

# FINANCIAL SUMMARY 2020



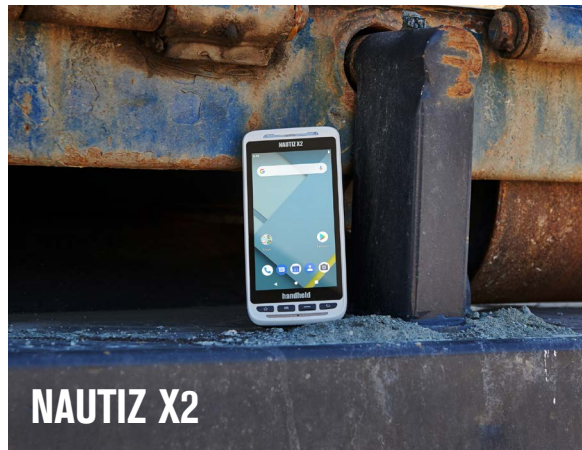
## OUR YEAR IN SHORT

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.

## NEW RELEASES with a word from Johan Hed, Director of Product Management



“The Algiz RT8 is an incredibly lightweight and compact ultra-rugged Android tablet that comes with a durable, sunlight-readable, 8-inch screen.”



“The Nautiz X2 Android handheld is absolutely packed with features, and it now offers even faster performance, at an even better value.”



“The Nautiz X41 rugged handheld offers 23 physical keys, including programmable function keys and a physical scan button for fast and efficient data entry.”

SERVICING CUSTOMERS IN

**86**  
countries  
AROUND THE WORLD

## MARKET AT A GLANCE

- The global market for rugged computing amounted to approximately \$7 billion in 2020.
- The overall market contracted during 2020 due to Covid.
- The expected growth is projected to drive the market to reach \$10 billion by 2025.
- More than 85% of rugged handheld devices shipped in 2020 were Android based.
- Android tablets continues to increase but Windows operated tablets dominate with a market share of 80%.





## DYNAMIC NEW GLOBAL HEADQUARTERS

### KEY APPOINTMENTS



**LISA LUNDMARK**

Head of Accounting  
for Handheld Group



**SIMON BERGENWALL**

Product Manager  
for Handheld Group



**STEFAN RUNDBERG**

Director of Purchasing  
for Handheld Group



**JOHN TOWNSEND**

Regional Sales Manager  
for Handheld US



**ROB BOLLWEG**

Regional Sales Manager  
for Handheld US









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# POISED TO REACH NEW HEIGHTS AFTER A CHALLENGING YEAR

**“I’m incredibly proud that we rose to the challenge as an organization and managed to navigate successfully through some tough times. 2021 could be a year of new records.”**

There’s no avoiding it: the past year was indelibly marked by the global Covid pandemic, and its effects and consequences. We entered 2020 with strong momentum, coming off the best year in our history. But the global economy was affected when the pandemic hit with full force, and that extended to our specific markets. In the past year we’ve seen uncertain market conditions, with a reluctance to invest; we’ve seen delays in our supply chain and had to adjust our sales and marketing processes due to travel restrictions; and we’ve also had to adjust our internal processes and workflows, with major numbers of our staff around the globe working from home offices for safety reasons.

With all this in mind, it feels good to be able to put 2020 behind and anticipate a turn for the better in 2021. I’m very pleased with how our organization adapted to the giant curveball the last year threw at us – most importantly, we’ve been able to keep our team safe and healthy as we adapted to new situations, and we’ve managed effectively through challenging times.

## Financial performance

The full-year figures show a decline in revenues and profit, but an improved gross margin and some reduction in operational costs. Our revenues decreased by 30% compared to 2019, and our EBITDA decreased from 37 million SEK to 17 million SEK. Countering that, gross margins increased from 42% in 2019 to 48% in 2020. Overall, it was an acceptable outcome given the circumstances – but we have greater ambitions than this, and I don’t believe our figures for the year reflect the hard work and effort our team put in. In 2021 the story should be different.

## Investing for the future

Despite 2020’s challenges we’ve continued to increase our product development tempo, and we have more developments simultaneously in progress than ever before. Many of the products in development over the last year will be released in 2021.

We also increased the number of employees at Handheld during 2020, including some key recruitments who will contribute to building an even better organization.

In September 2020 we moved into our new headquarters in Sweden, a custom-built facility that meets our requirement for not only a more efficient and larger office but also a creative workspace that fits our culture and history. In May 2020 our U.S. operations also moved into new and much larger office space, in order to handle the expanding U.S. operations.

Moving forward, we’ll continue to build a stronger and better Handheld by investing in people, facilities, products and improved processes.

## Expectations for 2021

Last year was a true acid test of how well our organization and our business model could handle adversity and external events such as the global pandemic, and I’m incredibly proud that we rose to the challenge as an organization and managed to navigate successfully through some tough times.

It’s hard to predict what will happen next, and when things in general will return to a more normal status – but regardless, my expectations for 2021 are very high. We move into the year with a record order book, and we have many new products scheduled for release during the year. This, in combination with a very healthy pipeline of projects, points to what could be a year of new records. Our hard-working and resilient team deserves it, and I think we’ve positioned ourselves to do exactly that.

Thomas Löfblad  
CEO

*Lidköping, April 2021*





# A COMPANY FORMED AT THE INTERSECTION OF TWINS

Before Handheld became a major player in the global market for rugged computers, our story started because two guys were dating twin sisters. And from our beginning as an independent family business in a small city in the Swedish farmlands, the tale of Handheld is fun, unusual and a great success story.

## A harmonious convergence and an evolutionary leap

But back to the dating part. In 1994, Jerker Hellström was working in the rugged computer business, selling devices across Scandinavia from an office in Lidköping. Thomas Löfblad had just returned from studying and working in the U.S., taking a job in the same building Jerker leased his office in. Twin sisters Anna and Sofia Larsson worked in the same office as Thomas. Coincidentally, Jerker started dating Anna; Thomas started dating Sofia. The four started hanging out regularly – and eventually they formed a unique combination of relationships: sisters, friends, husbands and wives, in-laws... and business partners.

