

FINANCIAL SUMMARY 2019



OUR YEAR IN SHORT

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. Handheld Group of Sweden has subsidiaries in Finland, the U.K., the Netherlands, Italy, Germany, Switzerland, Australia and the USA.

NEW RELEASES



ALGIZ RT8



NAUTIZ X6

“Both the Algiz RT8 and the Nautiz X6 are ultra-rugged, compact, slim and lightweight Android devices packed with features”.

Johan Hed, Director Product Management

MaxGo Manager - a free Mobile Device Management solution for all Handheld Android devices

“With the launch of MaxGo Manager, our Android users can easily and securely manage devices in the field, all free of charge,” says Johan Hed, Director Product Management.

EBITDA GROWTH
26,8%

KEY APPOINTMENTS



FREDRIK LÖÖF

Sales Manager France &
Benelux for Handheld Europe



CHIP JONES

Central US & Canadian Regional
Sales Manager for Handheld US



THOMAS LÖFBLAD

CEO Handheld Group

MARKET AT A GLANCE

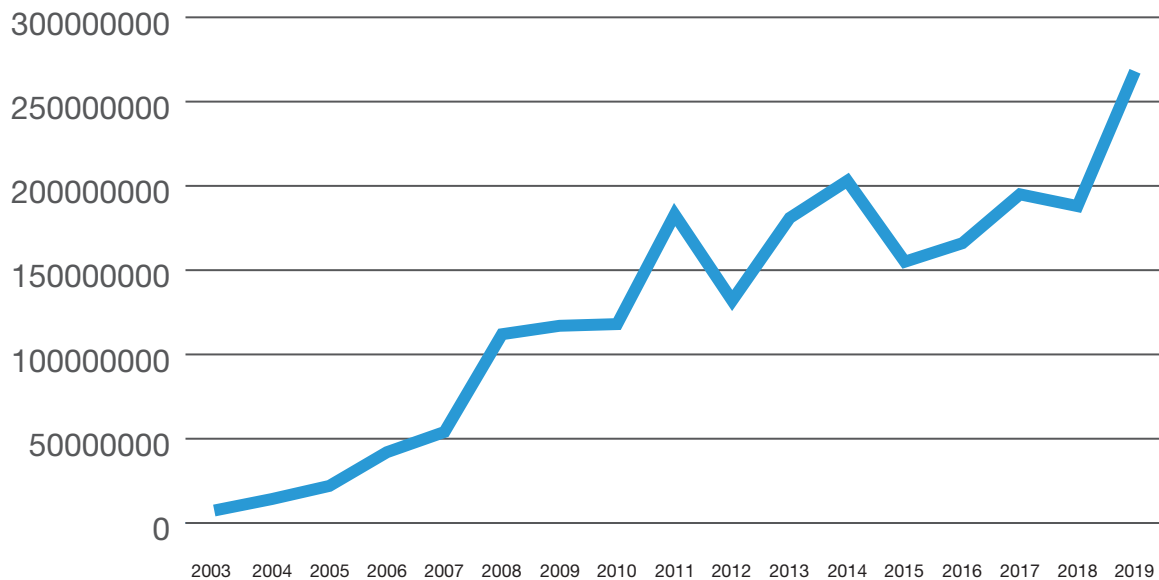
- The global market for rugged computing was approximately \$7.6 billion in 2019
- Continued growth at a steady single digit percentage growth year on year
- Small form factor devices and tablets show the largest growth
- A large increase in demand for Android based operating system



**70%
INCREASE
IN ORDERS**

**48%
GROWTH
IN REVENUE**

REVENUE SEK 2003-2019





Hammfeld




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ONWARD AND UPWARD: CONTINUING OUR PATH OF SUCCESS



“Handheld has created a very strong business foundation over the past years, and we’re building on that now. 2019 was an exceptionally good year, and we’re positioned for even more success going forward.”

There’s no other way to say it: 2019 was a year of unqualified success. We’ve built plenty of momentum over the last several years, and this past year we took a giant step forward. It was an unprecedented year for Handheld in all respects: we saw record revenues, with a 48 percent increase; our profits were also the highest ever, with 26.8 percent growth in EBITDA; we took a record number of orders – a massive 70 percent increase; and our customer success included new markets, more long-term contracts, and more Fortune 500-type businesses.

Of course, this was only achievable through a superb performance from our highly experienced and deeply dedicated team, which has really risen to the challenge and created this success.

In our approach of continuously building for the future, 2019 was no exception. We invested heavily in new product development, and we continued improving our organization as well as our working processes. We also increased our marketing efforts as we keep building Handheld brand recognition in the marketplace, bolstering our reputation for innovative, rugged and reliable products.

Among several product highlights for the year, we released the new Nautiz X6, an ultra-rugged phablet (phone/tablet combo). We also rolled out our most ambitious software utility so far with MaxGo Manager, a free to use mobile device management (MDM) solution. And we recently launched our new ultra-rugged tablet, the Algiz RT8, a lightweight and compact product built to work in the harshest conditions.

Our 10th Business Partner Conference in Stockholm was highly successful. The event attracts partners from all over the world to join the Handheld team for a two-day conference. Our team members and attendees shared information and learned from interesting guest speakers on various topics. And, of course, in the true Handheld family tradition, we had a lot of fun.

We’re very encouraged by our future. The rugged global market is worth almost \$8 billion on an annual basis, and it continues to grow at 4 to 5 percent per year, fueled by undeniable trends toward mobility and a more connected workforce. Handheld is an integral and respected part of this growing market.

In Jerker’s “Word from the CEO” last year in this report, he said: “I can honestly not see how our next coming years will not be the best in our history.” I’m proud and pleased to say that we’re proving that optimism was – and is – justified. We’ve never been in a better position than we are at the moment. We’ll never lose our drive to innovate, work hard and put every resource we have into providing the best products possible; that ethos has brought us here, and it will take us to the next period of success. Our future looks brighter than ever before.

