



# 2017

## ANNUAL REPORT

JLT MOBILE COMPUTERS AB (PUBL) 556239-4071



**Because it Works!™**

# CONTENTS

- 3** 2017 IN BRIEF
- 4** JLT IN 60 SECONDS
- 6** MESSAGE FROM THE CEO
- 8** CUSTOMER CASE STUDY: VOLVO CAR BODY COMPONENTS
- 10** NEW PLATFORM CONCEPT
- 11** THE JLT SHARE
- 12** ADMINISTRATION REPORT
- 19** INCOME STATEMENT
- 20** BALANCE SHEET
- 22** CASH FLOW STATEMENT
- 23** DISCLOSURES ON INDIVIDUAL ITEMS
- 30** AUDITOR'S REPORT
- 33** BOARD, MANAGEMENT AND AUDITORS
- 34** ANNUAL GENERAL MEETING AND CORPORATE INFORMATION



# 2017 IN BRIEF

**110,3 MSEK** (129,5)  
Order intake

**112,7 MSEK** (126,9)  
Revenues

**44,0%** (43,2)  
Gross margin

**9,3 MSEK** (13,1)  
Operating profit

**6,8 MSEK** (10,8)  
Profit after tax

**0,15 SEK** (0,15)  
Dividend

Work involving JLT's growth strategy – to develop its offering and strengthen its sales channel – yielded strong results in 2017. Total revenues fell year-on-year, though when compared to underlying sales there was an increase for the fourth year in a row, which points to stable growth in our general business.

The year also saw the development of the platform for JLT's next generation of vehicle-mounted computers, of which the first computer in this generation of products, JLT6012™, was launched on March 5, 2018. With new technology and a unique platform design, the new computer aims to meet customers' needs for greater efficiency and user-acceptance in both existing and new segments. This computer thus complements JLT's existing range of products nicely. A robust hand-held tablet, MT2010™, was also launched during the past year. The tablet comes with the same first-rate support and service as JLT's other products, and is principally targeted at the warehousing, food, transport and port industries in the US and Europe.

The most ambitious market investment to date was undertaken during the year, and JLT participated in a range of trade fairs across the globe, particularly within the transport and logistics segment. In terms of the logistics industry, JLT took part in SITL in Paris – the International Week of Transport and Logistics; ProMat in Chicago – the largest logistics and transport trade fair in the US, as well as Logistik & Transport in Gothenburg,

the leading trade fair and conference for logistics and transport solutions in the Nordic region.

JLT was also represented by the company's German sales partner at LogiMAT in Stuttgart, one of Europe's largest fairs for intralogistics and process management. Within the ports segment, JLT participated in NAVIS World in San Francisco, a forum that brings together logistics and IT managers of leading port operators from across the globe; Port & Terminal Technology in Norfolk, Virginia, USA, and in both the European and American version of TOC, which is a major annual event that gathers together leading players within the port industry.

The international reseller network – the JLT Global Sales Partner Program – was expanded during the year to include seven more sales partners, of which several were located in new countries, thus strengthening JLT's position and paving the way for more business in the global market.

Finally, JLT reached an important milestone in the company's history when the 100,000th computer was produced in September 2017. This anniversary-edition computer, which was a VERSO™+ 10 model, came with a unique guarantee of 100,000 hours – equivalent to more than 4,000 days, or just over 11 years – of round-the-clock usage, and was part of a major delivery to Volvo Car Body Components.

	2017	2016	2015	2014	2013
Net revenues, MSEK	112,7	126,9	81,1	71,7	60,5
Gross margin, %	44,0	43,2	44,6	36,0	32,0
Revenues per employee, MSEK	4,0	5,1	3,5	6,4	4,2
Growth, %	- 11,2	56,5	13,1	18,6	- 12,0
Profit before tax, MSEK	9,3	13,1	2,6	6,2	1,1
Operating margin, %	8,2	10,3	3,1	8,4	1,9
Profit margin, %	8,3	10,3	3,2	8,6	1,8
ROACE, %	20,5	34,0	8,7	19,5	3,7
Earnings per share, SEK	0,24	0,39	0,07	0,16	0,03
Cash flow per share excl. dividend, SEK	- 0,26	0,38	- 0,10	0,54	0,00
Equity/assets ratio, %	62	58	63	67	72



# JLT IN 60 SECONDS

## VISION

JLT aims to be the leader in the high-end segment of rugged computers, where ruggedness, reliability, performance are decisive factors for customers.

## BUSINESS CONCEPT

- JLT enhances customers' efficiency by enabling reliable information management in demanding environments.
- JLT develops rugged mobile computers for customers with rigorous demands on ruggedness, performance and reliability.
- JLT is unique in having in-house development, production and services in Sweden and the US, which allows offerings to be tailored to customer needs. JLT provides market-leading solutions to companies worldwide through a global network of independent resellers and systems integrators.

## HISTORY

### 1994 - When it all began!

Jan Olofsson founds JLT Mobile Computers, selling hardware control systems to the forestry industry. Thanks to experience from the use of electronic products in the military, the company possesses valuable knowledge about the future market for rugged computers

**1995-1999:** JLT revolutionizes the market for rugged computers by launching the first generation of mobile computers with features such as Pentium processors and operating temperatures of -20°C; features and functions that are now standard or outdated but were completely groundbreaking at the time.

The concept of establishing a partner network to galvanize a global presence to better serve major clients, while also maintaining the advantages of having a small organization, begins to take shape. In 1999, JLT enters the US market with a sales office in Arizona. JLT promptly establishes a strong position in the market through a transaction with Leica Geosystems. A third generation of vehicle-mounted touchscreens is developed, and this platform still forms basis of JLT's computers today.

**2000-2004:** From 2000 onwards, JLT experiences rapid growth and is named Challenger of the Year in the IT industry by the Swedish business journal Veckans Affärer. In 2002, JLT Mobile Computers is listed on Nasdaq OMX, First North through a reverse takeover of Gandalf AB. Rapid expansion follows in the North American market thanks to well-established relationships with global systems integrators in the logistics industry. JLT's computers are sold under a domestic brand in the US market, and through partnerships with companies including Psion-Teklogix, PSC, LXE and MA-Systems, JLT becomes the largest supplier to the global forklift market. Meanwhile, JLT pioneers the entrance into the market for rugged tablets adapted for in-vehicle use and in 2004 the first dividend is being paid to shareholders to a total value of MSEK 3.8.

**2005-2009:** Both revenues and profits rise and JLT qualifies for numerous 'best of' lists, including Deloitte Technology 500, Red Herring 100 and Inc. 500's List of Fastest Growing Privately-Held Companies in America.

Interest in the JLT Mobile Computers share increases sharply among the public, and the value of the share rises. Expansion of JLT's network of sales partners in Europe continues in 2006, and the entire product range is redesigned to meet the standards of the RoHS and WEEE directives. In 2007, JLT Mobile Computers in the US merges with DAP Technologies LTD to form Roper Mobile Technology, later known as DAP Technologies. DAP Technologies gains the exclusive rights to sell JLT's products in the US market, which are sold under DAP's own brand.

The JLT1214™ product series is launched in 2008 – the market's most cost-effective computers designed for logistics applications. In 2009, Per Holmberg takes over as CEO as the successor to founder Jan Olofsson. Per joins the company after a 15-year career at US IT company Xilinx, Inc. (Nasdaq: XLNX) in Silicon Valley, California, having worked in roles including Marketing Director in charge of the global market. Jan remains the majority owner and an active member of the Board of Directors.

**2010-2014:** The JLT Partner Program is launched: a collaboration between JLT and industry specialists aiming to offer the market's best solutions and first-class local support. JLT reinforces its commitment to quality by extending the warranty on all JLT products to three years in 2011. In 2012, a new strategy is presented with the focus placed on becoming the leader in the high-end segment by offering the market's most rugged computers with the highest levels of reliability and performance. JLT:Works™ Professional Services is launched alongside the universal service agreement JLT:Care™, to guarantee maximum uptime at a predictable cost.

The strategic shift to the high-end market segment begins to yield results throughout the course of 2013. Profits rise, the value of the share more than doubles, and

JLT can once again pay a dividend to its shareholders.

JLT celebrates its 20th anniversary in 2014 and delivers its 90,000th computer, which comes with a special service agreement valid for 20 years. The company also establishes proprietary operations in the US market by taking over the vehicle-mounted computer business from its former sales partner DAP Technologies. Strategically, North America is a highly important market and the US alone accounts for nearly half of the company's revenues. As such, the fact that JLT's computers are launched in late 2014 under their own brand in the US marks a key step in the company's growth. During the year, the VERSO™+ 10 computer is also launched – it is the most compact rugged computer in its class, featuring considerable flexibility thanks to the JLT QuickLock™ rapid mounting function.

**2015:** The JLT1214P logistics computer is launched, with its virtually unbreakable touchscreen featuring the revolutionary JLT PowerTouch™ technology. A new version of the VERSO+ 10 computer, designed for the logistics market, is introduced to the market. The processors in the VERSO Series of durable computers are upgraded, while the entire product range is validated as Navis Ready by Navis – a market-leading supplier of terminal operating systems to the port industry. Windows 10 is offered on all JLT computers.

**2016:** To promote expansion in the international market, in 2016 JLT launches its Global Sales Partner Program, which unifies JLT's global network of retailers and system integrators with the aim of supplying tools and support to ensure success in the fiercely competitive market for rugged vehicle-mounted computers. JLT enjoys major successes within the ports segment and signs agreements with several large customers, including Exolgan, the leading port terminal in Argentina, the international port operator ICTSI in Iraq and DCT Gdansk, Poland's largest container facility.

**2017:** During the course of 2017, JLT produces its 100,000th computer, thus reaching an important milestone in the company's history – from pioneer to leader in the market for rugged computers. The anniversary-edition computer is delivered with a unique 100,000-hour guarantee to Volvo Car Body Components. Global market presence is expanded during the year, with the organization being enhanced by new recruits and more partners joining the retailer network. Further, JLT participates in several international trade fairs, including SITL in Paris – the global transport and logistics trade fair; NAVIS World in San Francisco – the ports conference bringing together the leading global players in the industry, and ProMat in Chicago, which is the largest logistics and transport trade fair in the US.

## MARKET

JLT's computers are designed for professional use and are hallmarked by an extremely high level of operational reliability in the face of moisture, dust, vibrations, electromagnetic fields or extreme temperatures, which is a must for use in fields like warehousing, transportation, ports, mining, agriculture, forestry, construction and defense. JLT conducts business worldwide through its sales partners in Europe, the US and the Middle East.

## COMPETITIVE EDGE

JLT has more than 50 years of combined experience in developing rugged computers and has delivered more than 100,000 units since it was founded. The computers are built from the ground up to endure demanding environments and are equipped with the latest, most highly tested, technology. The marketing, development, production and service divisions are consolidated under one roof to rapidly meet customers' needs. Thanks to its global network of sales and solution partners, JLT is also able to provide its customers with comprehensive solutions and local support.

## CORPORATE VALUES

JLT's corporate culture is defined by the acronym QUEST. Q stands for quality, which permeates everything that JLT does. U stands for JLT's relentless efforts to up the stakes and keep developing, in order to become the best in the field. E means having empathy for and an understanding of customers by being receptive and professional, as well as always striving to outperform expectations. S stands for speed and simplicity, which are touchstones for JLT. T represents JLT's way of working as a team together with its partners, keeping to promises, practicing honesty and putting the team first.