It didn't happen immediately, of course. In 1997 Jerker got the opportunity to purchase the Scandinavian component of Husky Computers, his employer at the time. He formed a company called Handheld, with a focus on selling rugged handheld computers. As he, Thomas, Anna and Sofia gathered regularly, the conversation would often turn to business, and an idea began growing. In 2003, Thomas left a CEO job in computer gaming to join Jerker as a partner in Handheld. They soon made the bold decision to adopt a new strategy: start selling products outside Scandinavia, through their own reseller network.

They signed an agreement with an American manufacturer to sell the smartest rugged handheld

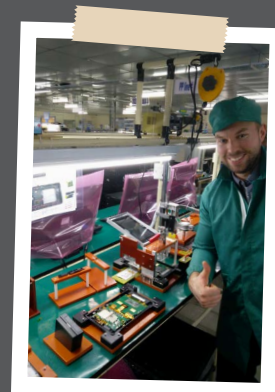
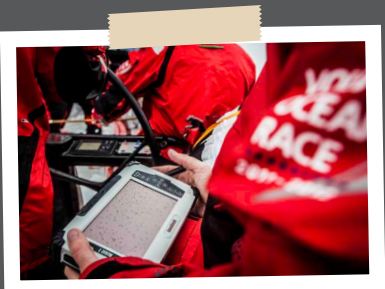
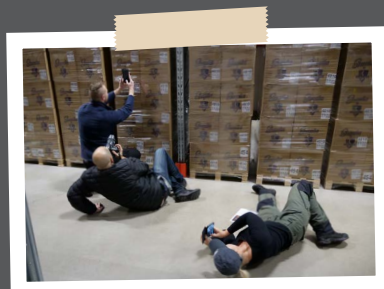
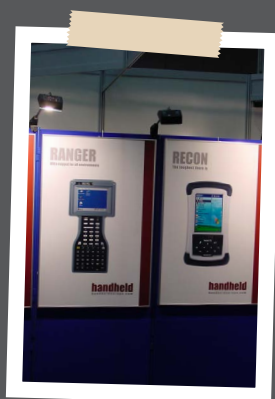
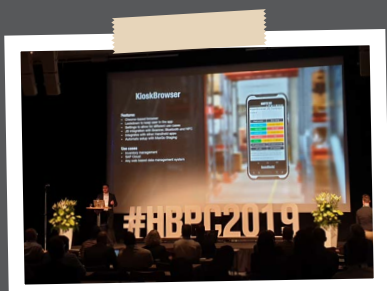
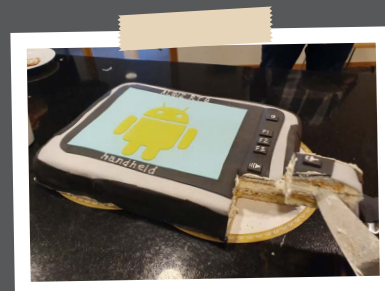
device available at that time, to the European market. Then they went to the CeBIT trade show in Germany. For 10 days they networked, making important connections who are still integral elements of the company's network today. Handheld in its current form was born. By the end of the following year, the company had a network of 80 resellers worldwide.

## Completing the partnership and building a brand

With Jerker's deep expertise in technology – his partners say he reads owner's manuals for relaxation – and Thomas's ability to read people and sell them exactly what they need, the business grew. And by 2005, it was a natural progression to bring in Sofia, a confident communicator who can strike up a conversation with anyone, to be the marketing director; and Anna, a natural organizer who loves to-do lists, as the director of the supply chain. The "family business" was complete.

In 2007, Handheld took a giant step: our own line of Handheld-branded devices. The first product was a rugged tablet designed to work under the toughest conditions. To name it, Jerker came up with the idea of reaching back into our Nordic heritage and chose a word from the Viking rune alphabet: Algiz, which translates to "protection against evil forces" (in this case, things like cold, heat, water, drops, dust and more). The Nautiz line of rugged handhelds followed in 2009 (Nautiz was also from the runic alphabet, meaning "hard work and effort"). By 2013 Handheld was only selling our own products, and sales growth has been steady over the years.







The twins

## Going truly global and creating an advantage

Handheld has grown by capitalizing on the collective strengths of the partners, a dedicated workforce and a personalized approach to doing business. The business model has been refined to its current successful approach: Handheld designs and specifies all products, and then we outsource the manufacturing overseas; our in-house product management team monitors the manufacturing process to make sure products meet requirements and standards. Then our Handheld sales team and the reseller network go to work distributing them to the world. As of 2020, the network of resellers had grown to more than 1,000 resellers in 102 countries, and that same year we relocated to a larger, custom-built HQ in Lidköping.

Getting to this point has meant mastering many elements along the way.

The most important is keeping up with the rapid pace of technology development. The entire team must stay on top of every technological advancement that could impact mobile computing – from hardware to software to communication networks. In our view the way to stand out against much larger competitors is to “overperform.” By our thinking, if Handheld and a giant brand name offer the same product at the same price, the giant is likely to get the business. Handheld must be better, smarter, faster and more customer-centric to hold an advantage in buyers’ minds.

One way we’ve gotten that advantage is by addressing a wide spectrum of verticals. Even as the designers of these highly capable rugged handhelds, we couldn’t possibly have imagined all the ways people would use them. Over the years we’ve heard dozens of stories

of Handheld customers finding ingenious ways to apply our devices. And that means we have to include the features and capabilities all those users want, in dozens of different verticals and countless niche applications.

## Honoring our origins and doing business the right way

In the end, brand identity may be even as important as development, manufacturing and distribution. Today’s tech marketplace is global, and increasingly impersonal. So there’s high value in being a company people feel a connection with, and loyalty to. That’s where Handheld’s family roots and personality are an advantage.

The fact that we started as a small company is its own advantage. Even as Handheld has grown, the core approach of the company has not changed. We’ve purposely maintained a very flat structure, for smooth teamwork across job functions and geography. We take regular coffee breaks (fika, as we know them), and the atmosphere is always one where people can share a snack and talk about anything with anyone.

The Handheld brand is based in teamwork, responsiveness, cooperation, shared success and long-term relationships. There’s no corporate “responsibility to the shareholders” to get in the way of doing business the old-fashioned way: make a great product, sell it at a fair price, back it up, and make our word worth something. These have always been Handheld’s guiding principles – with roots that go all the way back to the days when two guys were dating twin sisters.



