director  
Handheld Europe AB  
Handheld APAC Pty Ltd.  
Handheld Benelux B.V.  
Handheld Italia Srl  
Handheld Scandinavia AB



**HELMUT FEURHUBER**

Managing Director  
Handheld Germany GmbH



**DAVE CAWSEY**

Managing Director  
Handheld UK & Ireland Ltd



**ANDREAS HITZ**

Managing Director  
Handheld Swiss GmbH

# 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](http://www.handheldgroup.com/contact-us)

Or general email: [info@handheldgroup.com](mailto:info@handheldgroup.com)

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