## ORGANIZATION

The JLT Group comprises the parent company, JLT Mobile Computers AB, and the wholly owned subsidiaries JLT Mobile Computers Sweden AB and JLT Mobile Computers Inc. in the US. In the Swedish organization, headquartered in Växjö with a local office in Stockholm, there is a team of 15 individuals in development, marketing, sales, service, production and corporate management. At the US office in Chandler, Arizona, there are 13 individuals working with sales, service and customer-tailored production.

## GROWTH OBJECTIVES

JLT aims to outpace market growth and thus increase its market share in the high-end of the rugged vehicle-mounted computers segment.

## PROFITABILITY TARGETS

The Group aims to maintain an operating margin of more than 10 percent over the course of a business cycle. The Group further aims to keep its net debt at below 50 percent of consolidated equity after deductions for intangible assets.

## DIVIDEND POLICY

JLT's dividend policy stipulates that the dividend shall correspond to 30-50 percent of profit after tax, provided that the Group's financial position and other circumstances warrant such a dividend.

## THE JLT SHARE

JLT's shares have been traded on Nasdaq OMX First North under the name JLT since 2006. At year-end 2017, there were 27,902,000 shares, each with a quotient value of SEK 1. JLT's market capitalization was MSEK 124.4, based on the closing share price.



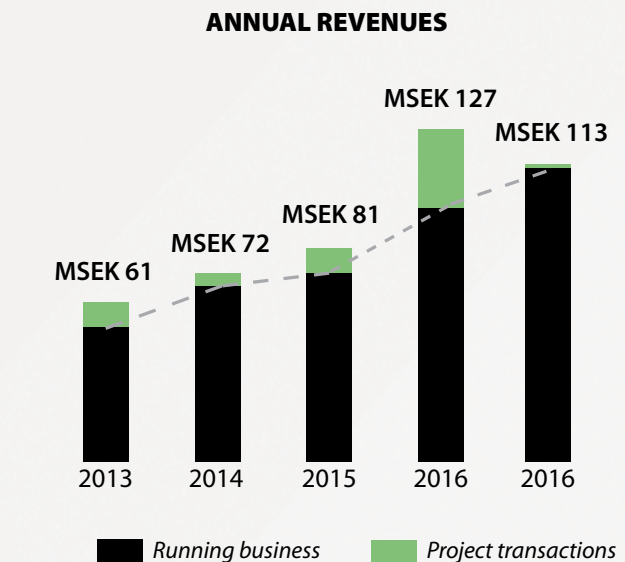
# A STABLE YEAR OFFERING NEW OPPORTUNITIES AND CONTINUED UNDERLYING SALES GROWTH

We continued to work on our growth strategy in 2017 with the aim of developing our offering and strengthening the sales channel, and thereby yielded strong results. Underlying running business, which represent the core of JLT's operations and comprise many small and medium-sized orders, grew 16 percent compared with the previous year and thus increased for the fourth year in a row. In addition to the running business, JLT's total revenues are also affected by individual, major project transactions with long sales cycles. As a consequence, revenues obviously vary from year to year depending on when these major project transactions are completed. In 2017, total revenues consisted mainly of running business and concluded at MSEK 113, which can be compared to MSEK 127 in the previous year when JLT won three major project transactions. Running business generates a stable gross margin, and so despite a negative effect from a lower USD exchange rate, the gross margin was 44 percent in 2017 compared to 43 percent the previous year.

## GREATER DIGITIZATION OF THE LOGISTICS CHAIN DRIVES THE NEED FOR JLT'S PRODUCTS

The accelerating development of e-commerce, greater sustainability requirements and developing globalization are all placing intense demands on companies' operations and logistics management. Efficiency, traceability and profitability are in the spotlight, and to ensure they are achieved it is vital to have constant access to business-critical information in real time throughout the logistics chain; from raw materials to production and, finally, the finished product with the consumer.

This trend is driving greater digitization of the logistics chain in most industries, and sophisticated IT solutions are being installed in the most demanding environments, such as warehouse trucks in cold stores or outdoor warehouses, 'reach stackers' used for container management at ports, mining machinery for drilling and breaking down rock and agricultural machinery for precision agriculture and sustainable farming. The list of examples could go on and on, but what all of these areas of application have in common is that they differ greatly from highly controlled office environments, and so the IT equipment is exposed to harsh conditions including vibrations, temperature fluctuations, damp and dust. Major demands are also placed on reliability, as unplanned interruptions to these kinds of operations can rapidly lead to serious consequences in the form of delays and increased costs. It is within these segments that we have secured our



customers and obtained a strong position thanks to our products that are recognized as market leaders.

## A GROWTH STRATEGY THAT FOSTERS SUCCESS

JLT's aim is to ensure profitable growth, and so for several years now we have been consistently adhering to a growth strategy that involves developing our offering and strengthening our sales channel. 2017 saw us reach several important milestones in line with this strategy, and we have a fantastic team of passionate, driven and smart employees as well as a network of partners who contribute to JLT's development to thank for these successes. Our drive is to help customers enhance their efficiency and profitability by offering solutions for processing information in demanding environments.

## NEW PRODUCTS AND SERVICES EXPANDING OUR OFFERING

As a pioneer within the field of rugged computers, JLT has been building up extensive experience and expertise relating to developing, producing and installing electronic products in demanding environments for over 20 years. By maintaining control over product development, production and service, we can offer market-leading products and have created a unique ability to efficiently adapt our solutions to customers' specific needs. We take advantage of this ability each and every day in order to gain new customers and develop our offering.

The core of JLT's offering is our rugged, vehicle-mounted computers that are currently used by renowned customers across the globe. In 2017, we completed the development of the first computer in our next generation of products – the seventh generation in JLT's history. This computer was installed for pilot customers during the autumn with highly positive results, before being launched in March 2018 under the name JLT6012.

Our core products are complemented by accessories and peripheral equipment to increase customer value within the transactions. The fourth quarter of 2017 saw us introduce the MT2010 tablet computer to meet the need of both existing and new customers for hand-held computers. Our customers have different levels of expertise in terms of using and maintaining IT in demanding environments, which creates the opportunity for us to offer service agreements and services linked to our core products. Increasing the amount of services within our offering is therefore a significant part of our growth strategy, and in 2017 service-related revenues accounted for MSEK 8.6 – an increase of over 45 percent year-on-year.

#### **SALES CHANNEL STRENGTHENED BY IN-HOUSE STAFF AND EXPANDED RETAILER NETWORK**

JLT's products are primarily sold via a global network of authorized retailers, and we work consistently to strengthen existing partners and expand the network to obtain a wider international reach. In 2017, we added seven new retailers to the network and thus paved the way for new customers and transactions.

Thanks to focused activities within the ports segment, we have had transactions in countries where we were not previously active, such as Chile and Jamaica, and this is leading to further new opportunities.

We are also investing in the expansion of our own sales organization. We established our wholly owned US subsidiary in December 2014 to strengthen our presence in this important market. This investment continued to show promising results throughout 2017, as the subsidiary's revenues in USD increased 4 percent, thus compensating for a major project transaction in the amount of MSEK 9 the year before. We also recruited more sales personnel in both Europe and the US during the year.

#### **PARTNER STRUCTURE FOR PRODUCTION AND AFTERMARKET OFFERING STRONG SCALABILITY**

JLT's revenues have grown by an average of 16 percent per year over the past four years, with some fluctuations from quarter to quarter linked to major project transactions that entail a certain level of uncertainty. Thanks to a combination of in-house personnel and well-developed collaborations with partners in terms of production, distribution and aftermarket, we can keep costs down and ensure good scalability that allows us to quickly adapt to varying market needs.



*As a pioneer within the field of rugged computers, JLT has been building up extensive experience and expertise relating to developing, producing and installing electronic products in demanding environments for over 20 years.*

#### **A STABLE BASIS FOR PROFITABLE GROWTH**

I see demand remaining stable for JLT's products due to the sustained strength of the US and European economies. JLT is currently well placed to take advantage of this demand, and it is pleasing to note that we have had a strong start to the new year with an order intake over the first quarter that has far exceeded the equivalent period in 2017. Our growth strategy is yielding results and we will continue 2018 along the same path. We will further develop our offering by way of complementary products and services, and we will continue to strengthen our sales channel geographically in Europe and the US with new in-house staff and new retailers. By investing in these areas, we are creating the conditions for long-term, profitable growth.

A blue ink signature of Per Holmberg, CEO of JLT Mobile Computers AB, written in a cursive style.

Per Holmberg, CEO  
JLT Mobile Computers AB



# **VOLVO CAR BODY COMPONENTS CHOOSES RUGGED COMPUTERS FROM JLT TO ITS HIGH-TECH PRODUCTION FACILITY**

---

When it was time for Volvo Car Body Components to choose IT equipment for the trucks at its production facility, a high level of reliability was a decisive factor, along with the requested products' ability to function in highly demanding environments. They opted for the VERSO+ 10 computer from JLT Mobile Computers.

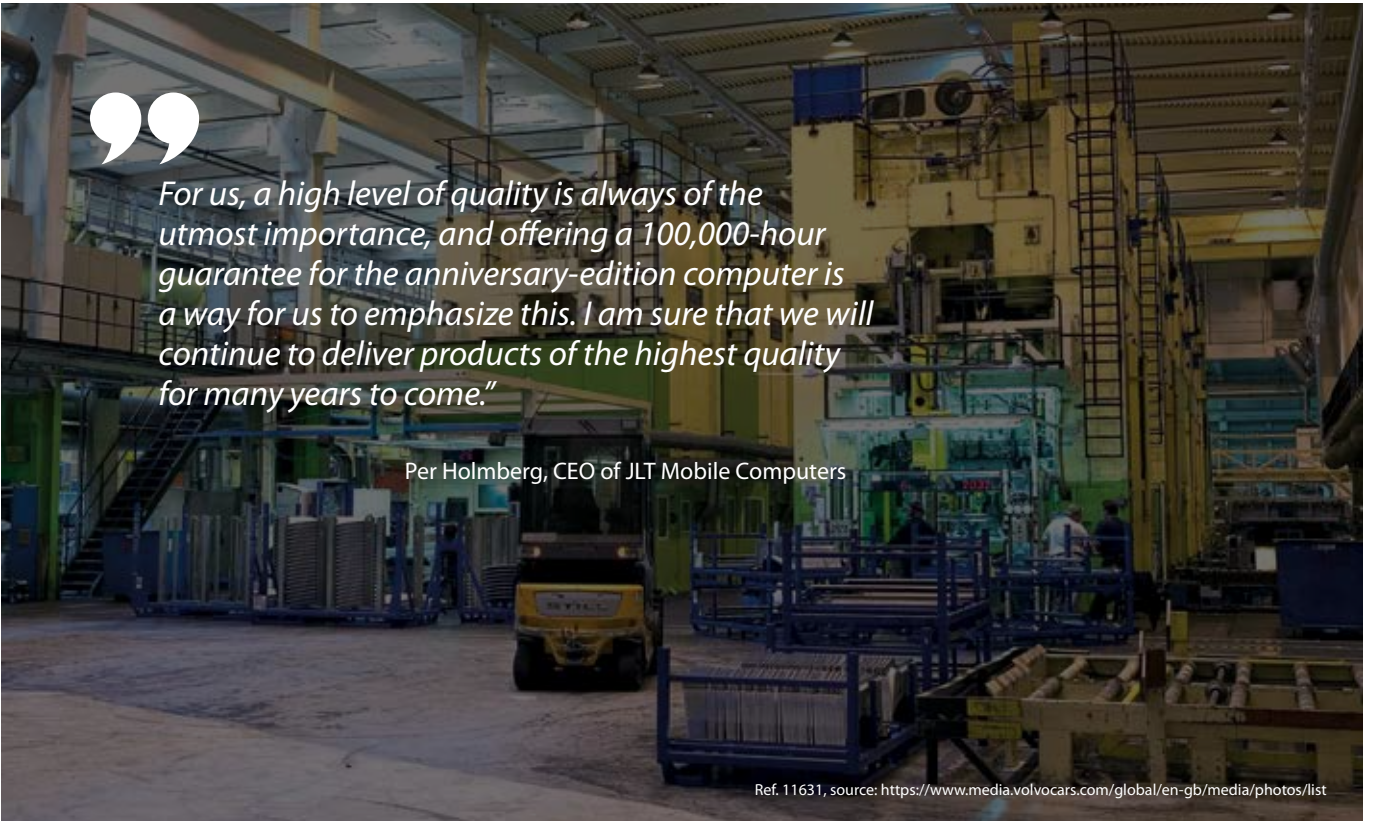
Automation and usage of digital systems to achieve more efficient production is now widespread in major parts of the manufacturing industry. The environment is often highly demanding, which places demands on the technical equipment being used. Volvo Car Body Components manufactures body components used in the production of Volvo cars. When it was time to update the IT solution for their forklift trucks last year, a high level of reliability was of the utmost importance as each unplanned downtime leads to interruptions in production and thus increased costs. "We therefore recommended that they choose vehicle-mounted computers from JLT Mobile Computers, as we are sure that their solutions will function without issue for many years," says Per Redenius, Key Account Manager at Idnet, which is an IT supplier to Volvo Car Body Components.