# 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.

hannuhelp

# 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.







**“Although the economic climate and access to capital was challenging through much of 2020 and continues to be leading into 2021, the pandemic also represented a catalyst of sorts for digital investments, including rugged mobile computing solutions.”**  
**– David Krebs, VDC Research.**

## MARKET ENVIRONMENT & FORECAST

### **VDC’S rugged mobile computing outlook**

The rugged mobile computer market—spanning multiple mobile form factors—exceeded \$7 billion in vendor revenues in 2020. From rugged handheld computers and rugged smartphones to wearable solutions and tablets and notebooks, today’s frontline workforces across most industries rely on these mobile devices to do their jobs.

From warehouse operations to field service automation and from first responder situational awareness to retail customer engagement, organizations use rugged mobile computing solutions to support their most mission-critical workflows. Their rugged design and reliable performance are critical attributes as even the smallest failure or vulnerability can lead to significant workflow disruptions and operational downtime. Rugged mobile devices are designed to withstand the rough and tumble nature of the operations they support. VDC’s research has shown a 3X increase in failure rates of non-rugged consumer-grade devices in similar applications. Each mobile device “failure” results, on average, in 70 minutes of lost productivity: the impact of selecting the wrong device can have substantial impact.

### **COVID-19 Pandemic: A catalyst for digital investments**

The outbreak of the COVID-19 Pandemic in early 2020, the subsequent shutdown of offices across most private and public sector organizations and the rapid transition to work-from-home models created an environment of rapid disruption and uncertainty. Although the economic climate and access to capital was challenging through much of 2020 and continues to be leading into 2021, the pandemic also represented a catalyst of sorts for digital investments, including rugged mobile computing solutions. This was perhaps most acutely witnessed in the retail sector – in particular in grocery – with the step-change shift to e-commerce and omni-channel fulfillment driving strong investment in mobile solutions to support warehouse operations, in-store picking of online orders and last mile delivery services. Furthermore, in the healthcare sector, mobile and digital solutions were critical in rapidly rolling out much needed mobile testing stations. And finally, with the global rollout of the vaccine the need for real-time visibility into operations and condition-based monitoring across the supply chain clearly evidenced the value of robust mobile and wireless solutions.



## Accelerating growth in the rugged mobile computing market

Taken together, we are ushering in a new phase of digital and mobile investments. In fact, according to research VDC conducted in 2020, 25% of organizations<sup>1</sup> plan to aggressively accelerate their pace of pursuing and rolling out mobile/digital projects because of the pandemic. On a broader scale, VDC's research suggests that over 70% of organizations<sup>1</sup> are overhauling or substantially changing their customer engagement models to introduce contactless options. For rugged mobile computing overall this translates into an annual growth rate in the mid to high single digits through 2025 when the total market is expect to approach \$10 billion<sup>2</sup>.

<sup>1</sup>Source: VDC 2020 Enterprise Mobility Buyer Behavior Analysis (Sample Size: 687)

<sup>2</sup>Source: VDC 2020 Rugged Mobile Computing Mobile Device Dataset

### VDC Research

VDC Research is the leading analyst firm covering the enterprise mobility marketplace. Since 1995, VDC's Enterprise Mobility & Connected Devices practice has been supporting our clients with in-depth and cogent analysis of the most critical trends impacting the opportunity for enterprise mobility solutions.

### David Krebs, EVP, ENTERPRISE MOBILITY & AIDC, VDC RESEARCH

David has more than 15 years' experience covering the markets for enterprise and government mobility solutions, wireless data communication technologies and automatic data-capture research and consulting. David focuses on identifying the key drivers and enablers in the adoption of mobile and wireless solutions among mobile workers in the extended enterprise. David has extensive primary market research management and execution experience to support market sizing and forecasting, total cost of ownership (TCO), comparative product performance evaluation, competitive benchmarking and end user requirements analysis. David is a graduate of Boston University (BSBA).







# BUSINESS VERTICALS

Handheld creates rugged mobile computers to do your work more quickly, more consistently, and more efficiently. Whether you're upgrading from pen and paper or a consumer-grade computer, or are already on the cutting edge of mobile technology, Handheld has rugged mobile computers for you.

## 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.

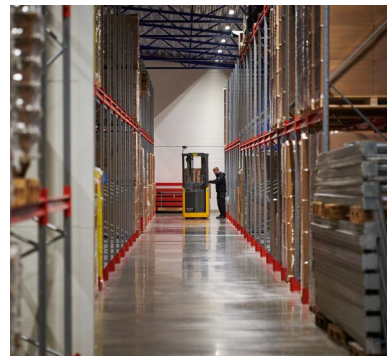
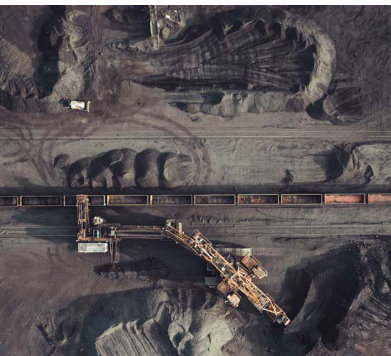
## Forestry

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 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. 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. In distribution, supply chain management, warehousing and other industrial settings, customers are trusting our mobile handheld devices with their information.

## Mining

Because mining and drilling takes place in harsh environments, the computer solutions have to be tough enough to withstand vibrations, dust, moisture and temperature fluctuations. The mining and drilling industry uses handheld computers to handle timekeeping, vehicle tracking, maintenance, supply deliveries and real-time communication. The advantages over a paper-based system are obvious: data collectors greatly streamline job functions, and reduced errors are and labor costs.

## Public Safety

Public safety workers have long used computers in the field. Vehicle-mounted notebooks are an expected part of police vehicles nowadays. This innovation continues in emergency services with rugged handhelds and PDAs for tracking ambulance patient data, navigating unfamiliar routes and pre-planning. Whether it's for fire, police, Emergency Medical Services (EMS) or other areas of public safety, Handheld can provide rugged devices 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.