Thomas Löfblad
CEO

Lidköping, April 2020



THE HANDHELD STORY



“We offer products for the toughest conditions and provide technology solutions for almost any application imaginable.”

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.

Decades of expertise

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.

With a high focus on customer needs and expectations, 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 or Windows

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, drops 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 2019, the worldwide rugged mobile computer market was estimated to be app. USD 7,6 billion.

Form factors

The market for rugged mobile devices can be divided into two product categories: large form factors such as tablets, notebooks and vehicle mounted computers, and small form factors including handhelds/PDAs, rugged smartphones and wearables. 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 approximately half of the total sales, EMEA (Europe, the Middle East and Africa) make up the second-largest market share at around one third and APAC (Asia-Pacific) accounting for the remainder 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.

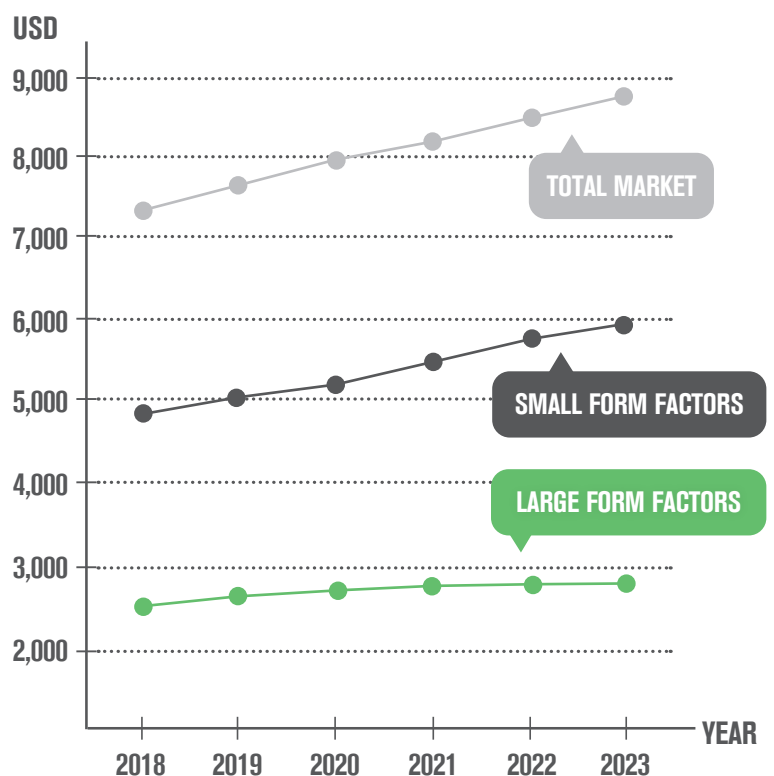
“Megatrends such as increased mobility is fueling the continued growth of the market for rugged mobile devices”
- Thomas Löffblad, CEO Handheld Group.

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.

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.



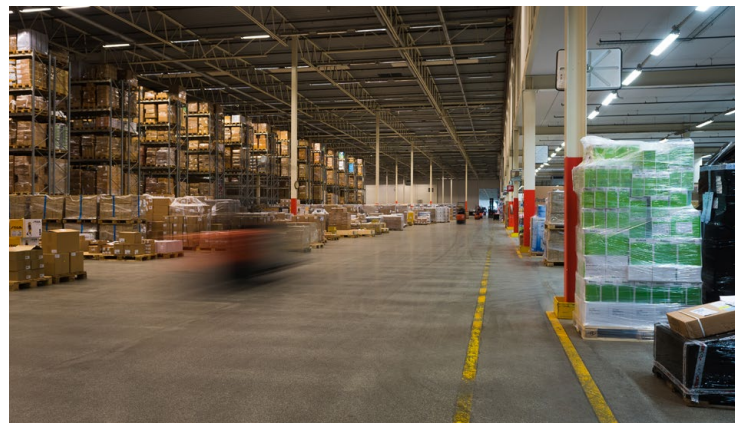
PUBLIC TRANSPORTATION

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

The Handheld product lineup includes both small and large form factors. The Algiz product family covers our rugged tablets, and the Nautiz family includes our ultra-rugged handhelds and phablets. 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 X2

RUGGED MOBILITY OPTIMIZED

The Nautiz X2 is a true all-in-one: a computer, a scanner, a camera and an Android phone. It runs on a powerful processor and has a high-quality, high-speed 1D/2D scanner with three dedicated scan buttons. Google GMS certified allows you to download apps from the Play Store and use Google Maps.

The integrated 4G capabilities for voice and data transfer, paired with the long range barcode scanner provides a unique solution for outdoor use.



ALGIZ RT8

ULTRA-RUGGED EFFICIENCY

The Algiz RT8 ultra-rugged tablet is prepared for whatever your environment delivers—extreme temperatures, vibration, drops, water, and dust.

Running Android, this unique 8-inch tablet allows you to be faster and more efficient. Whether your “office” is a field, a forest, or a warehouse, the Algiz RT8 delivers bright, beautiful graphics on its unique 8-inch capacitive screen. The 10-point multi-touch display is strengthened with Gorilla Glass. The Algiz RT8 offers many built-in features including dual cameras, camera, waterproof ports, BT, NFC, an internal u-blox GNSS receiver, gyroscope, and compass.



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.

CUSTOM HARDWARE DEVELOPMENT

If there's a need out there that doesn't match with our current product offering, we can design a customized, unique solution – even if it's only for a single client.

We create devices that meet the need of the rough-and-tumble world of mobile computing. Our products are designed with a broad feature set that appeals to a diverse range of industries and applications. Along the way, we gather input from partners and customers and have found that many companies have special requirements that calls for something tailor-made – a product created for a very specific need or use.