Following careful evaluation with strong results, the VERSO+ 10 rugged computer from JLT was chosen to equip the trucks at Volvo Car Body Components' production facility. The VERSO+ 10 computer is distinguished by an excellent level of performance and has the most compact design on the market. JLT is able to supply high-quality products thanks to the intense focus placed on detail throughout the manufacturing process, from design to production.

Part of the delivery to Volvo Car Body Components included the 100,000th produced JLT computer, which was covered by a unique 100,000-hour guarantee – corresponding to more than 4,000 days or just over 11 years of round-the-clock usage. "For us, a high level of quality is always of the utmost importance, and offering a 100,000-hour guarantee for the anniversary-edition computer is a way for us to emphasize this. I am sure that we will continue to deliver products of the highest quality for many years to come," notes Per Holmberg, CEO of JLT Mobile Computers.







*For us, a high level of quality is always of the utmost importance, and offering a 100,000-hour guarantee for the anniversary-edition computer is a way for us to emphasize this. I am sure that we will continue to deliver products of the highest quality for many years to come."*

Per Holmberg, CEO of JLT Mobile Computers

Ref. 11631. source: <https://www.media.volvocars.com/global/en-gb/media/photos/list>



# A NEW PLATFORM CONCEPT AT THE CORE OF DEVELOPING INNOVATIVE SOLUTIONS AND SERVICES THAT MEET THE NEEDS OF THE FUTURE

---

Since its foundation in 1994, JLT Mobile Computers has been a pioneer in the market for rugged computers. Thanks to a newly launched unique platform concept, JLT is once again paving the way for the development of future IT solutions in demanding environments.

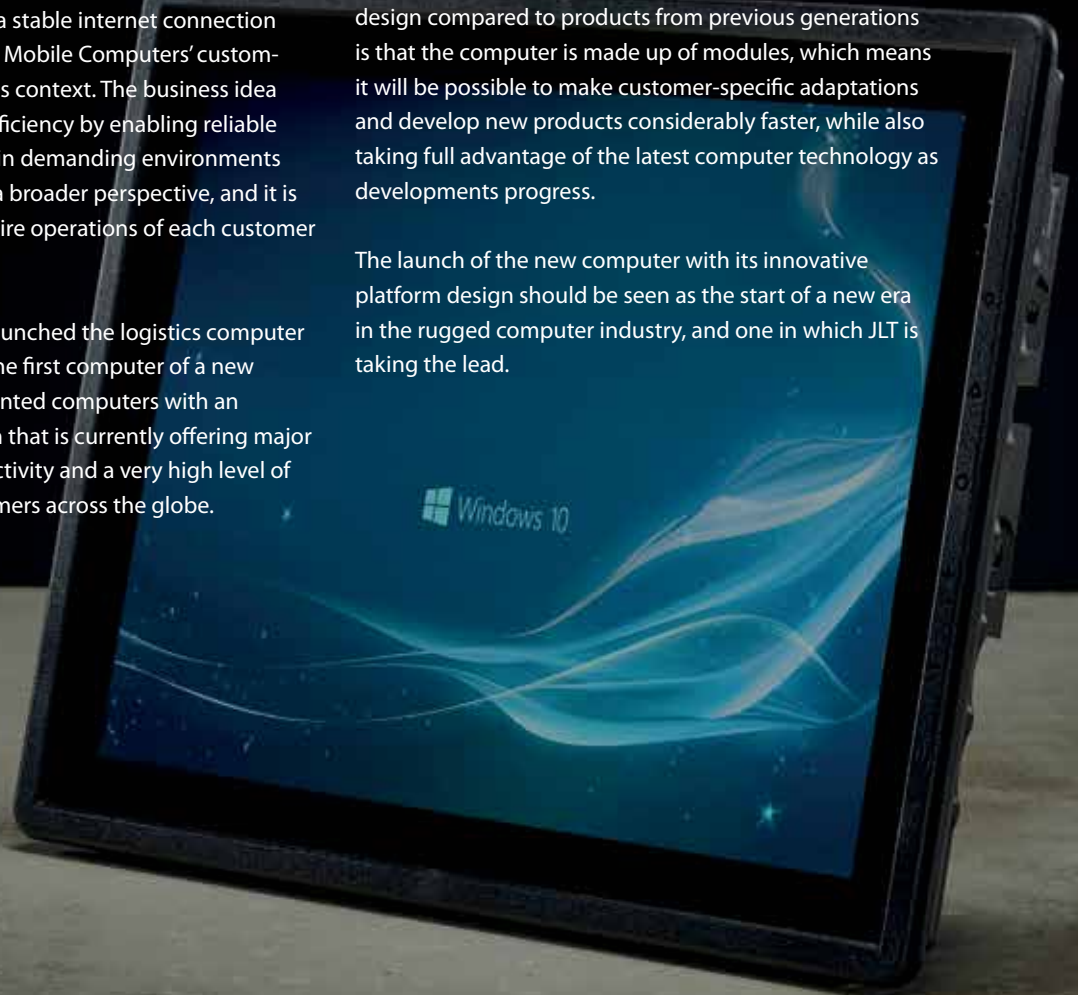
Expanding e-commerce is leading to increasingly complex logistics flows for many companies and thus placing intense demands on operational efficiency. In addition, technological developments have moved at breakneck speed over the past few years, not least in terms of industry where 'Industry 4.0' has become a common term that is closely linked to large amounts of data collection and rapid information-processing, thus rendering reliable IT equipment and a stable internet connection indispensable. Many of JLT Mobile Computers' customers can be found within this context. The business idea of increasing customers' efficiency by enabling reliable processing of information in demanding environments should now be seen from a broader perspective, and it is vital to understand the entire operations of each customer to succeed.

As a response to this, JLT launched the logistics computer JLT6012™ in March 2018; the first computer of a new generation of vehicle-mounted computers with an innovative platform design that is currently offering major benefits in terms of productivity and a very high level of user-friendliness for customers across the globe.

The new logistics computer is also at the core of developing future solutions and services whereby JLT, together with software developers and customers, is raising the benefits of rugged computers to new levels. The JLT6012 computer will be at the heart of these efforts. The computer comprises built-in microelectromechanical systems (MEMS) that could be used in preventive maintenance services, diagnostics, black-box functionality and route optimization, to name just a few examples. These types of comprehensive solutions for more efficient work flows, minimized downtime, increased security etc. offer futureproofed investments for customers.

Furthermore, a major difference in the new platform design compared to products from previous generations is that the computer is made up of modules, which means it will be possible to make customer-specific adaptations and develop new products considerably faster, while also taking full advantage of the latest computer technology as developments progress.

The launch of the new computer with its innovative platform design should be seen as the start of a new era in the rugged computer industry, and one in which JLT is taking the lead.





# THE JLT SHARE

JLT's share has been traded on the First North exchange since 2006, and Remium Nordic Holding AB serves as its certified advisor. Remium also acts as JLT's market maker, with the aim of promoting the liquidity of the company's share and reducing the spread between the bid and ask price during trading.

The share traded at a high of SEK 7.75 in February, and a low of SEK 4.10 in August. The share closed 2017 at SEK 4.46.

In 2017, 20,874,000 shares were traded (18,815,000), representing 75 percent (67) of the total number of shares. There is a total of 27,902,000 shares with a quotient value of SEK 1.

At year-end 2017, JLT's market capitalization was MSEK 124.4 (135.6), based on the closing price of the share.

The Board of Directors proposes to the annual general meeting that a dividend of SEK 0.15 per share (0.15) be paid for the 2017 fiscal year.

## Major shareholders

Shareholder	No. of shares	Holding, %
Jan Olof Olofsson and family	8 508 866	30,50%
Grenspecialisten förvaltning AB	2 217 784	7,95%
Försäkringsbolaget Avanza Pension	1 279 507	4,59%
Nordnet Pensionsförsäkring AB	1 258 903	4,51%
Jerry Fredriksson and company	700 000	2,51%
Tommy Svensson	700 000	2,51%
Larne Wallisson and company	650 000	2,33%
Per Holmberg	626 152	2,24%
Danica Pension Försäkrings AB	485 000	1,74%
Bo-Göran Kling	385 469	1,38%
Johan Magnus Hagberg	350 172	1,26%
Consortium Capital Investments AB	315 000	1,13%
Karl Erik Nordenhed	250 000	0,90%
Ålandsbanken i ägares ställe	223 775	0,80%
Spiltan Aktiefond Småland	214 500	0,77%
Andreas Gustafsson	186 000	0,67%
Stefan Käck and family	183 000	0,66%
Stein-Åge Bang Pedersen	157 500	0,56%
Jan Sjöwall and company	150 000	0,54%
Swedbank Försäkring	146 900	0,53%
Other shareholders	8 912 932	31,94%
<b>Total</b>	<b>27 902 000</b>	<b>100,00%</b>

Warrants outstanding 1 000 000  
 Number of shares after maximum dilution 28 902 000

## SHARE PRICE PERFORMANCE 2017



# ADMINISTRATION REPORT

The Board of Directors and CEO of JLT Mobile Computers AB (publ), registered in Växjö, Sweden with corporate registration number 556239-4071, hereby submit the annual report and consolidated financial statements for the fiscal year from January 1, 2017, to December 31, 2017. This annual report and these consolidated financial statements were approved by the Board of directors and CEO on March 27 for publication and will be presented to the annual general meeting on May 8 for adoption.

## GROUP STRUCTURE AND OPERATIONS

JLT Mobile Computers AB is the parent company in a Group. Through its wholly owned subsidiaries JLT Mobile Computers Sweden AB, JLT Mobile Computers Inc., and JLT Mobile Computers UK Ltd, the Group operates in the field of ruggedized mobile computers. JLT Mobile Computers Inc., headquartered in Phoenix, Arizona, was established and has been part of the Group's operations since November 2014.