## NAUTIZ X41

- 4.0" PDA, Android OS
- MIL-STD-810G, IP65
- 4G/LTE, WiFi/BT/GPS/Camera
- 1D/2D, NFC



## NAUTIZ X2

- 4.7" PDA, Android OS
- MIL-STD-810G, IP65
- 4G/LTE, WiFi/BT/GPS/Camera
- 1D/2D/long-range, NFC, LF/UHF RFID



## NAUTIZ X6

- 6.0" Phablet, Android OS
- MIL-STD-810G/461F, IP67
- 4G/LTE, WiFi/BT/GPS/Camera
- 1D/2D, NFC, LF RFID reader



## NAUTIZ X8

- 4.7" PDA, WEH 6.5
- MIL-STD-810G, IP67
- 3G, WiFi/BT/GPS/Camera
- 1D/2D, physical keypad



## NAUTIZ X9

- 5.0" PDA, Android OS
- MIL-STD-810G, IP67
- 4G/LTE, WiFi/BT/GPS/Camera
- 1D/2D, NFC reader



## ALGIZ RT8

- 8.0" Tablet, Android OS
- MIL-STD-810G/461F, IP67
- 4G/LTE, WiFi/BT/GPS/Camera
- NFC



## ALGIZ 8X

- 8.0" Tablet, Windows 10
- MIL-STD-810G, IP65
- 4G/LTE, WiFi/BT/GPS/Camera
- 1D/2D, LRBT, CANBUS, RS232



## ALGIZ 10X

- 10.1" Tablet, Windows 10
- MIL-STD-810G, IP65
- 4G/LTE, WiFi/BT/GPS/Camera

# 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.

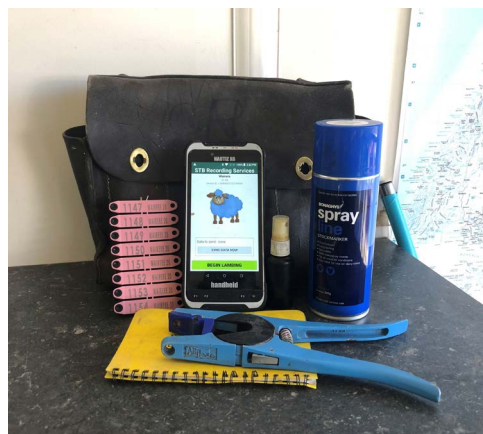
## MaxCare Standard

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.





# BOOSTING LAMBING EFFICIENCY

**New Zealand shepherds use rugged phablets to record sheep genetic data.**

The world's largest supplier of sheep genetics, Wairere Rams, is using Nautiz X6 rugged handhelds to increase productivity and improve data security during their spring lambing season. Wairere's shepherds are using the devices to record and track data on thousands of ewes and lambs on their property in the verdant Wairarapa region of New Zealand's North Island.

New lambs must be tagged nearly as soon as they are born, making operational efficiency essential: "It's amazing how much of an impact milk and sunshine have on the lambs," says Livestock Manager Kate Robinson. "At over a day old they become very fast and are hard to catch." Traveling across the farm's pastures is no easy job, as the rough, weather-stirred terrain is only two percent flat. The company's website calls the locale "wet cold," "windchill-prone" and "a serious testing ground" for the constitution of the sheep and

the people who manage them. The shepherds ride on horseback in order to traverse the land more easily, and to quietly approach the new mothers and babies without disturbing them. This method allows the riders to more quickly and accurately record births — of which they'll tally around 7,000 per year.

## **"The worst climate I have ever worked in"**

An environment capable of producing hardy sheep with strong genetic qualities for breeding also creates a serious testing ground for mobile technology. "Our devices need to be quite sturdy," Robinson says. "We are using them out in the mud and rain, and being bumped around the paddock all day getting on and off the horses."





### CHALLENGE

Record hundreds of new births and track genetic data for thousands of animals at a New Zealand sheep breeding operation.



### SOLUTION

Introduce Nautiz X6 phablets as ultra-rugged lambing PDAs, with easy data entry, fast processing and secure data storage.



### RESULT

Significant gains in speed, efficiency and data security, along with ease of use.

Wairere's search for hardwearing data collection tools landed on the ultra-rugged, ultra-portable Nautiz X6 computer from Handheld Group. The farm deployed these new lambing PDAs with the help of Pocket Solutions, a New Zealand-based provider of mobile technology systems that increase business efficiency and productivity.

## A rugged technology answer

Nautiz X6 Android handhelds allow the livestock managers to record and modify data quickly in a compatible lambing app, in any weather condition, and store data safely in the cloud. Users frequently operate the compact phablet — a hybrid of “phone” and “tablet” — in bright sunlight and heavy rain, thanks to a 6-inch touchscreen that's made of chemically strengthened glass and equipped with sunlight readability, rain mode and glove mode technology. Robinson says the devices “hold heaps of data” — with 4 GB of RAM and 32 GB of local storage — and support fast and secure backup. They have the processing speed to facilitate fast data transfer, and connectivity features including WWAN and WiFi to enable secure cloud syncing.

Each Nautiz X6 device is built from the inside out to meet the needs of field workers in tough environments. These lambing PDAs are IP67 rated and meet U.S. military test standards for ruggedness — such as withstanding repeated drops, dust and water exposure, and operating at high and low altitudes or extreme high and low temperatures.

True rugged construction — not just a rugged case on a fragile consumer device — is absolutely critical for Wairere, where reliable data collection surrounding birth and parentage is central to business. “Our operation is concerned with genetic gain in sheep populations, and accurately recording the pedigree of each individual is the first and most important step in that process,” says Simon Buckley, Business Manager for Wairere.

## Recording the lambing beat

Buckley's team follows a set process for entering each animal into the sheep management system: Rams are identified at the time of mating, ewes at the beginning of lambing, and lambs at birth. “Once the lambs are tagged and their parentage is recorded, all subsequent performance records for those lambs can be attributed to them and retained,” Buckley says. To record information about new lambs and their

mothers, Wairere shepherds use animal tagging and a lambing app on the Nautiz X6. Each ewe wears a large ear tag with visual identification (VID) information. When the shepherds find a new lamb, they place an ear tag, then record information such as the sex of the lamb, the paddock it was born in and any relevant commentary related to the lamb's features or the ewe's mothering capability.

“We then spray the lambs' tails with blue tail paint so we can easily identify from a distance that those lambs have been tagged,” Robinson says. “On a big day of our lambing beat, we will tag 100-120 lambs.”

## The best of the best

The most important information the shepherds record is related to physical qualities of the lambs, such as weight, markings or disease; and behavioral qualities of the ewes, such as poor mothering instinct, poor nursing capability or still birth.