Unique solutions for your unique situation

In addition to our off-the-shelf rugged solutions, we can offer tailored options. It could be a custom-built accessory, a rebranded version of our product, or even a custom-built device for your specific requirements.

If you need an innovative product for a specific need, we will work with your team, analyze your specific requirements and potential solutions, and build the right tool for the job.

Handheld develops custom solutions for businesses both large and small. We bring flexibility, experienced insight and manufacturing resources to any development project.

Small enough to listen, big enough to deliver

We're ready to build a solution that solves your challenge. Our compact, cross-functional organization offers the flexibility of a small company, but with the knowledge, network and capacity of a large one. To put it simply: We're small enough to offer personal service, and big enough to deliver world-class solutions.

Each customer's unique requirements determine the foundation for the delivered solution. With the client's trust, a commitment to investment and volumes, and the proper amount of time, the possibilities of what we can devise are almost endless.

Our experienced team has successfully designed unique solutions for many years, from highly complex to relatively simple – so we have many reference points we can use to envision the capability, capacity and details needed for your customized product.

A broad range of options

Here are some examples of successful custom products we can create for you.

- **Accessories and mounting solutions.** To ensure our customers can use our devices for maximum efficiency, each Handheld rugged computer comes with an extensive accessory ecosystem. But we have the resources to develop a new accessory, if you need something special.
- **Specific product colors.** All our rugged handhelds come in a standard light-gray case color. But if you have a specific color requirement, we're able to color-match our plastics to a specific Pantone color or physical sample.
- **Specific product labeling.** Handheld devices come with both the Handheld logo and the product name on the case. If you're interested in offering our devices with your product name and company branding, we can do that.
- **Specific product features.** In addition to accessories, colors and labeling, we're also able to customize product features such as the keypad, ports and connections, battery, scanners and more.

Need something else? Let's talk!

Contact us to learn more about what we can do for your organization. Our development team will provide a free, no-obligation consultation to determine the best options for your situation.



MAXGO MANAGER

The right MDM Solution for your Mobile Workforce.

In December Handheld announced MaxGo Manager, a free Mobile Device Management (MDM) solution for Android devices. The MaxGo software suite allows Handheld's Android customers to, through remote access, easily configure, manage and support all of their devices in one location.

A critical tool for improved efficiency

Mobile device management is important for today's mobile workforce. With MaxGo Manager the IT department gets the tools they need to configure devices, troubleshoot and fix problems quickly. Assign unique group configurations, share accounts with other users, customize user permissions, add and remove apps, gain useful insights about Handheld Android devices and much more, regardless of deployment size.

Easy-to-use interface, useful insights and easy troubleshooting

MaxGo Manager provides a simple and streamlined way for users to download and install apps, update operating systems, change system and client settings, run staging scripts and more.

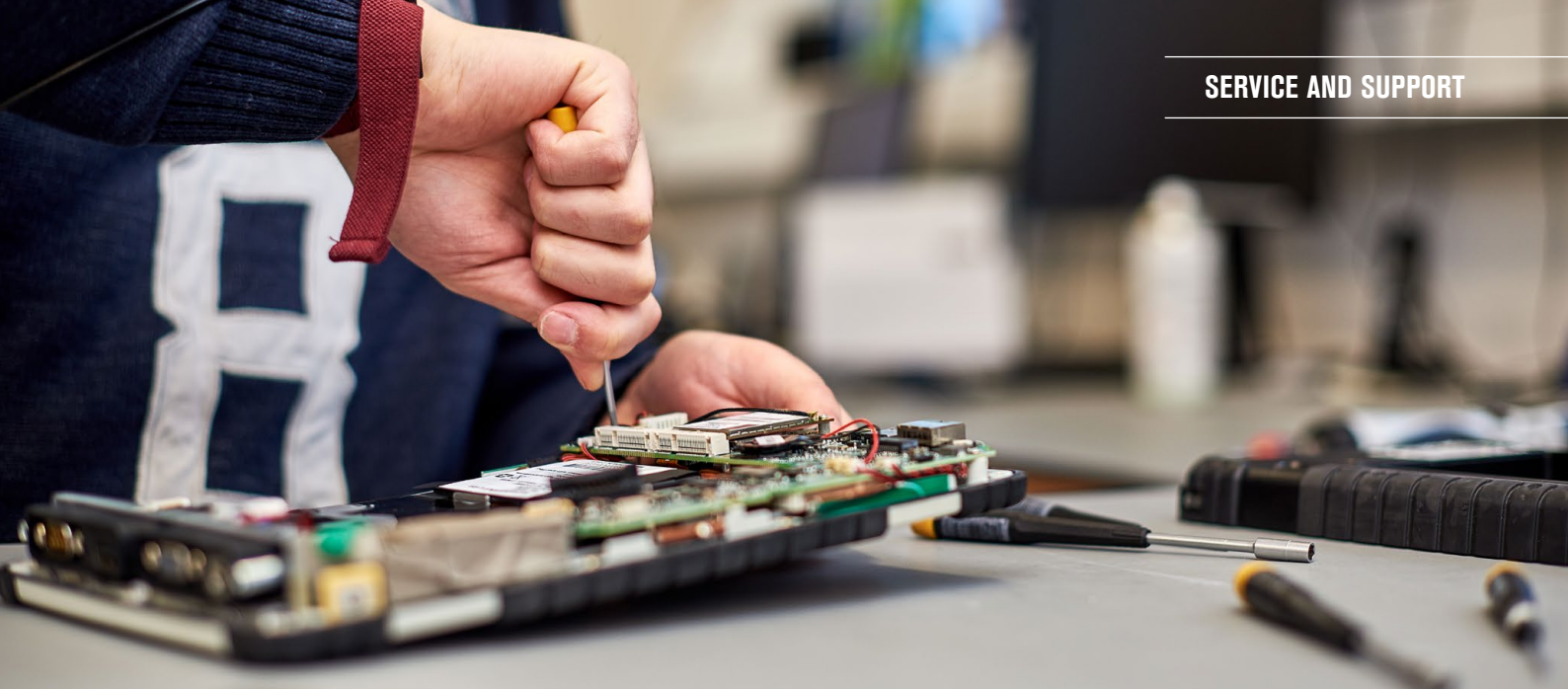
And you can display helpful charts such as battery levels, charging levels, CPU temperature, signal, and signal strength. Users can also clear app data or force-quit problematic software, as well as delete or completely clear device data.