JLT Mobile Computers is a leading developer of rugged mobile computers for demanding environments. The PC-type computers are developed and manufactured in Sweden for professional users and are hallmarked by exceptional operational reliability despite moisture, dust, vibrations, electromagnetic fields or extreme temperatures – functions that are required for use in areas such as transportation, warehousing/logistics, forestry, mining, automation and military and emergency response vehicles. JLT operates on a global level through its sales partners and sales companies, predominantly in Europe and the US, and has supplied more than 100,000 computers.

Development, service and administration are conducted at the company's headquarters in Växjö, Sweden. The company was founded in 1994 and is listed on NASDAQ First North.

## GROUP FINANCIAL PERFORMANCE

For the full-year 2017, the Group reported revenues of MSEK 112.7 (126.9). Gross profit totaled MSEK 49.5 (54.8) and the gross margin was 44.0 percent (43.2).

Operating expenses totaled MSEK 39.1 (40.6), of which other costs totaled MSEK 12.5 (13.7). Personnel costs amounted to MSEK 26.6 (27.0) of which variable remuneration totaled MSEK 0.3 (3.1).

EBITDA for the year totaled MSEK 10.4 (14.1).

Depreciation/amortization amounted to MSEK 1.2 (1.1) for the year, of which goodwill was MSEK 0.5 (0.5).

Consolidated operating profit totaled MSEK 9.3 (13.1).

Net financial items amounted to MSEK 0.0 (0.0), which gave a profit before tax of MSEK 9.3 (13.1).

The standard tax for the Group amounting to MSEK 2.5 led to a profit after tax of MSEK 6.8 (10.8).

Order intake during the year totaled MSEK 110.3 (129.5), and the order backlog amounted to MSEK 10.6 (13.4) at the end of the period.

## COMMENTS ON EARNINGS FOR 2017

The Group's total revenues fell 10 percent in 2017 compared with the previous year. Compared to running business of currently active products during the period, however, revenues increased 16 percent, as 28 percent of revenues in 2016 consisted of products that have now been discontinued and two major project transactions in addition to the running business.

The gross margin increased somewhat to 44.0 percent (43.2) despite the negative effect of a falling USD exchange rate, which was compensated by a higher product margin and increased service revenues.

2017 also saw the development of the platform for JLT's next generation of vehicle-mounted computers. The first computer of this generation of products was launched on March 5, 2018. Capitalized development expenditures of JLT's latest vehicle-mounted computers amounted to MSEK 5.0, of which MSEK 2.5 was capitalized in 2017.

Warehousing of the new MT2010 tablet computer along with component warehousing to ensure delivery capacity of the next generation of vehicle-mounted computers led to an increase in warehousing costs of MSEK 4.5

There was a positive trend in terms of sales of service agreements and other services, with service-related revenues amounted to MSEK 8.6 (5.9). Prepaid service agreements recognized as liabilities amounted to MSEK 12.3 (10.7).

<b>Income Statement , MSEK</b>	<b>2017</b>	<b>2016</b>
Net revenues	112,7	126,9
<b>Gross profit</b>	<b>49,5</b>	<b>54,8</b>
Gross margin	44,0%	43,2%
Sales & marketing costs	-17,5	-15,0
Overhead and R&D costs	- 21,6	- 25,6
<b>EBITDA</b>	<b>10,4</b>	<b>14,1</b>
EBITDA margin	9,3%	11,1%
Depreciation/amortization	-1,2	-1,1
<b>Operating profit</b>	<b>9,3</b>	<b>13,1</b>
Operating margin	8,2%	10,3%



## FIVE-YEAR OVERVIEW

<b>Income statement condensed</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Net revenues, MSEK	112,7	126,9	81,1	71,7	60,5
Gross margin, %	44,0	43,2	44,6	36,0	32,0
Operating profit, MSEK	9,3	13,1	2,5	6,0	1,2
Profit after net financial items, MSEK	9,3	13,1	2,6	6,2	1,1
Net profit for the year, MSEK	6,8	10,8	1,9	4,4	0,9
<b>Margin metrics</b>					
Operating margin, %	8,2	10,3	3,1	8,4	1,9
Profit margin, %	8,3	10,3	3,2	8,6	1,8
<b>Capital, return and equity/assets ratio</b>					
Total assets, MSEK	74,8	75,0	53,2	49,9	42,1
Capital employed, MSEK	47,6	43,7	33,3	33,3	30,2
ROACE, %	20,5	34,0	8,7	19,5	3,7
Eget kapital MSEK	46,3	43,7	33,3	33,3	30,2
ROE, %	15,1	27,9	5,7	13,7	2,9
Net indebtedness, MSEK	- 26,7	- 28,0	- 17,6	- 20,5	- 6,2
Debt/equity ratio, multiple	0,0	0,0	0,0	0,0	0,0
Equity/assets ratio, %	62	58	63	67	72
<b>Share data</b>					
Earnings per share, SEK	0,24	0,39	0,07	0,16	0,03
Equity per share, SEK	1,66	1,60	1,24	1,24	1,12
Net indebtedness per share, SEK	- 0,96	- 1,02	- 0,65	- 0,76	- 0,23
Dividend per share, SEK	0,15	0,15	0,07	0,07	0,05
Share price (closing price for year), SEK	4,46	4,20	1,80	1,80	1,90
No. of shares outstanding*, 000s	27 902	27 902	26 952	26 952	26 952
Average no. of shares*, 000s	27 902	27 348	26 952	26 952	26 952
<b>Other</b>					
Average no. of employees	28	25	23	11	14
<b>Employees</b>					
Revenue per employee, MSEK	4,03	5,08	3,53	6,41	4,20
Earnings per employee, MSEK	0,24	0,43	0,08	0,39	0,06

\*There are 1,000,000 warrants outstanding

## DEFINITIONS

<b>Operating margin</b>	Operating profit in relation to invoiced sales.
<b>Profit margin</b>	Profit after net financial items in relation to invoiced sales.
<b>Capital employed</b>	Total assets less non-interest-bearing liabilities.
<b>Return on average capital employed (ROACE)</b>	Profit after net financial items plus financial expenses as a percentage of average capital employed.
<b>Return on equity (ROE)</b>	Profit after tax in relation to average equity.
<b>Net indebtedness</b>	Interest-bearing liabilities less interest-bearing assets. A negative value represents net cash.
<b>Debt/equity ratio</b>	Interest-bearing liabilities in relation to equity.
<b>Equity/assets ratio</b>	Equity in relation to total assets.
<b>Earnings per share</b>	Profit for the year divided by the average number of shares.

## OPERATIONS IN 2017

### *JLT Mobile Computers Inc.*

The trend in US operations remains positive. Sales in USD increased four percent in 2017 compared with the previous year. Running business and service revenues increased steadily and compensated during the year for both the discontinuation of JLT's previous tablet in early 2017 and the major order of just over MSEK 9 placed in 2016.

### *Product development*

The development of the first computer in JLT's new generation of vehicle-mounted computers was completed in 2017, with the computer launched in March 5, 2018. With new technology and a unique platform design, the new computer complements JLT's current range and aims to meet customers' needs for greater efficiency and user-acceptance in both existing and new segments.

JLT launched a new hand-held tablet in the fourth quarter, the MT2010, which comes with the same first-rate support and service as JLT's other products, and is principally targeted at the warehousing, food, transport and port industries in the US and Europe.

The MT2010 tablet represents a complement to JLT's existing range of vehicle-mounted computers and replaces the tablet previously sold in the US but subsequently discontinued in early 2017. See press release from November 6, 2017.

### *Market development*

JLT won several transactions with strategically important customers during the year, putting it in a strong position with these customers to expand in the future and ensure repeat purchases of its computers.

JLT also continued to expand its international retailer network during the year, signing agreements with seven new partners who are now trained to sell JLT's products.

In October, JLT reached an important milestone with the delivery of the company's 100,000th computer. The anniversary-edition computer was part of a major order from Volvo Car Body Components and was handed over personally at JLT's factory in Ronneby with a unique 100,000-hour guarantee.

### *Personnel*

A number of new recruitments were made within sales and development in order to strengthen the organization. By investing in the development of our operations and simultaneously strengthening our market presence, we will be in a position to continue driving long-term and profitable growth in the future.

## FINANCIAL POSITION AND CASH FLOW

Cash flow amounted to MSEK -11.3 (+10.4) after payment of a dividend of MSEK 4.2 (1.9) and short-term investments of MSEK 10.0 (0). The group's cash and cash equivalents including short-term investments amounted to MSEK 26.7 (28.0) on the balance-sheet date. The company holds no interest-bearing liabilities.

The equity/assets ratio was 62 percent (58) and equity totaled MSEK 46.3 (43.7).

As of the second quarter of 2017, cash assets are partly being invested under discretionary management as per an adopted investment policy, which stipulates that a maximum of 20 percent is invested in equities or equity-related instruments. The scope of the amount under management is based on the prevailing liquidity requirements.

## PARENT COMPANY

The parent company performs services for the subsidiary and forwards these invoices. The parent company posted an operating loss of MSEK -1.7 (-2.4).

## GROUP PERFORMANCE – KEY RATIOS

	2017	2016	2015	2014	2013
Net revenues, MSEK	112,7	126,9	81,1	71,7	60,5
Gross margin, %	44,0	43,2	44,6	36,0	32,0
Revenues per employee, MSEK	4,0	5,1	3,5	6,4	4,2
Growth, %	- 11,2	56,5	13,1	18,6	- 12,0
Profit before tax, MSEK	9,3	13,1	2,6	6,2	1,1
Operating margin, %	8,2	10,3	3,1	8,4	1,9
Profit margin, %	8,3	10,3	3,2	8,6	1,8
ROACE, %	20,5	34,0	8,7	19,5	3,7
Earnings per share, SEK	0,24	0,39	0,07	0,16	0,03
Cash flow per share excl. dividend, SEK	- 0,26	0,38	- 0,10	0,54	0,00
Equity/assets ratio, %	62	58	63	67	72



## THE GROUP'S TAX STATUS

Remaining loss carryforwards amounted to MSEK 5.3 at the end of the period, all of which was attributable to foreign subsidiaries. Remaining loss carryforwards were not recognized as deferred tax assets.

## DIVIDEND

The Board proposes to the annual general meeting that a dividend for the 2017 fiscal year be paid in the amount of SEK 0.15 per share (0.15).

## CORPORATE GOVERNANCE

The Board of JLT Mobile Computers AB (publ) comprises five members who are elected at the annual general meeting in May. The Board's composition represents a broad range of experience that is significant for the future development of the company. The Board's formal rules of procedure detail such matters as the Board's duties, its delegation of responsibilities, and its meeting schedule including fixed items on the agenda for the governance of the business.

JLT applies the Swedish Corporate Governance Code in all aspects except for the fact that it does not have a formal nomination committee or remuneration committee. JLT's Board features a broad representation of ownership, with just over 40 percent of all shares represented on the Board – a composition whose design reinforces the interests of the shareholders. Due to the size of the Board, matters concerning remuneration to senior executives are deferred to the Chairman for execution at the scheduled Board meetings.

During the year, six Board meetings were held, five of which were scheduled, as well as a statutory meeting. Minutes were taken at all of the Board meetings, which were numbered in chronological order. Material for discussion and decision-making was sent out prior to the Board meetings.