“Each lamb's VID tag number recorded in the lambing app stays with the animal throughout its life,” Robinson says. “This establishes a reliable system for adding information to our database later, such as weaning weight, eye muscle scans, fleece weight, growth and other details.” Lambs over a certain weight are kept in the flock at weaning, amounting to roughly 2,500 ram lambs and 2,500 ewe lambs. Over the course of a year, about 1,000 of the best rams will be identified for a November sale. Ewes that have raised strong and healthy lambs remain in the recorded flock for the next mating season. All this data management is made significantly simpler by the Nautiz X6 lambing PDA.

“We record around 5,000 ewes at the point of birth,” Buckley says. “These devices, along with the software that Pocket Solutions developed, are fantastic technological advancements for us.”

Buckley and Robinson each say the Nautiz X6 makes it easy to fix data entry mistakes, is intuitive to use and enhances the lambing shepherds' speed and accuracy.

“We are constantly looking to technology to improve efficiencies within our business,” Buckley says. “We are very thankful to Pocket Solutions for supplying the hardware and developing the applications that make these devices so useful to us. We love the devices and look forward to using them next lambing season.”





## DAVE CAWSEY, MANAGING DIRECTOR AT HANDHELD UK

Dave Cawsey runs our UK operation and is responsible for sales, service and support throughout the UK and Ireland. A Brit with an engineering and technology background, Dave started working in the rugged computing industry 20 years ago. Following a number of engineering and management roles with IBM and Husky Computers, his work with General Dynamic's Itronix took him and his family to Australia for several years to work for Avantec, where his plan was to work hard, get a tan and learn to surf (he admits he accomplished only the first two). After a time with Touchstar, deploying their products with fuel and gas truck drivers for Caltex in Australia and Origin Energy in New Zealand, the pull of home and a chance to establish a UK presence for Handheld led him to join us in 2012.

### **-Describe your role within Handheld.**

My role is firstly to be Handheld's focal point and key contact for our partners, resellers and customers throughout the UK and Ireland. The second aspect of my job is as a member of the Handheld management team.

Both roles are important; one has a focus on the immediate requirements of our customers, while the other is more about shaping the future. My role focusing on partners, resellers and customers is underpinned by the overall Handheld vision to become one of the world's leading companies in rugged computing. I use

this vision as a blueprint to support, encourage and motivate partners and resellers to integrate Handheld products, software and services into their product portfolios.

I see these business relationships as true 'partnerships.' The partnership may work through product and sales training, marketing support, solution consulting, pre-sale and post-sale technical support, a customer technical issue... or simply a quote for a device configuration. Handheld's success is firmly rooted in the success of our partners, so the more I do to help our partners succeed, the more successful Handheld is. It is a simple but effective win-win situation.

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

Everyone's working day over the last year has been very different than in previous years in the way we connect, interface and talk to our customers and colleagues, but I can certainly say there is no such thing as a typical day at Handheld. They say variety is the spice of life, and my work life is pretty varied! A typical day for me might include taking a call from a customer regarding the status of their order, or preparing for a Teams call with a partner regarding a new project. I might be answering a request for a price quote or reviewing the sales forecast for the next quarter. One day I will be liaising with the Handheld Product Team regarding a new device that is under development; the next day I will be running a product





training session for a new partner or reseller. Finally, I could be coordinating a repair for an end user, reviewing the status of a customisation proposal with our OEM Team, preparing for a management team meeting... oh, and somewhere in there I always find time for fika!

A major impact over the last year has been the lack of industry shows, events and exhibitions, which are one of the key sales and marketing tools we use to get in front of customers and promote our products. In response, we introduced the "Handheld Demo Vehicle" (see photo) in the UK, a Jeep kitted out with all our products; it lets us get in front of customers, safely and socially distanced, until things get back to normal. You must adapt to the situation, and it is kind of a fun thing for people to see everything in one vehicle.

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

Simple, it is each and every Handheld employee. I have never worked for a more focused, professional and talented team. There is a genuine sense of teamwork across the entire company; it feels like everyone is connected and in pursuit of a common goal, even if we are spread out across the globe. I still feel close to other members of the Handheld team, even if they are on the other side of the world, because there is a shared culture where everyone is eager to help each other out, across all geographies, levels and departments.

That teamwork ethic is observed by our partners and resellers, who often mention that they do not do business with us just because of our products,

but because they have experienced that our entire team is there to support them, easy to work with and passionate about their customers.

### **- How do you fill your leisure time?**

'Tinkering' is my main leisure interest; nine times out of ten you will find me in my garage stripping down, modifying and rebuilding an engine or a gearbox, trying to squeeze another Km/h from a 'seasoned' MG Midget. Of course, enjoying family time and helping achieve world peace take up the rest of my leisure time!