The MaxGo suite also includes:

- MaxGo Staging, a custom configuration platform with more than 20 staging commands.
- MaxGo Kiosk, which configures system and app access for secure and focused device use.
- MaxGo KioskBrowser, which provides restricted device and app settings for a customized browser experience.

MaxGo Manager and the entire MaxGo suite of MDM software is available to all Handheld Android rugged computer users at no cost.





HANDHELD SERVICE AND SUPPORT

Handheld's products are designed for work in harsh conditions, and with our service and support offering, our products are made even more trustworthy.

Whether your 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 Service plan

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.

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.

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.

MaxCare Standard

The standard option is a straightforward service plan for the user who wishes to extend product 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 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, – all at one low, fixed cost. It also covers free return shipping, service meetings and reports. In short, the MaxCare All-Inclusive offers our best value, covering any necessary repairs during the extended warranty period of three or five years.



NAUTIZ X8 BOOSTS MINING PROFITS

Tracking shifting ore veins at blasting operations.

Think of open-pit mining as a very large-scale game of hide-and-seek surveying: there's ore in there, and you need to find it. Your success at the game is measured simply: the more ore – and the less waste – that ends up at the mill, the better your bottom line. You can define and grade-control existing ore veins. But what happens when that ore moves? Because when you blast the site to get to that precious material, it's going to shift due to the forces of physics. This greatly multiplies the difficulty factor of efficiently finding the ore among the waste. You know where it was; now you need to know where it is.

Thanks to an ingenious combination of their customized hardware, proprietary software and super-rugged Nautiz X8 mobile computers from Handheld, Blast Movement Technologies (BMT) is helping customers around the

globe reduce dilution and achieve a significantly higher yield percentage. And in the world of mining for valuable ores, a few percentage points can translate to hundreds of thousands of dollars.

Hitting a moving target

BMT has more than a hundred mining customers, in 35 countries around the world, operating open-pit mines that produce a wide variety of ores. These mines have historically been faced with a daunting challenge: projecting how ore veins will shift during blasting operations. The often-narrow veins can shift considerably, and unpredictably, during blasts. And, of course, knowing where the veins are when it's time to start the digging is the key to cost-efficiency.



CHALLENGE

Accurately determine how pre-identified veins of ore have shifted during the blasting operations needed to access them.



SOLUTION

Nautiz X8 ultra-rugged handhelds as the “data center” of an innovative tracking and mapping system, using data collection, analysis and mapping.



RESULT

Precise post-blast location data, which translates to an accurate map of the ore’s new location – leading to decreased dilution and increased recovery.

No more gut-feel systems

Previously, various paper-based, software-based and even “gut-feel-based” systems tried to predict these shifts based on detonator location, rock composition, grade angle and other factors. Geologists with lots of mining experience could make an educated guess – but guessing isn’t the optimal level of confidence to have if technology can provide something better. And BMT has devised a far superior system, one that relies on Handheld’s rugged Nautiz X8 PDAs for control and communication: the Blast Movement Monitor® System.

But... as BMT has refined and upgraded their system, its level of sophistication began to outpace the capabilities of the PDAs the company was using for the computing requirements of the system. “They were end-of-life, and also unable to run our latest software correctly,” says Jens Bergmann, Product Manager for BMT.

Paul Ward, BMT’s Manufacturing Manager, says, “The Nautiz X8 became our primary choice because it stood above all others with its ruggedness and more than sufficient processing power. The three-year warranty support also covered our expected end-of-life requirements.”

Here’s how it works

Every blast releases energy in a predictable pattern. But the subsequent movement within the fragmented rock isn’t nearly as predictable. And that’s the crux of the problem the BMM System solves.

When preparing for a blast, geologists place specialized BMT-made directional transmitters (BMMs) within the blast area, dropping them into holes they’ve prepared. Once the blast is complete, the geologist walks the muckpile with the BMM Detector, a sophisticated instrument that detects BMM transmitter data and sends it to the Nautiz X8 via Bluetooth.

The handheld, which is housed in a passive holder mounted directly on the BMM Detector, displays a field of transmitter signals, showing the relative signal strength across the reconfigured landscape. Following the grid to where signal strength peaks, the geologist arrives at a spot directly above each BMM; this provides one axis of location. The relative strength of the signal correlates to the depth of the transmitter, providing the other axis – and thus a three-dimensional position.

Major increase in value

Using this position data, as well as drill, blast and geology data, BTM’s proprietary BMM Explorer software creates a 3-D movement vector of the blast zone. That vector provides post-blast ore polygons, clearly delineates ore boundaries and calculates new dig lines... which lets the team find the most ore, most efficiently.

The results can be startling. Suzie Talakowski, a mine geologist at the Nullagine Gold Operation in Western Australia, says, “Using the BMT solution has led to less ore loss, less dilution and an increase in head grade. Using BVIs (blast vector indicators) previously, we had a recovery rate of 41 percent from the bottom flitch; using BMMs, we’ve had a 94 percent recovery rate. For one particular blast, we quoted an increase in value of A\$134,000 due to the use of BMMs.”