### *Fixed items on the agenda for monitoring at all scheduled Board meetings include:*

- Progress toward the rolling 12-month forecast and adoption of forecast for the forthcoming 12-month period
- Monitoring of quality targets regarding products, production and deliveries
- Monitoring of key figures for marketing activities and sales
- Monitoring of potential customer base, as well as key business transactions/key accounts
- Monitoring of cash flow and outstanding accounts receivables
- Monitoring of ongoing development projects
- Monitoring of the overall state of business

### *Fixed items on the agenda at scheduled Board meet*

1. Adoption of year-end report and review of current contracts
2. Earnings report for the first quarter, as well as the Board's formal rules of procedure
3. Earnings report for the second quarter, along with a review and update of the long-term business plan
4. Earnings report for the third quarter, along with the business plan for the coming year and establishment of the Board's requirements for the company over the coming year
5. Adoption of business plan, strategy and budget for the forthcoming fiscal year, as well as an evaluation of the Board's work.

Each quarterly report is reviewed before each Board meeting by the Board members tasked with specific rolls concerning financial matters.

JLT has not adopted a diversity policy due to the company's size, and limited new recruitment results in every matter being handled independently by the company's management.

## MAJOR SHAREHOLDERS

Shareholders with stakes greater than 10% are:

	No. of shares	Percentage
Jan Olof Olofsson and family	8 508 866	30,50%

## RISKS

JLT's success is based on its ability to offer the market high-quality products that satisfy market demands at competitive prices. Our products are developed, produced and sold in close cooperation with our partners. The risks that our business faces are factors that limit or complicate our ability to deliver on these commitments.

## OPERATIONAL AND ORGANIZATIONAL RISKS

Operational and organizational risks are defined as the risks involved in the organization and day-to-day business in the form of production, service, deliveries and so forth. The risk assessment includes our ability to meet shifts in demand and to recruit new employees for expansion, as well as our dependence on key business personnel.

An established network organization gives us favorable means to rapidly adapt the business to shifts in demand – both increases and decreases. Our current production capacity can cope with a sharp expansion given a reasonable amount of notice, and our fixed-cost commitments are limited in case of any decline in demand.

A small organization entails risks in key personnel falling ill or leaving. We are consistently working at both the management and operational level to ensure a state of “complementarity”, meaning that no single task rests exclusively on one individual. Responsibility and complementarity are part of JLT’s management philosophy.

Continuous and ongoing efforts are being made to evaluate, document and enhance the efficiency of our business processes.

## PRODUCT RISKS

JLT develops and produces computers and is active in multiple markets. The product risks of our business include: quality issues, higher service and warranty costs, access to componentry, specifying and developing new products, costs for upgrading and phasing out existing products, external requirements, certification requirements, as well as legal requirements and claims.

Established quality objectives, documented processes and continuous monitoring are methods that can swiftly identify deviations in quality.

A shortage of componentry may lead to delivery problems and potential loss of sales of individual models or configurations. Forecasts are done well in advance in close cooperation with the JLT sales partners to avoid this, and current lead times are continuously monitored to identify potential bottlenecks early and present alternative solutions.

Meeting customer demands for new products involves a proactive network of resellers, system integrators and end customers, thus driving specifications and, to a certain extent, financing the development of new products.

JLT is continuously enhancing the efficiency of its materials management practices to achieve lower costs and greater control of materials sourcing. To minimize costs related to upgrades and the phasing out of existing products, there is considerable focus on efficient procedures and checklists for the management of inventories, purchasing, changes to production specifications, and forecasting.

Various forms of new and/or stricter external standards, including requirements for certification in new markets entail the risk of additional costs or limitations in specific markets or segments. Conversely, these standards and requirements may also entail significant competitive advantages.

## MARKET-RELATED RISKS

Market-related risks are divided into three core areas: new types of solutions that change the competition landscape, downward pricing pressure due to a maturing market, and structural or organizational changes among sales partners and key accounts.

Competition stemming from alternative and new solutions that enter the market are a part of continuous market developments. JLT proactively works to strengthen its collaborations with – and expand its network of – sales partners, thus getting closer to the end-users and increasing the understanding of future customer demands. A stronger sales network and constant monitoring of technological developments are critical factors in meeting the market’s shifting needs and competitive landscape.

Greater downward pricing pressure and standardization in established segments entail a risk of declining margins. Expansion and the development of new segments together with stronger product offerings serve as a constant counterbalance to this. Furthermore, long-term efforts to strengthen JLT’s brand in the market also play an important role in offsetting downward pricing pressure.

JLT works closely with a number of sales partners, which entails risks in the event of structural or other major changes among sales partners or end customers. The establishment of the subsidiary JLT Mobile Computers Inc., which is in charge of sales in JLT’s crucial US market, gives the Group better control of sales and a closer and more direct relationship with its end customers.

## FINANCIAL RISKS

Sales in USD and EUR-related componentry purchases yield a low overall net USD exposure. Euro-related purchases are limited, which yields a net EUR exposure.

A strong USD yields a temporary increase in margins, whereas a weaker USD yields an adverse corresponding impact on margins. This is due to componentry purchases most often being made in USD, as well as a time delay between delivery and invoicing.

An increasing number of partners and greater proximity to the market increase the risk of customer losses. An established credit policy combined with credit insurance and continuous monitoring mitigates these risks.

## CHANGES IN EQUITY

### Group

Dec 31, 2017				
	Share capital	Reserves	Retained earnings incl. net profit for the year	Total equity
Opening balance	27 902	4 199	11 641	43 742
Net profit for the year			6 819	6 819
<i>Direct changes in equity</i>				
Translation difference			- 99	- 99
Development fund		2 453	- 2 453	
<i>Total</i>	-	2 453	- 2 552	- 99
<i>Transactions with owners</i>				
Dividend			- 4 185	- 4 185
New share issue				
<i>Total</i>	-	-	- 4 185	- 4 185
<b>At year-end</b>	<b>27 902</b>	<b>6 652</b>	<b>11 723</b>	<b>46 277</b>

### Parent Company

Dec 31, 2017					
	Restricted equity			Unrestricted equity	
	Share capital	Reserves	Premium reserve	Total equity incl. net profit for the year	Total equity
Opening balance	27 902	1 288	2 825	51 134	83 149
Net profit for the year				6 165	6 165
<i>Transactions with owners</i>					
Dividend				- 4 185	- 4 185
<i>Total</i>	-	-	-	- 4 185	- 4 185
<b>At year-end</b>	<b>27 902</b>	<b>1 288</b>	<b>2 825</b>	<b>53 113</b>	<b>85 128</b>



## PROPOSED DISTRIBUTION OF UNAPPROPRIATED EARNINGS

### Group

Profit for the year was MSEK 6.8. According to the consolidated balance sheet, unrestricted equity was MSEK 11.7.

The Group has not proposed transferring this to restricted equity in a subsidiary.

### Parent Company

The company's unrestricted equity is shown as follows (SEK).

Retained earnings from the previous year	<b>49 773 263:-</b>
Net profit for the year	6 165 015:-

**55 938 278:-**

The Board of Directors and the CEO propose to the annual general meeting:

That shareholders be paid SEK 0.15 per share	4 185 300:-
To be carried forward	<b>51 752 978:-</b>

**55 938 278:-**

The Board has proposed that a dividend of SEK 0.15 be paid per share, meaning a total of nearly SEK 4.2 million. The company and Group are in a solid position. The proposed dividend is more than manageable within the framework of our unrestricted equity.

Even after the proposed dividend, our equity/assets ratio and cash and cash equivalents will be adequate. Based on the aforementioned, the details described in the administration report and what is otherwise known by the Board, the Board deems the proposed dividend to be warranted, taking into account the demands that the company's nature, scope and risks impose on the company and Group's equity, as well as on the company and Group's consolidation needs, cash and cash equivalents and position at large.

In terms of the Group's and parent company's earnings and position at large, please refer to the following income statements and balance sheets, with the corresponding notes.

# INCOME STATEMENT

Amounts in SEK 000s	Note	Group		Parent company	
		2017	2016	2017	2016
Net revenues	2	112 708	126 934	4 356	4 356
<b>Total operating revenue</b>		<b>112 708</b>	<b>126 934</b>	<b>4 356</b>	<b>4 356</b>
<b>Operating expenses</b>					
Materials and supplies		- 63 172	- 72 097	-	-
Other external costs	3	- 12 454	- 13 673	- 2 234	- 1 806
Personnel costs	4	- 26 640	- 26 974	- 3 818	- 4 913
Depreciation/amortization of property, plant and equipment and intangible assets	5	- 1 166	- 1 141	-	-
<b>Total operating expenses</b>		<b>- 103 432</b>	<b>- 113 884</b>	<b>- 6 052</b>	<b>- 6 719</b>
<b>Operating profit</b>		<b>9 276</b>	<b>13 050</b>	<b>- 1 696</b>	<b>- 2 363</b>
<b>Results related to financial items</b>					
Interest income and other similar items	7	55	37	692	530
Interest expenses and other similar items	8	- 6	-	- 650	- 833
<b>Profit after financial items</b>		<b>9 325</b>	<b>13 088</b>	<b>- 1 654</b>	<b>- 2 667</b>
<b>Appropriations and taxes</b>					
Group contributions received		-	-	9 566	12 704
<b>Profit before taxest</b>		<b>9 325</b>	<b>13 088</b>	<b>7 912</b>	<b>10 037</b>
Tax on profit for the year	9	- 2 506	- 2 333	- 1 747	- 2 211
<b>Net profit for the year</b>		<b>6 819</b>	<b>10 754</b>	<b>6 165</b>	<b>7 826</b>

# BALANCE SHEET

Amounts in SEK 000s	Note	Group		Parent company	
		17-12-31	16-12-31	17-12-31	16-12-31
<b>ASSETS</b>					
<b>Non-current assets</b>					
<i>Intangible assets</i>					
Capitalized expenditure for development work and the like	10	5 062	2 692	-	-
Goodwill	11	1 283	1 928	-	-
<i>Property, plant and equipment</i>					
Equipment, tools, fixtures and fittings	12	841	1 001	-	-
<i>Non-current financial assets</i>					
Participations in Group companies	13	-	-	44 214	44 214
Receivables from Group companies	14	-	-	11 413	25 989
Deferred tax assets	15	-	838	-	734
<b>Total non-current assets</b>		<b>7 186</b>	<b>6 459</b>	<b>55 627</b>	<b>70 937</b>
<b>CURRENT ASSETS</b>					
<i>Inventories, etc.</i>					
Input goods, materials and supplies		20 784	16 300	-	-
<i>Current receivables</i>					
Accounts receivable		18 212	23 195	-	-
Receivables from Group companies		-	-	21 933	14 623
Current tax assets		-	244	-	146
Other current receivables		983	237	-	-
Prepaid expenses and accrued income	16	882	703	53	53
<i>Short-term investments</i>		10 055	-	10 055	-
<i>Cash and cash equivalents</i>					
Cash and bank balances	20	16 662	27 964	303	234
<b>Total current assets</b>		<b>67 578</b>	<b>68 642</b>	<b>32 344</b>	<b>15 056</b>
<b>Total assets</b>		<b>74 764</b>	<b>75 101</b>	<b>87 971</b>	<b>85 992</b>