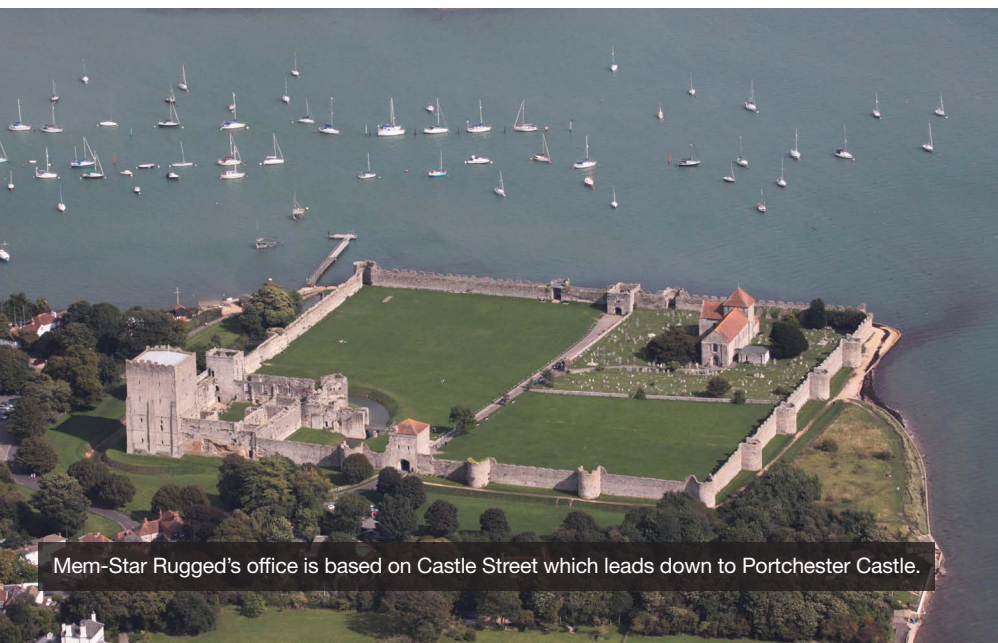
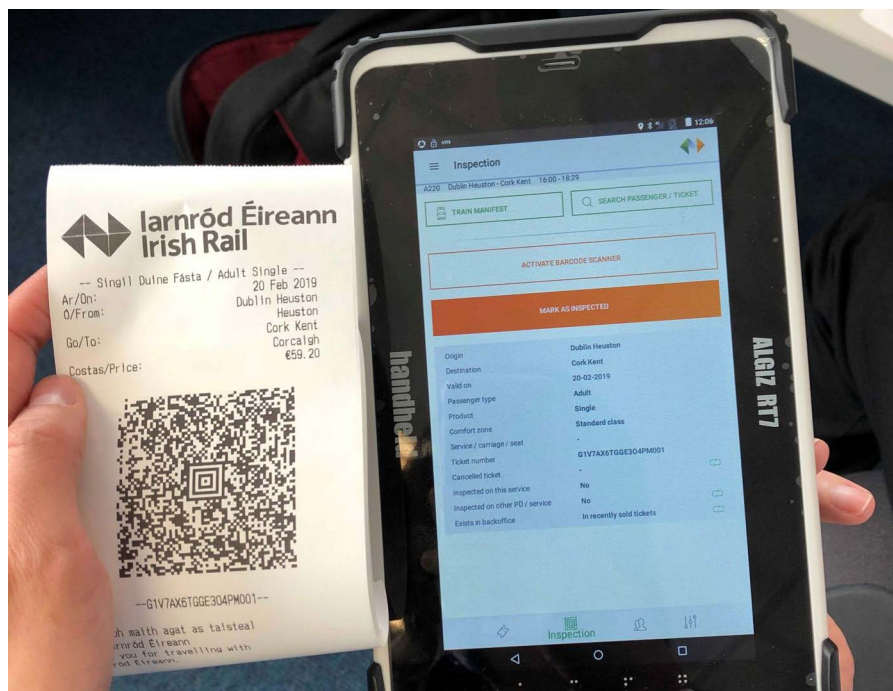
### **- What's your most memorable moment with Handheld?**

Picking the most memorable moment with Handheld is a tough one, because there have been so many. I count myself lucky to have worked with Jerker Hellström, Handheld's founder, at Husky Computers many years ago. In fact, I remember traveling to Sweden not long after Jerker set up Handheld, to coordinate the service training on supporting the Husky range of rugged devices, for one of their first employees. Over the years I watched Handheld grow and expand, adding new products and resellers around the world. At one time I was a Handheld partner/reseller in Australia and New Zealand before eventually joining Handheld as a member of the management team in 2012. Coming aboard as a direct employee was probably my most memorable moment with Handheld. Or maybe it was my first ski trip with the Handheld team just two weeks later, but you will have to catch me at a Handheld Partner Conference "mingle" session if you want the full story on that one...

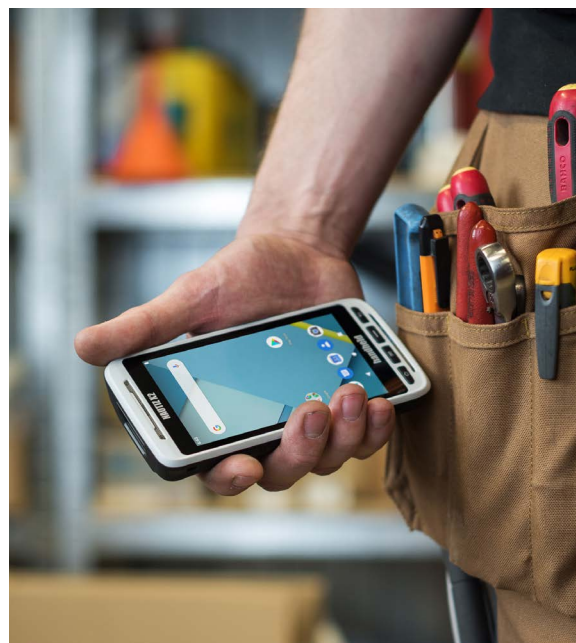




Robert Patchett and Mat Ananin, Mem-Star Rugged, at the Handheld Business Partner Conference in Stockholm, 2014.



Mem-Star Rugged's office is based on Castle Street which leads down to Portchester Castle.





# MEM-STAR RUGGED, UNITED KINGDOM

**“Return on investment’ is the principal mantra of successful business organisations today, and that includes their investments in mobile technology products.”**

Mem-Star Rugged was formed to address the need for businesses to protect their investments in mobile technology. We are a dedicated hardware reseller, focused on sourcing and supplying the absolute best rugged device solutions to users operating in various challenging environments. With more than 20 years of experience specialising in the mobile rugged market, we put all our resources to work to ensure our customers get the best products across all market sectors – our goal is always to find the right solution for the need, at a price that makes good commercial sense. As part of that pledge, we have partnered with Handheld Group since 2012, for their wealth of experience and broad product line-up in the rugged computing vertical.

‘Return on investment’ is the principal mantra of successful business organisations today, and that includes their investments in mobile technology products. Savvy companies realise that looking solely at the initial cost of equipment is short-sighted: you also have to factor in whether the equipment you purchase saves money in areas such as labour hours, data loss and repair time due to equipment failure or damage in the field. Looking at the Total Cost of Ownership (TCO) for mobile computing devices should be the primary driver in intelligent purchasing decisions, for business and governments alike.

## Partnership success story: Irish Rail

Anyone who has ever travelled by train knows that internet connections are not always reliable as you move from place to place. This makes selling tickets – whether in a train station or on a moving train – a real challenge. Irish Rail was struggling with a cumbersome system that required employees to carry a massive ticketing device for mobile sales, plus a completely separate device to scan the TFI Leap Card, the contactless smart card for automated fare collection.

This provided a perfect opportunity to apply Mem-Star Rugged’s expertise in providing durable mobile solutions to solve multiple workplace problems. Working with Irish Rail alongside Handheld and their customisation team, we were able to supply an efficient and cost-effective solution for Irish Rail with the custom-built Algiz RT7 eTicket device.