Ready for anything, in any conditions

This highly efficient process wouldn’t be possible without the right tool for the job. The ultra-rugged Nautiz X8 has the right combination of communication, computing and display capabilities to make it indispensable in the field.

But perhaps the most necessary attribute for a handheld in a mining environment is true ruggedness. Mines are notoriously hard on mobile technology, and BMT’s customers operate mines ranging from the sweltering temperatures of Western Australia and Africa to the frigid zones of Russia and Scandinavia. Add to that the inherent dustiness of an open-pit mine, and you’ve got conditions that separate the rugged from the rest.

The path of innovation ahead

Mining has been around for thousands of years. And while mining strategies and techniques have made leaps in improvement over time, the technology age has provided the largest-scale innovations. Powerful combinations like BTM hardware and software paired with the ultra-rugged Handheld Nautiz X8 are taking mining efficiency to levels previously not possible. And that level of efficiency translates directly to project success.

Suzie Talakowski sums it up simply: “This technology is the way into the future.”



CARSTEN BILLESCHOU,

MANAGING DIRECTOR AT HANDHELD EUROPE, APAC, BENELUX, ITALIA AND SCANDINAVIA

Carsten Billeschou leads a team of five Sales Managers responsible for partner-channel and project sales in the EMEA and APAC regions. Besides managing the team, Carsten also operates in sales, with a focus on the Middle East, Africa, Asia and Oceania. He joined Handheld in late 2013 after two decades in various leadership positions for market-leading international industrial companies. Carsten grew up mainly in Denmark, with longer expat stays in Africa and the Caribbean due to his father's work for the United Nations FAO, before moving permanently to Sweden in 1995. Carsten spoke fluent Swahili as a child while living in Tanzania.

-Describe your role within Handheld.

As a Managing Director for a number of geographical sales subsidiaries, my main target together with my team is to develop and nurture new leads and convert them into sales opportunities and eventually orders, through a professional and structured approach. My team works directly with international sales-channel partners in a variety of business verticals; we work with distributors, resellers and system integrators, and also manage larger projects with both technical and commercial complexity. Part of my role is operational as a hands-on sales manager, and part is focused on managing and working together with my team. Those two roles go hand in hand.

- 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. It's about balancing a process-oriented, structured sales methodology with grabbing every business opportunity when it comes, and putting everything else aside to focus on that moment. My work is international, with extensive travel to faraway markets; there's always a new challenge and a new culture to learn, just around the corner. On a typical workday at the office, I'm most likely in direct contact with my many sales partners and customers, from early morning through the day. It's a constant and ongoing process, getting valuable feedback and information from the market, being on my toes, helping our channels stay top-of-mind and supporting them with the information and arguments necessary to make a sale. The Handheld sales team stays in close communication, shares info and pushes each other; we also participate in internal cross-functional process-development work groups. Every day starts out with an informal morning meeting with the team in my office, for all those who are not out exploring new opportunities – I believe a fast and free flow of information is the key to success for any team.



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

There are many. I could go into industrial details and explain unique selling points, technical advantages and features of the products, but I think the most important success factors lie elsewhere. In my opinion, we're unique in the sense that we're a family-owned company with fast decision processes – and employee as well as employer loyalty. We travel light and can quickly respond to customer requirements all over the world; we're personal, and build long-term and lasting business relationships.