Amounts in SEK 000s	Note	Group		Parent company	
		17-12-31	16-12-31	17-12-31	16-12-31
<b>EQUITY AND LIABILITIES</b>					
<i>Equity</i>					
Share capital		<b>27 902</b>	27 902	-	-
Statutory reserve		<b>6 652</b>	4 199	-	-
Retained earnings incl. net profit for the year		<b>11 723</b>	11 641	-	-
<i>Restricted equity</i>					
Share capital		-	-	<b>27 902</b>	27 902
Statutory reserve		-	-	<b>1 288</b>	1 288
Total restricted equity				<b>29 190</b>	29 190
<i>Unrestricted equity</i>					
Premium reserve				<b>2 825</b>	2 825
Retained earnings		-	-	<b>46 948</b>	43 307
Net profit for the year		-	-	<b>6 165</b>	7 826
Total unrestricted equity		-	-	<b>55 938</b>	53 959
<b>Total equity</b>		<b>46 277</b>	<b>43 742</b>	<b>85 128</b>	<b>83 149</b>
<i>Provisions</i>					
Provisions for warranty commitments	17	<b>1 352</b>	1 594	-	-
<i>Current liabilities</i>					
Accounts payable		<b>9 191</b>	11 335	<b>100</b>	102
Current tax liabilities		<b>1 404</b>	-	<b>866</b>	-
Other liabilities		<b>868</b>	181	<b>265</b>	242
Accrued expenses and deferred income	18	<b>15 672</b>	18 249	<b>1 612</b>	2 499
<b>Total current liabilities</b>		<b>27 135</b>	<b>29 765</b>	<b>2 843</b>	<b>2 844</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>74 764</b>	<b>75 101</b>	<b>87 971</b>	<b>85 992</b>

# CASH FLOW STATEMENT

Amounts in SEK 000s	Note	Group		Parent company	
		2017	2016	2017	2016
<b>Operating activities</b>					
Profit after net financial items		9 325	13 088	- 1 654	- 2 667
Adjustment for non-cash items	19	869	864	- 55	17
Income taxes paid		- 62	-	- 1	-
<b>Cash flow from operating activities before changes to working capital</b>					
<i>Cash flow from changes to working capital</i>					
Increase (-)/Decrease (+) in inventories		- 4 484	- 82	-	-
Increase (-)/Decrease (+) operating receivables		4 058	- 12 313	-	- 3
Increase (-)/Decrease (+) operating liabilities		- 4 035	11 403	- 867	1 358
<b>Cash flow from operating activities</b>					
<b>Investing activities</b>					
Acquisition of property, plant and equipment		- 335	- 258	-	-
Acquisition of intangible assets		- 2 453	- 2 113	-	-
Investment of financial assets		- 10 000	-	- 10 000	-
<b>Cash flow from investing activities</b>					
<b>Financing activities</b>					
New share issue		-	1 710	-	1 710
Net change in intra-Group transactions		-	-	16 831	1 623
Dividends paid to parent company shareholders		- 4 185	- 1 887	- 4 185	- 1 887
<b>Cash flow from financing activities</b>					
<b>Cash flow for the year</b>					
Opening cash and cash equivalents		27 964	17 551	234	82
Closing cash and cash equivalents	20	16 662	27 964	303	234
<b>Cash and cash equivalents, incl. short-term investments</b>					
<b>26 717</b>					

# DISCLOSURES ON INDIVIDUAL ITEMS

## NOTE 1 ADDITIONAL DISCLOSURES

All amounts in SEK 000s unless otherwise specified.

### GENERAL ACCOUNTING POLICIES, ETC.

This annual report was prepared in accordance with the Swedish Annual Accounts Act and pursuant to the general recommendations of the Swedish Accounting Standards Board BFNAR 2012:1 Annual accounts and consolidated financial statements (K3).

The parent company employs the same accounting policies as the Group, except in the cases outlined below in the section entitled "Parent company accounting policies." Assets, provisions and liabilities are measured at cost unless otherwise specified below. The company is incorporated as a limited liability company and is headquartered in Växjö Municipality.

### CONSOLIDATED FINANCIAL STATEMENTS

Subsidiaries are companies in which the parent company directly or indirectly holds more than 50 percent of the number of votes or otherwise commands a controlling interest. Controlling interest entails the right to shape a company's financial and operational strategies in the aim of receiving financial gains. The recognition of business combinations is based on the unit perspective, meaning that the acquisition analysis is conducted on the date on which the acquiring party gains a controlling interest. As of this date, the acquiring party and the acquired unit are regarded as one accounting unit. The application of the unit perspective also entails that all assets (including goodwill) and liabilities, as well as revenues and expenses, are included in full, even for jointly owned subsidiaries.

The cost for subsidiaries is calculated as the sum of fair value on the date of acquisition for purchased assets, plus accrued and assumed liabilities as well as issued equity instruments, expenses directly attributable to the business acquisition and any additional considerations.

The fair value on the date of acquisition of the acquired identifiable assets and assumed liabilities, as well as any non-controlling interests, which are measured at fair value on the date of acquisition.

As of the date of acquisition, the acquired company's revenues and expenses, identifiable assets and liabilities, as well as any goodwill that arises or negative goodwill are included in the consolidated financial statements.

Intra-Group receivables and liabilities, revenues and expenses, and unrealized gains or losses that arise during transactions between Group companies are eliminated in full. Unrealized gains that arise during transactions with associated companies are eliminated to an extent corresponding to the Group's ownership in the company.

Unrealized losses are eliminated in the same way as unrealized gains, though only insofar as there is no indication of an impairment need.

### REVENUE RECOGNITION

When goods are sold, revenue is recognized on delivery. For service agreements, revenue is recognized in relation to the period of the agreement that has elapsed. Sales are recognized after deductions for VAT, similar taxes and rebates have been made.

### RECEIVABLES AND LIABILITIES

Receivables and liabilities in foreign currencies are measured at the exchange rate on the balance-sheet date. In cases in which currency hedging measures are taken in the form of futures hedging, for example, recognition is conducted as above.

### INVENTORIES

The inventory is measured at the lowest of costs and fair value.

### PROVISIONS

Provisions are recognized in the balance sheet when the company has a legal or informal commitment resulting from an incurred event and when it is likely that an outflow of resources will be required to settle the commitment and a reliable assessment of the amount can be made. On first recognition, provisions are measured at the best assessment of the amount that will be required to settle the commitment on the balance-sheet date. Provisions are reassessed on each balance-sheet date. If applicable (the impact of when the payment is made is significant) the provision is recognized at the present value of the future payments that are required to settle the commitment.

Provisions have been made for known or anticipated risks, following individual assessment.

### INTANGIBLE ASSETS

#### RESEARCH AND DEVELOPMENT EXPENDITURE

Expenditure on research, meaning the planned and systematic search for new scientific or technological know-how and insight, is recognized as an expense as it is incurred.

*The capitalization model is used for recognizing development expenses, meaning that expenses that are incurred during the development phase are recognized as assets when all of the factors below have been fulfilled:*

- It is technically feasible to complete the intangible asset for use or sale.
- The intent is to complete the intangible asset and to use it or sell it.



- The means are available to use or sell the intangible asset.
- It is likely that the intangible asset will generate future financial gains.
- Requisite and adequate technological, financial and other means are available to complete the development process and to use or sell the intangible asset.
- The expenses that are attributable to the intangibl.

#### OTHER INTANGIBLE ASSETS

Other intangible assets that have been acquired are recognized at cost less accumulated depreciation/ amortization and impairment. Expenses for internally generated goodwill and brands are recognized in the income statement as costs as they are incurred.

#### AMORTIZATION

Amortization is applied on a straight-line basis over the asset's estimated useful life. Amortization is recognized as an expense in the income statement. Amortization is applied as follows:

Capitalized development expenditures	3-5 years
Goodwill	5 years

Since Goodwill pertains to acquisition-related Goodwill for long-term market development in JLT's core business, five years is deemed a pertinent amortization period.

#### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognized after deductions for accumulated depreciation according to plan. Depreciation according to plan is applied on a straight-line basis, based on the object's cost and estimated useful life.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful life. Amortization is applied as follows:

Office equipment	5 years
Business systems	3 – 5 years
Production tools	3 – 5 years
IT equipment	4 years

#### LEASING

All leases have been classified as financial or operational leases. A financial lease is a lease under which the risks and advantages that are associated with owning an asset are, in all material respects, transferred from the lessee to the lessor. An operational lease is a lease that is not a financial lease.

#### FINANCIAL LEASES

Rights and obligations under financial leases are recognized as assets and liabilities in the balance sheet. On first recognition, the asset and liability are measured at the lowest of the asset's fair value and the present value of the minimum leasing fee. Expenses that are directly attributable to entering into and the structuring of the lease are added to the amount that is recognized as an asset.

After the initial recognition, the minimum leasing fees are allocated among the interest and amortization of the liability, pursuant to the effective interest rate method. Variable fees are recognized as expenses in the fiscal year in which they were incurred.

The leased asset is depreciated over the course of its useful life.

#### OPERATIONAL LEASES

Leasingavgifterna enligt operationella leasingavtal, inklusive förhöjd förstagångshyra men exklusive utgifter för tjänster som försäkring och underhåll, redovisas som kostnad linjärt över leasingperioden.

#### EMPLOYEE BENEFITS

##### CLASSIFICATION OF POST-EMPLOYMENT REMUNERATION

Plans for post-employment remuneration are either classified as defined-contribution or defined-benefit.

Under defined-contribution plans, fixed fees are paid to another company, generally an insurance company, with no further obligations to the employee once the fee has been paid. The size of the employee's post-employment remuneration depends on the fees that were paid and the returns that the fees generate.

Under defined-benefit plans, the company has an obligation to pay the agreed remuneration to its current and former employees. In all material respects, the company bears both the risk that the remuneration will be higher than expected (actuarial risk), and the risk that the return on equity will differ from expectations (investment risk). There will be investment-related risk

##### DEFINED-CONTRIBUTION PLANS

Fees for defined-contribution plans are recognized as an expense. Unpaid fees are recognized as a liability.

##### DEFINED-BENEFIT PLANS

The company has elected to apply the simplification rules offered under BFNAR 2012:1. The plans concerning which pension premiums are paid are recognized as defined-contribution, meaning that the fees are expensed in the income statement. Pension obligations in the Group's foreign subsidiaries are recognized in the same way as in the foreign subsidiary.

#### WARRANTY EXPENSES

The estimated costs for product warranties are charged to operating earnings at the time of sale.

#### TAXES

axes on profit for the year in the income statement consist of current taxes and deferred taxes. Current taxes comprise the income tax for the current year which pertains to the year's taxable earnings, and the portion of the preceding fiscal year's income taxes that have not yet been recognized. Deferred taxes comprise the income tax on taxable earnings pertaining to future fiscal years resulting from past transactions or events.

Deferred tax assets are measured at no more than the amount that will likely be returned based on present and future taxable earnings.

The measurement is reassessed on each balance-sheet date.

## FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized in accordance with chapter 11 (Financial instruments measured on the basis of cost) of BFNAR 2012:1. A financial asset or financial liability is entered in the balance sheet when the company becomes subject to the contractual terms of the instrument. Accounts receivable are entered in the balance sheet when an invoice has been sent. Accounts payable are entered when the invoice has been received. A financial asset is derecognized from the balance sheet when the contractual rights expire or become due or when the company loses control over the asset. This also applies for parts of a financial asset. A financial liability is removed from the balance sheet when the commitment stipulated in the agreement is completed or is otherwise settled. This also applies to parts of a financial liability. US dollar futures are used (sold) for hedging the net flow (sales and purchasing) of transactions in US dollars.

Determining whether to expand our holding of futures over time varies from one period to another, in terms of determining the volume trend of the net flow and the benefit of the hedge relative to the current exchange rate and calculation status. In the balance sheets and income statements, hedged items are recognized taking the futures contracts into account. This principle entails that a company will have unrealized and unrecognized gains or losses if its existing holding of futures exceeds the financial net asset of the currency.