The solution completely changes the way Irish Rail employees sell tickets, both at stations and on trains. Now their employees only need to carry one compact

Android device to sell tickets or scan the Leap Card, which means not only less work for the employee, but also faster transactions for customers.

The RT7 eTicket lets employees sell tickets even when they do not have an internet connection; the device automatically syncs the information into the back office the next time they are online. Another great benefit is that each ticket sold is automatically entered into the back-office system; no additional paperwork or manual labour needed. And if ticket configurations and prices are changed in the back office, those changes are automatically uploaded to the device.

Finally, the Algiz R7T eTicket also displays a list of passengers with their preferences and seats. Now an employee can walk through a train and instantly see where the passengers with reserved seats are located, and what products they may have purchased (e.g., a meal).

This successful collaboration is a great example of how Mem-Star and Handheld work together to solve customer challenges. With two teams of rugged-technology experts applying their skills to customise a Handheld device, we can enjoy the success of providing that “wow” moment when a customer realises the benefits our solution will bring both their employees and customers.

## Ongoing partnership perks

One of the key benefits of working with Handheld is their Partner Program, a unique resource that makes our job as a reseller easier and more efficient. Their convenient online Partner Portal offers marketing materials, price lists, product presentations and videos, to provide more useful information when one of our customers is considering a purchase. We also have ready access to key personnel from Handheld’s sales, marketing, service and product development teams.


Another perk is the Handheld Business Partner Conference, an annual event over several days where partners can get the latest updates on the complete Handheld product range, including upgrades and device road maps, as well as industry trends from keynote speakers. The event is also a chance to meet the entire Handheld Team as well as to share business knowledge with Handheld reselling partners from around the globe.



# HELD ACCUMULATED ORDERS



# MAKING THE BEST OF 2020, AND REBOUNDED STRONGLY IN 2021



**“We forecast 2021 to be a year where we return to our overall trend of growth and higher profitability.”**

Handheld went into 2020 with strong momentum, after we had our most successful financial year ever in 2019. A large order stock, a strong financial position and many potential projects gave us confidence for an even better year in 2020, with both higher sales and increased financial strength.

That's not what happened. As nearly all companies were, Handheld was significantly impacted when the circumstances of the global pandemic grew more dire; new thinking and a flexible attitude were required within our organization. Even with the worldwide issues of shutdowns, travel restrictions, supply chain issues and delays, we were able to adjust within our decentralized organization and handle these challenges in the most effective way.

Handheld Group revenues for 2020 totaled 190 million SEK. This was a decrease of 30% from our record year in 2019, but in turn a completely acceptable performance given the circumstances. We saw delays in development projects as well as some delays in our business opportunities during the year, both of which had a negative impact on our yearly figures. On the positive side, our gross margin improved compared to 2019, increasing from 42% to 48%, and that's a level we think we can push even higher going forward into 2021.

Our external operational expenses decreased 8%; some of this reduction was volume-related, and of course there was less travel and customer activities. But it also reflects changes we made in how we conduct

our marketing and sales activities. We managed to strengthen our organization with key recruitments in 2020; our total number of employees increased, and we also moved into larger business spaces in Sweden and the U.S. With the decrease in operational costs and the increase in gross margin, we managed to offset a healthy portion of the decreased sales volume; our EBITDA totaled 17,5 million SEK (9%).

Our operational cash flow amounted to 21 million SEK, and we were able to pay for investments in our product portfolio and other assets with our own funds. We decreased working capital and reduced our balance sheet to 123 million SEK in 2020, from 141 million SEK in 2019. Our financial situation is solid, and we have no external funding to our business other than an operational credit line. Our equity ratio increased from 42% to 47%.

There's no question that 2020 was a challenging year – but moving forward, we forecast and are planning for resumed long-term growth and increased profitability. We have strengthened our position in many areas; with our competitive product portfolio, our well-run organization and our solid financial position, we forecast 2021 to be a year where we return to our overall trend of growth and higher profitability.

Christer Florén  
CFO

*Lidköping, April 2021*



# FINANCIAL OVERVIEW



## COMPARATIVE FIGURES COVERING SEVERAL YEARS

CONSOLIDATED FIGURES IN THOUSANDS SEK	2020	2019	2018	2017	2016
Sales	187 594	265 958	179 194	193 825	164 143
Result before tax	9 476	28 285	18 569	21 429	-1 831
Balance sheet total	123 180	140 956	128 925	102 228	91 904
Employed	47	45	42	42	41
Solidity	47	42	36	41	34
Return on assets, %	6	21	15	21	neg
Return on equity, %	16	48	40	51	neg

2020

INCOME STATEMENTS	2020	2019
<b>Sales</b>		
Net sales	187 594 258	265 958 005
Work performed by the company for its own use and capitalised	2 482 538	2 100 076
<b>Total sales</b>	<b>190 076 796</b>	<b>268 058 081</b>
<b>Operating expenses</b>		
Cost of sold goods	-98 795 469	-156 093 944
Other external expenses	-25 461 758	-29 932 278
Personnel costs	-48 228 891	-45 102 041
Depreciations and amortizations	-8 637 688	-6 796 732
<b>Total operating expenses</b>	<b>-181 123 806</b>	<b>-237 924 996</b>
<b>Operating profit/loss</b>	<b>8 952 990</b>	<b>30 133 085</b>
<b>Profit/loss from financial items</b>		
Interest received	2 238 921	70 581
Interest expenses and similar profit/loss items	-1 715 661	-1 919 030
<b>Total profit/loss from financial items</b>	<b>523 260</b>	<b>-1 848 449</b>
<b>Profit/loss after financial items</b>	<b>9 476 250</b>	<b>28 284 636</b>
Tax on profit for the year	-2 659 030	-5 232 407
<b>Net profit for the year</b>	<b>6 817 220</b>	<b>23 052 230</b>