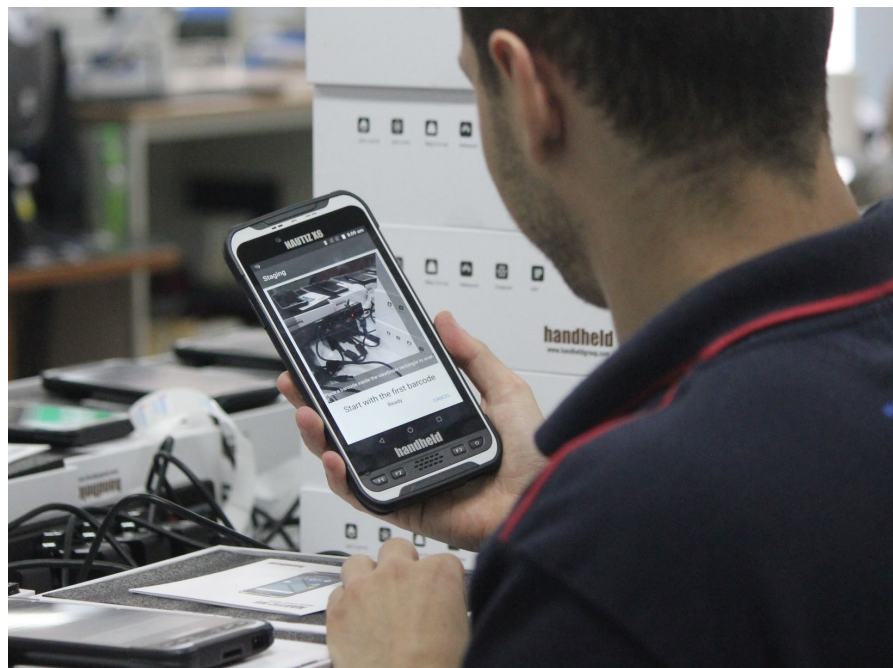
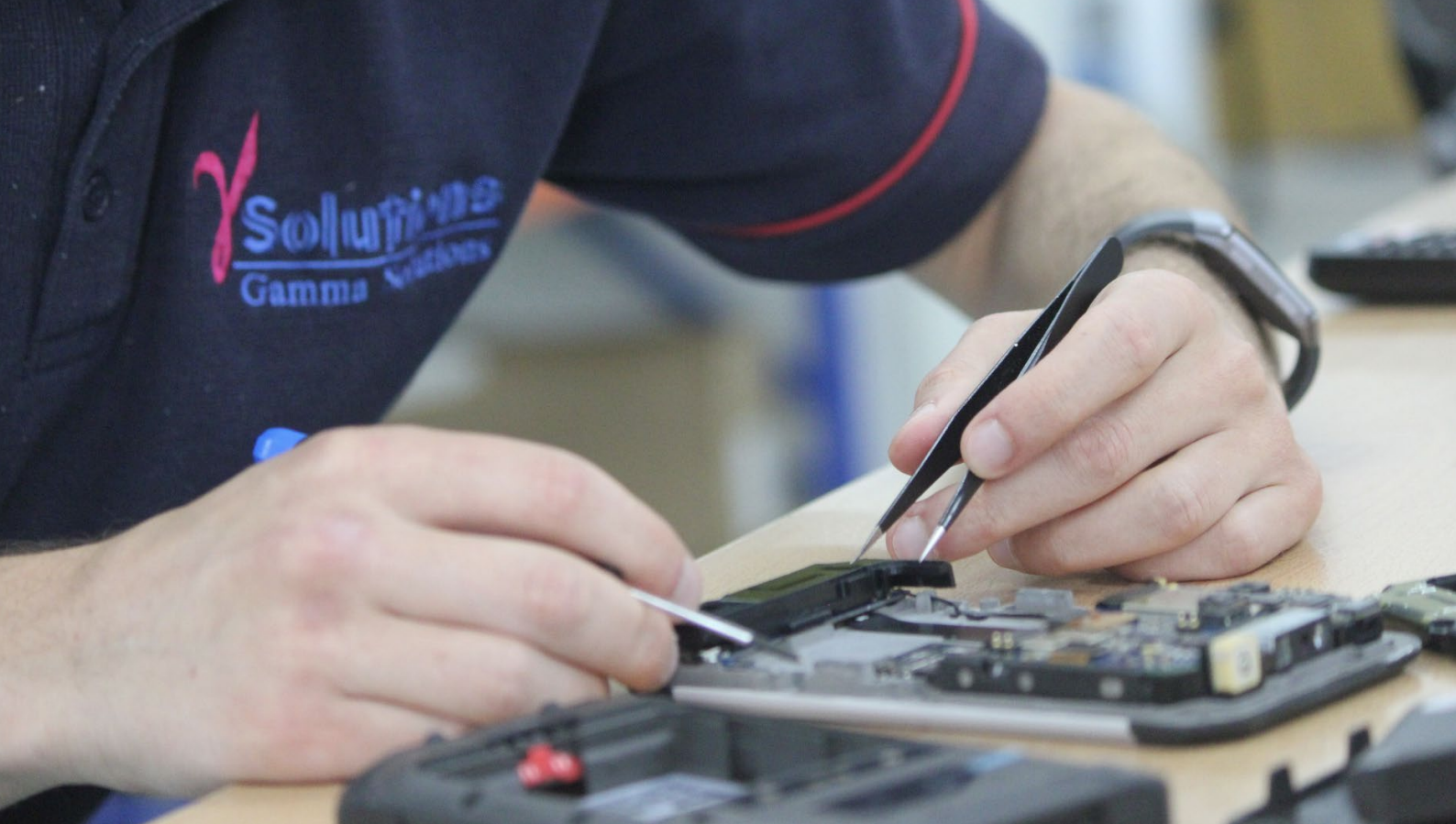
- How do you fill your leisure time?

Family is obviously a central priority; I spend quality time with my wife Mikaela and our five more or less grown-up children. Cooking, experimenting with various exotic dishes accompanied by a good wine, is a key element on weekends. From early spring to late fall we enjoy long hikes in the undisturbed Swedish wilderness with our dog, "Lord Bendtner," going mushroom hunting – over the years we've developed quite a bit of expertise in the variety of delicacy mushrooms; after picking them we process and dry them and stock them in jars for the rest of the year. Football has always been a central part of my life; I played for many years and now I enjoy watching my favorite team, Liverpool, finally get what they deserve! As often as I can, I get on my mountain bike and take it for a spin on one of the many trails around Lidköping. To balance the Handheld work that's such a big part of my life, I enjoy working on the house and fixing things – focusing on practical challenges and physical

work is great stress relief. Last year my wife and I converted our garage storage room into a mini sports bar; needless to say there are big development plans for the future here!

- What's your most memorable moment with Handheld?

There are many, and it's difficult to choose. There are so many memorable and funny moments at the office – we generally have a lot of fun, and good stories to share. Through my travels all over Europe, the Middle East, Africa, Asia and Oceania, there are many special moments of joy and excitement, meeting people and being exposed to cultures. I think, however, the event I'll carry with me throughout my life with both laughter and fear was a close encounter with a very large spider inside a car in Australia. On a late afternoon during peak rush hour in central Sydney, Handheld founder Jerker Hellström and I were driving back to our local office from a customer meeting, chatting and talking – when all of a sudden Jerker's face went completely pale and his eyes were stuck in a focused stare at the ceiling above my head. He slowly unbuckled and slid out through the door – which I thought was a strange thing to do. I wondered what had gotten into him, and I looked up above my head and stared right into the (many) eyes of a massive, hairy Huntsman spider. The minutes thereafter were chaotic, to say the least, and most likely hilarious to our fellow traffic navigators. Let's just say we survived.



GAMMA SOLUTIONS, AUSTRALIA

“Finding a reliable partner we can work with from halfway around the world isn’t always easy. But our partnership with Handheld has thrived, because we have the same goal: get the best products into the right hands to do something really productive.”

Handheld has been putting exceptional products into the market for several decades – but the best technology product in the world doesn’t help anyone unless there’s a way to match it with prospective users, create and encourage innovative ways to put its capabilities to work, and then support and service the product over its lifetime.

That’s where Handheld’s partnerships around the world come into play – incredibly important relationships that are mutually beneficial for the manufacturer, the partner and the consumer. And the “around the world” part is not an exaggeration.