## FINANCIAL ASSETS AND LIABILITIES

A financial asset or financial liability is entered in the balance sheet when the company becomes subject to the contractual terms of the instrument. A financial asset is removed from the balance sheet when the rights in the agreement are realized or have expired. This also applies for parts of a financial asset. A financial liability is removed from the balance sheet when the commitment stipulated in the agreement is completed or is otherwise settled. This also applies for parts of a financial liability. A financial liability is removed from the balance sheet when the commitment stipulated in the agreement is completed or settled.

## MEASUREMENT OF FINANCIAL ASSETS

Financial assets are measured upon first recognition at cost, including any transaction fees directly attributable to the acquisition of the asset.

## IMPAIRMENT – PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, AND PARTICIPATIONS IN GROUP COMPANIES

On every balance-sheet date, an assessment is made as to whether there is any indication that the value of an asset is lower than its carrying amount. If there is any such indication, the recoverable amount of the asset is calculated.

## PROVISIONS

Provisions are recognized in the balance sheet when the company has a legal or informal commitment resulting from an incurred event and when it is likely that an outflow of resources will be required to settle the commitment and a reliable assessment of the amount can be made. On first recognition, provisions are measured at the best assessment of the amount that will be required to settle the commitment on the balance-sheet date. Provisions are reassessed on each balance-sheet date.

## CONTINGENT LIABILITIES

### Contingent liabilities are defined as:

- A potential obligation, due to past events and whose occurrence will only be confirmed by one or several uncertain future events that are not entirely within the company's control, which occurs or does not occur.
- An existing obligation resulting from past events, but that is not recognized as a liability or provision since it is not probable that settling the obligation will require an outflow of resources, or the scope of the obligation cannot be calculated with adequate reliability.

Contingent liabilities are a collective term for such warranties, financial commitments and potential obligations that are not recognized in the balance sheet.

## PARENT COMPANY ACCOUNTING POLICIES

Shareholder contributions are charged directly against the equity of the receiver and are capitalized as shares and participations for the contributor, insofar as no impairment is required. The parent company's accounting policies comport with the aforementioned accounting policies in the consolidated financial statements.

## NOTE 2 NET REVENUES BY GEOGRAPHIC MARKET

Group	2017	2016
Nordic region	38 425	44 420
EU (ex. Nordic)	20 019	23 962
US	52 469	56 067
Other markets	1 795	2 484
	<b>112 708</b>	<b>126 934</b>

## NOTE 3 FEES AND REIMBURSEMENT OF EXPENSES FOR AUDITORS

Group	2017	2016
KPMG		
Auditing assignments	110	110
Other assignments	95	31
	<b>205</b>	<b>141</b>

Auditing services encompass reviewing the annual report and accounting, the Board's and CEO's administration, other duties that fall to a company's auditor, together with advisory services and other support caused by observations made during audits or the performance of such other duties.

## NOTE 4 EMPLOYEES, PERSONNEL COSTS AND FEES TO THE BOARD AND AUDITORS

### Average number of employees

	2017		2016	
	Employees	Of whom, men	Employees	Of whom, men
Parent company, Sweden	2	100%	2	100%
Total in parent company	2	100%	2	100%
Subsidiary, Sweden	14	86%	11	82%
Subsidiary, US	12	83%	12	83%
Total in subsidiary	26	81%	23	83%
Group total	28	82%	25	84%

Gender distribution among management	2017 Percentage of women	2016 Percentage of women
Parent company		
Board	0%	0%
Other senior executives	0%	0%
Group total		
Board	0%	0%
Other senior executives	0%	0%

### Salaries and other benefits, as well as social security fees, including pension costs

	2017		2016	
	Salaries and benefits	Social security costs	Salaries and benefits	Social security costs
Parent company	2 397	1 047	3 214	1 105
(of which, pension costs)	1)	533	1)	548
Subsidiary	18 287	3 722	19 073	2 868
(of which, pension costs)		907		593
Group total	20 684	4 769	22 287	3 973
(of which, pension costs)	1)	1 440	1)	1 141

1) Of the Group's pension costs, SEK 533 (548) pertain to company management.

### Remuneration to senior executives

Parent company 2017		
SEK 000s	Base pay board fees	Pension costs
Chairman, Ulf Ahlén	160	-
Board member, Ola Blomberg	72	-
Board member, Jan Olofsson	72	-
Board member, Per Ädelroth	72	-
Board member, Jan Sjöwall	72	-
CEO	1 080	338
Executive Vice President	1 012	195
Total	2 540	533

Parent company 2016		
SEK 000s	Base pay board fees	Pension costs
Chairman, Ulf Ahlén	145	-
Board member, Ola Blomberg	65	-
Board member, Thomas Ahrens	65	-
Board member, Jan Olofsson	65	-
Board member, Per Ädelroth	65	-
CEO	990	345
Executive Vice President	821	203
Total	2 216	548

### Share-related remuneration

#### Employee stock-option program 2015/2018

In 2015, the company's employees were offered the opportunity to buy warrants at a value determined under the Black & Scholls method which entitle the holder to subscribe for shares at an exercise price of SEK 3.17 for the period from June 1, 2018, to June 30, 2018. Each warrant entitles its holder to subscribe for one share.

### Change in the number of employee warrants (with corresponding exercise prices) and share rights

	2017		
	No. of warrants	Avg. exercise price	No. of share rights
Outstanding at beginning of year	1 000 000	3,17	1 000 000
Assigned during year	-	-	-
Forfeited during year	-	-	-
Redeemed/issued during the year	-	-	-
Outstanding at year-end	1 000 000	3,17	1 000 000

	2016		
	No. of warrants	Avg. exercise price	No. of share rights
Outstanding at beginning of year	2 000 000	2,49	2 000 000
Forfeited during year	- 50 000	1,80	- 50 000
Redeemed/issued during the year	- 950 000	1,80	- 950 000
Outstanding at year-end	1 000 000	3,17	1 000 000

### Severance pay

By contract, the company's CEO is to receive severance pay in the amount of 12 months' salary when termination is initiated by the company, and 6 months' salary in the event of a mutual period of notice

## NOTE 5 DEPRECIATION/AMORTIZATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT, AND INTANGIBLE ASSETS

	2017	2016
Group		
Depreciation/amortization according to plan by asset		
Capitalized expenditures for development work and the like	83	83
Goodwill	539	541
Equipment, tools, fixtures and fittings	544	517
	1 166	1 141

## NOTE 6 OPERATIONAL LEASES

### Leases under which the company is the lessee

	2017	2016
Group		
Future minimum leasing fees for noncancellable operational leases		
Within one year	594	504
Between 1 and 5 years	1 658	2 348
	2 252	2 852
Leasing fees expensed during fiscal year	1 064	1 118

## NOTE 7 INTEREST INCOME AND SIMILAR INCOME ITEMS

	2017	2016
Group		
Exchange-rate gains	55	37
	55	37
Parent company		
Interest income, Group companies	637	530
Realized investment gains	55	-
	692	530



## NOTE 8 INTEREST EXPENSES AND SIMILAR ITEMS

	2017	2016
<b>Group</b>		
Exchange-rate losses	- 6	-
	<b>- 6</b>	<b>-</b>
<b>Parent company</b>		
Exchange-rate losses	- 650	- 833
	<b>- 650</b>	<b>- 833</b>

## NOTE 9 TAXES ON PROFIT FOR THE YEAR

Reconciliation of effective tax rate	2017		2016	
	Percentage	Amount	Percentage	Amount
<b>Group</b>				
Profit before tax		9 325		13 088
Taxes at current tax rate for parent company	22,0%	- 2 051	22,0%	- 2 879
Effect of other tax rates for foreign subsidiaries	4,0%	- 369	- 4,4%	574
Other non-deductible expenses	0,9%	- 85	0,2%	- 28
Other	0,0%	-	0,0%	-
<b>Recognized effective tax</b>	<b>26,9%</b>	<b>- 2 506</b>	<b>17,8%</b>	<b>- 2 333</b>
<b>Parent company</b>				
Profit before tax		7 912		10 037
Taxes at current tax rate for parent company	22,0%	- 1 741	22,0%	- 2 208
Non-deductible expenses	0,1%	- 6	0,0%	- 3
Other	0,0%	-	0,0%	-
<b>Recognized effective tax</b>	<b>22,1%</b>	<b>- 1 747</b>	<b>22,0%</b>	<b>- 2 211</b>

## NOTE 10 CAPITALIZED EXPENDITURE FOR DEVELOPMENT WORK

	2017-12-31	2016-12-31
<b>Group</b>		
<i>Accumulated cost</i>		
At beginning of year	5 021	2 908
Other investments	2 454	2 113
At year-end	<b>7 475</b>	<b>5 021</b>
<i>Accumulated depreciation/amortization</i>		
At beginning of year	- 2 330	- 2 247
Depreciation/amortization for the year	- 83	- 83
At year-end	<b>- 2 413</b>	<b>- 2 330</b>
<b>Carrying amount at year-end</b>	<b>5 062</b>	<b>2 692</b>

## NOTE 11 GOODWILL

	2017-12-31	2016-12-31
<b>Group</b>		
<i>Accumulated cost</i>		
At beginning of year	3 051	2 937
Translation differences for the year	- 106	114
At year-end	<b>2 945</b>	<b>3 051</b>
<i>Accumulated depreciation/amortization</i>		
At beginning of year	- 1 123	- 582
Depreciation/amortization for the year	- 539	- 541
At year-end	<b>- 1 662</b>	<b>- 1 123</b>
<b>Carrying amount at year-end</b>	<b>1 283</b>	<b>1 928</b>

## NOTE 12 EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

	2017-12-31	2016-12-31
<b>Koncernen</b>		
<i>Accumulated cost</i>		
At beginning of year	7 221	6 955
New purchases	335	258
Exchange-rate differences for the year	49	8
At year-end	<b>7 605</b>	<b>7 221</b>
<i>Accumulated depreciation/amortization</i>		
At beginning of year	- 6 220	- 5 703
Depreciation/amortization for the year	- 544	- 517
At year-end	<b>- 6 764</b>	<b>- 6 220</b>
<b>Carrying amount at year-end</b>	<b>841</b>	<b>1 001</b>

## NOTE 13 PARTICIPATIONS IN GROUP COMPANIES

	2017-12-31	2016-12-31
<i>Accumulated cost</i>		
At beginning of year	44 214	44 214
At year-end	<b>44 214</b>	<b>44 214</b>
<b>Carrying amount at year-end</b>	<b>44 214</b>	<b>44 214</b>

### Specification of parent company and Group's participations in Group companies

	Number of participations	Participation as a percentage	Carrying amount	
			2017	2016
JLT Mobile Computers Sweden AB	10 000	100	43 936	43 936
JLT Mobile Computers UK Ltd	10 000	100	2	2
JLT Mobile Computers Inc	6 000	100	276	276

### Information on corporate registration numbers and headquarters

	Corp. Reg. No	Headquarters
<b>JLT Mobile Computers Sweden AB</b>	<b>556602-8394</b>	<b>Växjö</b>
<b>JLT Mobile Computers UK Ltd</b>	<b>05094647</b>	<b>Cheshire</b>
<b>JLT Mobile Computers Inc</b>	<b>61-1748396</b>	<b>Tempe AZ</b>

## NOTE 14 RECEIVABLES FROM GROUP COMPANIES

	2017-12-31	2016-12-31
<b>Parent company</b>		
<i>Accumulated cost</i>		
At beginning of year	25 989	27 222
Settled receivables	- 14 576	- 1 233
At year-end	11 413	25 989
<b>Carrying amount at year-end</b>	<b>11 413</b>	<b>25 989</b>

Receivables that fall due for payment more than five years after the balance-sheet date.