2020

BALANCE SHEETS	2020-12-31	2019-12-31
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Intangible fixed assets</b>		
Capitalized expenditure for development work	38 860 366	32 170 769
Trademark, license and similar rights	601 948	729 935
	<b>39 462 314</b>	<b>32 900 704</b>
<b>Tangible fixed assets</b>		
Equipment, tools, fixtures and fittings	2 015 523	479 939
<b>Total fixed assets</b>	<b>41 477 836</b>	<b>33 380 643</b>
<b>Current assets</b>		
<b>Inventories, etc.</b>		
Goods for resale	41 248 789	69 497 633
Advance payments to suppliers	276 316	89 974
	<b>41 525 105</b>	<b>69 587 607</b>
<b>Current receivables</b>		
Accounts receivable - trade	33 094 519	27 863 014
Tax receivables	1 080 260	8 253
Other current receivables	3 076 444	6 395 327
Prepaid expenses and accrued income	2 736 049	2 111 556
	<b>39 987 278</b>	<b>36 378 150</b>
<b>Cash and bank balances</b>	<b>189 456</b>	<b>1 609 835</b>
<b>Total current assets</b>	<b>81 701 839</b>	<b>107 575 592</b>
<b>Total assets</b>	<b>123 179 675</b>	<b>140 956 235</b>



2020

BALANCE SHEETS	2020-12-31	2019-12-31
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital	524 800	520 800
Other added capital	9 188 713	8 385 593
Development capital	35 040 575	31 475 151
Other equity inclusive P/L for the year	13 239 279	18 556 628
<b>Equity assignable to owner</b>	<b>57 993 367</b>	<b>58 938 172</b>
Minority shareholding	-	-
<b>Total equity</b>	<b>57 993 367</b>	<b>58 938 172</b>
<b>Non-current liabilities</b>		
Liabilities to credit institutions	0	0
<b>Total non-current liabilities</b>	<b>0</b>	<b>0</b>
<b>Current liabilities</b>		
Liabilities to credit institutions	0	14 562 500
Bank overdraft facilities	25 933 056	9 127 906
Advance payments from customers	5 763 406	15 187 417
Accounts payable - trade	17 107 340	15 811 314
Tax liabilities	6 186 127	3 972 075
Other current liabilities	2 541 782	7 792 412
Accrued expenses and deferred income	7 654 598	15 564 439
<b>Total current liabilities</b>	<b>65 186 308</b>	<b>82 018 063</b>
<b>Total equity and liabilities</b>	<b>123 179 675</b>	<b>140 956 235</b>

2020

CONSOLIDATED CASH FLOW STATEMENTS	2020	2019
<b>Operating business</b>		
Operating profit	8 952 990	30 133 085
Adjustment for depreciation / amortization	8 782 028	6 079 332
Received interest	2 238 921	70 581
Paid interest	-1 715 661	-1 919 029
Tax	-1 516 985	-5 907 378
	17 812 519	28 456 591
Inventory change	28 248 844	-5 869 041
Customer receivables change	-5 231 505	6 757 095
Short term receivables change	2 508 043	-2 767 095
Vendors change	1 296 026	-8 541 091
Short term liabilities change	-22 584 482	19 641 447
<b>Cash flow from operating business</b>	<b>20 978 219</b>	<b>37 677 267</b>
<b>Business Investments</b>		
Intangible assets investments	-14 747 938	-15 757 097
Tangible assets investments	-1 745 310	-719 517
Investments in subsidiaries	0	-828 000
<b>Cash flow from investments</b>	<b>-16 493 248</b>	<b>-17 304 614</b>
<b>Finance</b>		
Bank loan	-14 562 500	6 750 000
Bank credit change	16 805 150	- 17 907 992
Dividend	-8 748 000	-8 680 000
<b>Cash flow from financing operations</b>	<b>-5 905 350</b>	<b>-19 837 992</b>
<b>Cash flow</b>	<b>-1 420 379</b>	<b>534 661</b>
<b>Bank statement year start</b>	<b>1 609 835</b>	<b>1 075 174</b>
<b>Bank statement year end</b>	<b>189 456</b>	<b>1 609 835</b>
<b>Bank limit available on balance day</b>	<b>20 295 444</b>	<b>37 269 940</b>



**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

**STEFAN RUNDBERG**

Director of Purchasing  
Handheld Group AB

**JIM RIMAY**

President & CEO  
HHCS Handheld USA Inc.

**JUHANI SALAS**

Managing Director  
HHCS Handheld Finland Oy

**HELMUT FEURHUBER**

Managing Director  
Handheld Germany GmbH

**DAVE CAWSEY**

Managing Director  
Handheld UK & Ireland Ltd

**ANDREAS HITZ**

Managing Director  
Handheld Swiss GmbH

**CARSTEN BILLESCHOU**

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



## 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.

For development work on behalf of others, development and production are separated, and for the development part the completion method is used. This means that income and costs are recognized at same time in P/L.

#### 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).



## CONTACT US

To get in touch with us, see [www.handheldgroup.com/contact](http://www.handheldgroup.com/contact)

Or send us an email at: [info@handheldgroup.com](mailto:info@handheldgroup.com)

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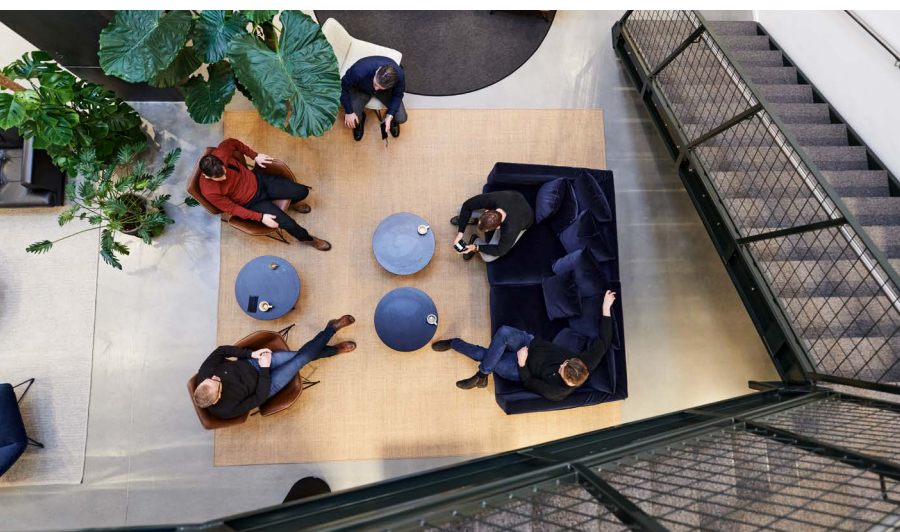
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