Gamma Solutions Managing Director Michael Atallah acknowledges that Australia is not the most accessible market. “We’re the furthest country on the globe,” he says with maybe only a bit of overstatement. “Finding a reliable partner we can work with from halfway around the world isn’t always easy. But our partnership with Handheld has thrived, because we have the same goal: get the best products into the right hands to do something really productive.”

Gamma Solutions has been supplying wireless and mobility solutions to customers throughout Australia since 1992. From their headquarters in Mulgrave, Victoria, with additional offices in Sydney, Brisbane, Adelaide and Perth, they help customers optimize their data collection systems and everything that depends on them.

A choice of partners

Gamma Solutions has worked with Handheld since 2016, after exhaustively researching the market for the best mobile data products. “We have to work with the best vendors in order to benefit our customers and minimize interruptions to their businesses,” Michael says. “We found the Handheld products to be extremely reliable and fit for their purpose. They’re rugged, high-quality and durable.”

Once they chose Handheld as a partner, Gamma Solutions set about doing everything they possibly could to help customers use their products effectively. The goal is to “provide the necessary hardware, software and support services (their) customers need to integrate a great mobility solution into their work process.” In this case that spans a wide range of support services, including: lifecycle management that keeps customers updated on upgrades, applications, innovations and

new products with new capabilities; customized training programs designed specifically to the needs of the customer, including end-user, helpdesk, administration and software training; and RF site surveys to ensure the customer’s system configuration and performance meet with expectations and needs – to name just a few.

One example of a successful customer outcome for Gamma Solutions and Handheld is Rheem, the international heating and cooling manufacturer.

“After Rheem performed a comprehensive evaluation of the devices on the market, they chose the Nautiz X6 from Handheld,” Michael says. “They appreciate that it gives users a high-performance device and a large sunlight-readable display, with an ultra-rugged form factor. These ‘phablets’ combine the functionality of a tablet with the portability of a mobile phone, and that allows Rheem technicians to access vital back-end business information reliably out in the field. After a thorough pilot-testing program, Rheem is now rolling out the Nautiz X6 units throughout Australia.”

Gamma’s role as a Handheld Service Center is also incredibly important to their customers. “Being a bit isolated can be a real challenge for businesses in Australia,” Michael says. “Having local support is crucial, because no one wants to have to deal with someone six time zones away, or ship out a product for service repair and have to wait weeks to get it back. Us being here with all these support services reassures them that they won’t experience too much downtime.”

Of course, Gamma Solutions needs quick response, too – and that’s been reliably forthcoming from their partner. “Supply chain is a critical factor for us,” Michael emphasizes. “We’re impressed that Handheld shipments have consistently exceeded our expectations; the shipments arrive promptly with no delays.”

Two-way collaboration

The two partners make it a point to nurture their long-term relationship. Gamma Solutions reps regularly visit Sweden to attend events such as the Handheld Business Partner Conference – and that path goes in both directions. “We regularly welcome Handheld executives who are eager to assist in any way possible,” Michael confirms. “We collaborate on shows and exhibitions, and we work very closely with Handheld in keeping our market informed and up to date.”



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 celebrated our 10th partner conference—and was proud to see partners as well as speakers being back for the same number of events!

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 Scandinavian evenings, entertainment and conversations with your fellow attendees.

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

www.handheldgroup.com/HBPC



WHAT HANDHELD PARTNERS SAY...

“Excellent event organized by a company made by and made for people. Handheld and a team of skilled people that make the difference by an open, transparent attitude and approachable management teams. I like it.”

“The conference was the best that I have attended throughout the years! The Handheld staff was extremely helpful and ensured that no one was left out!”

“I’ve been to several similar events and Handheld had the most diverse and well represented partners of any event I’ve been too. It really speaks to the commitment of your partners and the confidence they have in your company.”

“Very interesting and informative presentations. Excellent speakers and valid for mostly all participants!”





REVENUE / GM HISTORY



Historical gross margin growth
Transformation from shared owned (~30% gross margin) to ~50%
Improved partner mix

A RECORD-BREAKING YEAR, AND A PRIME POSITION GOING FORWARD

“Not only unprecedented sales and profits, but building the financial foundation for continued growth.”

In the last quarter of 2018 we had built very strong momentum as a company, and this continued and even grew stronger in 2019. On the most visible level, we've never had a better year: We enjoyed the highest order intake ever, and set a record for annual sales. But possibly most promising of all is that we're set up to not only continue this success, but even grow it.

Here are some reasons I'm so optimistic. First of all, in 2019 we continued to attract increasing interest from both existing and new customers. We have a strong product lineup for future growth, and we operate very cost-effectively. We also successfully handled the types of issues a growing company faces: We kept up with customer demand, and we managed the growth within our company's resources. The result was the most financially successful year in Handheld history.

Company revenues totaled 268 million SEK in 2019, an overall increase of 48% compared to the previous fiscal year. We had very strong third and fourth quarters, leading to a highly positive final result for the year. Our gross margin decreased from 50% to 42%, but this was related to larger deals won during the year; we expect the sales margin will increase during upcoming years, and the decreased margin in 2019 will prove to be an isolated situation.

Our operational expenses increased with our higher business volume, but not at the same rate as our growth in revenues – and therefore we spent less in OPEX relative to our revenues. Our EBITDA totaled 36,9 million SEK (+26,8%), the highest in company history. This was only possible because of tremendous

work and thoughtful planning by the entire Handheld team. We believe we'll continue to keep our costs low, which will produce a positive impact on our financial growth well into the future. We invested significantly in our product portfolio during 2019, and we think our product lineup is the most competitive we've had.