## NOTE 15 DEFERRED TAXES

Remaining loss carryforwards amounted to MSEK 5.3 at the end of the period, all of which was attributable to foreign subsidiaries. Remaining loss carryforwards were not recognized as deferred tax assets.

## NOTE 16 PREPAID EXPENSES AND ACCRUED INCOME

	2017-12-31	2016-12-31
<b>Group</b>		
Prepaid insurance	148	88
Prepaid rent	77	117
Other items	657	498
	<b>882</b>	<b>703</b>
<b>Parent company</b>		
Prepaid insurance	6	8
Other items	47	44
	<b>53</b>	<b>53</b>

## NOTE 17 OTHER PROVISIONS

	2017-12-31	2016-12-31
<b>Group</b>		
Warranty commitments	1 352	1 594
<b>Group</b>		
<i>Warranty provisions</i>		
<b>Carrying amount at the beginning of the year</b>	1 594	1 643
Provisions made during the year 1)	- 242	- 49
<b>Carrying amount at year-end</b>	<b>1 352</b>	<b>1 594</b>

The company's products feature a three-year warranty commitment – these provisions pertain to the estimated cost of covering outstanding warranties.

## NOTE 18 ACCRUED EXPENSES AND DEFERRED INCOME

	2017-12-31	2016-12-31
<b>Group</b>		
Accrued salaries	2 015	4 865
Accrued social security costs	932	1 203
Prepaid agreements	12 279	10 720
Other items	446	1 461
	<b>15 672</b>	<b>18 249</b>
<b>Parent company</b>		
Accrued salaries	1 050	1 423
Accrued social security costs	411	600
Other items	151	476
	<b>1 612</b>	<b>2 499</b>

## NOTE 19 OTHER CASH FLOW STATEMENT DISCLOSURES

### Adjustments for non-cash items, etc.

	2017	2016
<b>Group</b>		
Depreciation/amortization	1 166	1 141
Unrealized exchange-rate differences	-	- 122
Realized results, financial assets	- 55	-
Other provisions	- 242	-
Other non-cash items	-	- 155
	<b>869</b>	<b>864</b>
<b>Parent company</b>		
Realized results, financial assets	- 55	-
Other non-cash items	-	17
	<b>- 55</b>	<b>17</b>

## NOTE 20 CASH AND CASH EQUIVALENTS

	2017-12-31	2016-12-31
<b>Group</b>		
<i>The following subcomponents are included in cash and cash equivalents</i>		
Cash assets	-	5
Bank balances	16 662	27 959
	<b>16 662</b>	<b>27 964</b>
<b>Parent company</b>		
<i>The following subcomponents are included in cash and cash equivalents</i>		
Bank balances	303	234
	<b>303</b>	<b>234</b>

## NOTE 21 GROUP INFORMATION

### Purchases and sales within the Group

Of the parent company's total purchases and sales measured in SEK, < 1% (1%) of purchases and 100% (100) of sales pertain to other companies, within the entire constellation of companies to which the company belongs.

## NOTE 22 PLEDGED ASSETS AND CONTINGENT LIABILITIES – GROUP

	2017-12-31	2016-12-31
Pledge assets		
<i>For own liabilities and provisions</i>		
Chattel mortgages	7 500	7 500
<b>Total pledged assets</b>	<b>7 500</b>	<b>7 500</b>
Contingent liabilities		

## NOTE 23 PLEDGED ASSETS AND CONTINGENT LIABILITIES - PARENT COMPANY

	2017-12-31	2016-12-31
Pledge assets	None	None

The parent company guarantees all outstanding liabilities to which JLT Mobile Computers Limited (Company No. 05094647) is subject to as at March 31, 2016, until they are satisfied in full. The subsidiary is claiming exemption from audit in the UK under section 479a of the UK Companies Act 2006.

As per December 31, 2017, outstanding external Group liabilities amounted to GBP 0 (0).

## NOTE 24 SIGNIFICANT EVENTS AFTER THE END OF THE FISCAL YEAR

	2017-12-31
Significant events	None

# SIGNATURES

The parent company and Group's balance sheets and income statements will be adopted at the annual general meeting on May 8, 2018.

Växjö, March 27, 2018



Ulf Ahlén  
Chairman




Jan Sjöwall



Per Holmberg  
CEO



Per Ädelroth



Ola Blomberg



Jan Olofsson

Our auditor's report was submitted on April 3, 2018

KPMG AB



Michael Johansson  
Authorized Public Accountant



# AUDITOR'S REPORT

*To the general meeting of shareholders of JLT Mobile Computers AB (publ), corp. id 556239-4071*

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### OPINIONS

We have audited the annual accounts and consolidated accounts of JLT Mobile Computers AB (publ) for the year 2017. The annual accounts and consolidated accounts of the company are included on pages 12-29 in this document. In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company and the group as of 31 December 2017 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

### BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibility section.

We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-11 and 33-34. The Board of Directors and the CEO are responsible for this other information. Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit

and assess whether the information otherwise appears to be materially misstated. If we, based on the work performed based on this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE CEO

The Board of Directors and the CEO are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the CEO are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concerns and using the going concern basis of accounting. The going concern basis of accounting is not however applied if the Board of Directors and the CEO intend to liquidate the company, cease operations, or have no realistic alternative but to do so.

### AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

#### *We also:*

- identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as

fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the CEO.
- come to a conclusion as to the appropriateness of the Board of Directors' and CEO's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **OPINIONS**

In addition to our audit of the annual accounts and consolidated accounts, we have also examined the administration of the Board of Directors and the CEO of JLT Mobile Computers AB (publ) for 2017 as well as the proposed appropriations of the company's profit or loss.

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

### **BASIS FOR OPINIONS**

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### **RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE CEO**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and, among other matters, take necessary measures to fulfill the company's accounting in accordance with the law and handle the management of assets in a reassuring manner.

## AUDITOR'S RESPONSIBILITY

*Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO in any material respect:*

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts.

Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions taken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Växjö, April 3, 2018

KPMG AB



Michael Johansson  
Authorized Public Accountant

# BOARD, MANAGEMENT AND AUDITORS

The company has fixed formal rules of procedure and convened six times in 2017. Fees to Board members are listed in Note 4 among the additional disclosures. Matters addressed by the Board are described in the administration report.

## BOARD

### **Ulf Ahlén** (born 1948)

Elected Chairman of the Board at the 2012 annual general meeting. Ulf was formerly the CEO of Haldex and is a Board member of Autokaross AB, KasiTech AB, and TechROi Fuel Systems AB, Haldex AB as well as being the Chairman of Inxide AB and Culinarum Group AB. Independent in relation to the company's management and/or major shareholders.

**Shareholdings: 59,350**

### **Jan Olofsson** (born 1942)

Founder/entrepreneur behind JLT Mobile Computers Sweden AB, was CEO until 2009 and remains active in the company. Jan possesses extensive technical experience in military electronics from his time as a project manager at Telub and Bofors.

**Shareholding (incl. family and companies): 8,508,866**

### **Ola Blomberg** (born 1957)

Currently an Executive at Gota Media AB. Executive Vice President/CFO of JLT from 2002 to May 2005. Ola is a Board member of VIVA Media Group AB. Background as CFO of Enator AB (publ) and CEO of Dotcom Solutions AB. Independent in relation to the company's management and/or major shareholders.

**Shareholding (incl. family): 118,311**

### **Jan Sjöwall** (born 1957)

Elected to the Board in 2017, previously had roles at Kinnevik including CEO of TV-shop/CDON and Metro International S.A. Board duties include Roos & Tegnér AB, Lifeclean International AB, Försäkringsarkivet Nordiska AB, Malmö Redhawks Holding AB, Malmö Redhawks Ishockey AB and serving as Chairman of the Board of Add Benefits Europe AB and Huvudverket Konsult & Finans AB. Independent in relation to the company's management and/or major shareholders.

**Shareholdings: 150,000**

### **Per Ädelroth** (born 1966)

Elected at the 2014 general meeting and holds the position of Vice President of Operations at Axis Communications AB. Independent in relation to the company's management and/or major shareholders.

**Shareholdings: 40,000**

## MANAGEMENT

### **Per Holmberg** (born 1963) CEO

Per Holmberg assumed the position of CEO in 2009 and joined the company from the US where he was marketing manager for Xilinx Inc. Per is also head of sales.

**Shareholdings: 626,152**

**Call options: 100,000**

### **Stefan Käck** (born 1955) Executive Vice President/CFO

CFO since 2005, in charge of production and logistics.

Former Board member of JLT.

**Shareholding (incl. family): 183,000**

**Call options: 100,000**

### **Eric Miller** (born 1968) CEO of JLT Mobile Computers

Inc. CEO of JLT Mobile Computers Inc since 2014. Former head of sales at DAP Technologies in charge of sales for JLT's products in the US.

**Shareholdings: 133,000**

**Call options: 234,000**

## AUDITORS

### **Michael Johansson** (born 1964), Authorised

Public Accountant. Partner at KPMG AB. Auditor of the company since 2013.



# ANNUAL GENERAL MEETING AND CORPORATE INFORMATION

## ANNUAL GENERAL MEETING

The annual general meeting (AGM) of JLT Mobile Computers AB (publ) will be held on Tuesday May 8, 2018 at the World Trade Center, Södra Järnväggsgatan 4B in Växjö.

## PARTICIPATION

Those entitled to participate in the AGM must have been registered as a shareholder in the shareholder registry maintained by Euroclear Sweden AB by Wednesday, May 2, 2018, and have registered their intent to participate by no later than **Wednesday, May 2, 2018**.

Notification can be made in writing using the address:

**JLT Mobile Computers AB (publ), Isbjörnsvägen 3, SE-352 45 Växjö, Sweden** (mark the envelope:

Annual general meeting), by email to [sejla.basic@jltmobile.com](mailto:sejla.basic@jltmobile.com), or by phone at +46 470-53 03 00 (weekdays 9:00am-4:00pm). Please state your name, personal identity number or corporate registration number, number of shares held, daytime phone number and, where applicable, the number of assistants (no more than two) who will accompany you at the AGM.

If a shareholder intends to be represented by proxy, a power of attorney and other forms of authorization should be enclosed with the registration.

## TRUSTEE REGISTERED SHARES

Shareholders who hold shares through a trustee must register the shares in their own name in order to participate in the AGM. Such registration, which may be temporary, must be made effective by Friday, May 5, 2017. This means that the shareholders must notify their trustee of the above well in advance of this date.

## NOTIFICATION

Notification will be given no earlier than six weeks and no later than four weeks prior to the AGM by way of an ad in the Swedish Gazette (Post- och Inrikes Tidningar) and on [www.jltmobile.com](http://www.jltmobile.com).

Confirmation of the notification will be made in Svenska Dagbladet. The notification will also be published via a press release.

## FINANCIAL CALENDAR

Financial reports in 2018:

- Interim report for January-March 2018 on May 8, 2018
- Interim report for January-June 2018 on August 15, 2018
- Interim report for January-September 2018 on October 19, 2018
- Year-end report for 2018 on February 8, 2019

Press releases and reports are available on [www.jltmobile.com](http://www.jltmobile.com)



# The **Essential Logistics Computer** for **Intelligent Mobile Solutions**

The JLT6012™ is designed to improve **productivity** and **profitability** in demanding logistics environments. The intelligent design enables custom-built solutions to fit your exact needs – today and tomorrow.

## Because it Works!™

**JLT Mobile Computers AB** Isbjörnsvägen 3, SE-352 45 Växjö, SWEDEN  
**Phone:** +46 470 53 03 00 **Fax:** +46 470 445 29 **Email:** info@jltmobile.com