In 2019 we successfully anticipated the financial impact of planned changes in our working capital, temporarily funding this investment externally through an increased credit limit and a short-term loan. Going forward we'll have a decrease in our stock levels, which will have a positive effect on our operative cash flow and also our leverage. Our total balance increased to 141 million SEK (129 in 2018), and our equity ratio is 42%.

Overall, Handheld has established a higher level of profitability and 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 markets. We have plans to further increase our new-product launches, a key factor for us to continue improving and to stay competitive.

Christer Florén
CFO

Lidköping, April 2020

FINANCIAL OVERVIEW



COMPARATIVE FIGURES COVERING SEVERAL YEARS

CONSOLIDATED FIGURES IN THOUSANDS SEK	2019	2018	2017	2016	2015
Sales	265 958	179 194	193 825	164 143	153 635
Result before tax	28 285	18 569	21 429	-1 831	-12 732
Balance sheet total	140 956	128 925	102 228	91 904	97 276
Employed	45	42	42	41	50
Solidity	42	36	41	34	34
Return on assets, %	21	15	21	neg	neg
Return on equity, %	48	40	51	neg	neg

2019

INCOME STATEMENTS	2019	2018
Sales		
Net sales	265 958 005	179 194 050
Work performed by the company for its own use and capitalised	2 100 076	1 645 135
Total sales	268 058 081	180 839 185
Operating expenses		
Cost of sold goods	-156 093 944	-90 398 578
Other external expenses	-29 932 278	-22 105 180
Personnel costs	-45 102 041	-39 202 010
Depreciations and amortizations	-6 796 732	-9 992 572
Total operating expenses	-237 924 996	-161 698 340
Operating profit/loss	30 133 085	19 140 845
Profit/loss from financial items		
Interest received	70 581	148 378
Interest expenses and similar profit/loss items	-1 919 030	-720 533
Total profit/loss from financial items	-1 848 449	-572 155
Profit/loss after financial items	28 284 636	18 568 690
Tax on profit for the year	-5 232 407	-5 191 321
Net profit for the year	23 052 230	13 377 369

2019

BALANCE SHEETS	2019-12-31	2018-12-31
ASSETS		
Fixed assets		
Intangible fixed assets		
Capitalized expenditure for development work	32 170 769	22 627 906
Trademark, license and similar rights	729 935	821 664
	32 900 704	23 449 570
Tangible fixed assets		
Equipment, tools, fixtures and fittings	479 939	223 760
Total fixed assets	33 380 643	23 673 330
Current assets		
Inventories, etc.		
Goods for resale	69 497 633	63 628 593
Advance payments to suppliers	89 974	53 772
	69 587 607	63 682 365
Current receivables		
Accounts receivable - trade	27 863 014	34 620 108
Tax receivables	8 253	98 857
Other current receivables	6 395 327	3 945 477
Prepaid expenses and accrued income	2 111 556	1 829 874
	36 378 150	40 494 316
Cash and bank balances	1 609 835	1 075 174
Total current assets	107 575 592	105 251 855
Total assets	140 956 235	128 925 185

2019

BALANCE SHEETS	2019-12-31	2018-12-31
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	520 800	520 200
Other added capital	8 385 593	8 168 200
Development capital	31 475 151	21 390 607
Other equity inclusive P/L for the year	18 556 628	15 838 998
Equity assignable to owner	58 938 172	45 918 005
Minority shareholding	-	123 222
Total equity	58 938 172	46 041 227
Non-current liabilities		
Liabilities to credit institutions	-	1 562 500
Total non-current liabilities	-	1 562 500
Current liabilities		
Liabilities to credit institutions	14 562 500	6 250 000
Bank overdraft facilities	9 127 906	27 035 898
Advance payments from customers	15 187 417	147 373
Accounts payable - trade	15 811 314	24 352 405
Tax liabilities	3 972 075	4 737 650
Other current liabilities	7 792 412	5 596 067
Accrued expenses and deferred income	15 564 439	13 202 065
Total current liabilities	82 018 063	81 321 458
Total equity and liabilities	140 956 235	128 925 185

2019

CONSOLIDATED CASH FLOW STATEMENTS	2019	2018
Operating business		
Operating profit	30 133 085	19 140 845
Adjustment for depreciation / amortization	6 079 332	9 401 431
Received interest	70 581	148 378
Paid interest	-1 919 029	-720 533
Tax	-5 907 378	-4 861 587
	28 456 591	23 108 534
Inventory change	-5 869 041	-39 401 500
Customer receivables change	6 757 095	15 269 436
Short term receivables change	-2 767 095	-469 024
Vendors change	-8 541 091	10 803 244
Short term liabilities change	19 641 447	-8 604 974
Cash flow from operating business	37 677 267	705 716
Business Investments		
Intangible assets investments	-15 757 097	-11 265 115
Tangible assets investments	-719 517	-107 165
Investments in subsidiaries	-828 000	-
Cash flow from investments	-17 304 614	-11 372 280
Finance		
Bank loan	6 750 000	-6 250 000
Bank credit change	- 17 907 992	26 318 679
Dividend	-8 680 000	-8 794 171
Cash flow from financing operations	-19 837 992	11 274 508
Cash flow	534 661	607 944
Bank statement year start	1 075 174	467 230
Bank statement year end	1 609 835	1 075 174
Bank limit available on balance day	37 269 940	19 309 752

**JERKER HELLSTRÖM**

Founder
Handheld Group AB

**THOMAS LÖFBLAD**

CEO
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



BOARD OF DIRECTORS

ANNA HELLSTRÖM
Board Member

JERKER HELLSTRÖM
Founder and Chairman of the Board

THOMAS LÖFBLAD
Board Member

SOFIA LÖFBLAD
Board Member

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).



THE HANDHELD SUPERTeam

#HandheldSuperteam

CONTACT US

To get in touch with us, see www.handheldgroup.com/contact

Or send us an email at: info@handheldgroup.com


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