

# Socket Mobile, Inc.

*NASDAQ Capital Market: SCKT*

SRA 7<sup>th</sup> Annual Growth Stock Conference  
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**PRESENTED BY:**  
**Kevin Mills, CEO**



# Forward Looking Statements

*During the course of this presentation, we may make forward-looking statements that involve risks and uncertainties, including without limitation risks and uncertainties relating to the company's financial prospects and projections, the company's ability to market a handheld computer and increase its business in the Mobile Computing markets. These forward-looking statements speak only as of the date hereof and are based upon the information currently available to the company. Such information is subject to change, and the company will not necessarily inform you of such changes. Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are new and changing technologies, customer acceptance of those technologies, fluctuations or cancellations in orders from distribution customers, new and continuing adverse economic conditions, and the company's ability to compete effectively with other products. These and other factors could cause actual results to differ materially from those presented in any forward-looking statement and are discussed in the company's filings with the Securities and Exchange Commission including its recent filings on Forms 10-K and 10-Q.*

# Socket Mobile, Inc. - Overview

**Founded in 1992, public since 1995 (Nasdaq: SCKT)**

- Bluetooth pioneer since 1999
- Wi-Fi experts on mobile devices
- PCMCIA, CompactFlash and SDIO “champions”



**Socket is a leading mobile computer peripherals supplier**

- Since 1999 delivered multiple plug-in (add-on) solutions
  - Bluetooth, WLAN, Modem, Ethernet, Barcode Scanning and RFID
- Delivered 1D & 2D barcode scanning solutions using Bluetooth
- Worldwide two-tier distribution sales channels in place
  - Several hundred distributors, resellers, VARs & integrators

**Systems supplier of classic handheld computers since 2007**

- Systems company with emphasis on “Business Mobility”
- Over 50,000 SoMo 650 handheld computer units shipped
- Continues to sell Cordless Scanners to the mobile phone market
  - Apple, Android, Blackberry and Windows Mobile support

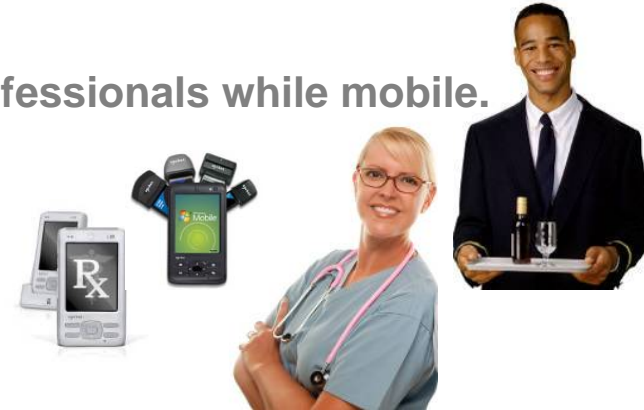


# Our Focus is the Business Mobility Market

**We operate two parallel but similar businesses today**

– **Handheld Computers:**

- We supply classic PDA's for use by mobile professionals while mobile.
- Healthcare and hospitality are primary markets
- 60% of Socket's business is handheld related



– **Cordless Scanners:**

- We supply 2D and 1D barcode scanners for use with smartphones and tablets running Apple, Android, Blackberry, Windows and Windows Mobile operating systems.
- These solutions are used by mobile workers across multiple industries
- 30% of Socket's business is cordless scanning related



# SoMo650 Handheld Computer

**Lightweight and highly portable**

**Durable**

**Expandable with multiple options**

- 2D or 1D barcode, RFID and payment

**Affordable**

**Windows Mobile operating system**

- Bluetooth, Wi-Fi enabled



# Healthcare Market

## Underserved by Information Technology

- Move to electronic records just beginning
- Government regulations and incentives are a primary driver
- Nurses need highly portable device for mobile apps
- Durable, long-battery life, WLAN are key features



## Apps can reduce Medical errors which is a real and urgent issue

- Point of care and information capture must coincide for accuracy
- Computers on wheels have helped but have known issues

## Solutions are applications driven

- Customer buy solutions with the application being the primary driver

## No established leader

- Big opportunity for both our handheld computers and barcode scanners

# Hospitality Market Solutions

## Applications

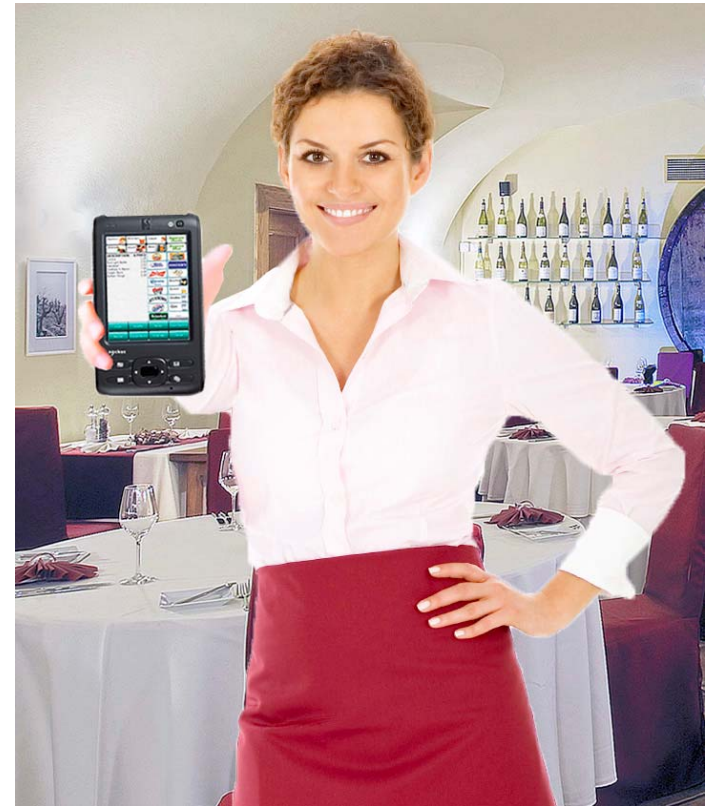
- Restaurant order taking
- Asset management
- Event management

## Products

- SoMo650 Handheld computer
- Barcode scanners +card swipe readers

## Big market opportunity IHL Consultants Oct 2011

- By 2015, more than 2.7 million mobile device a year will be shipped for use in North American Retail/Hospitality
  - Mobile Devices include rugged handhelds, consumer handhelds (iPhones, iPod, iTouch) and tablet computers
  - Restaurants in particular are seeing a 25% increase in table turn when mobile devices are used, according to the report



# Handheld Computing Market Summary

## The inside the 4 walls mobility opportunity is real

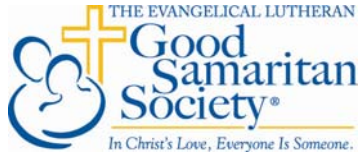
- The In-building mobile workforce is growing, enabled by WLAN and Bluetooth
  - 12 Million Nurses WW, many of whom don't currently use mobile solutions -Google
  - 2.4 Million Waiters/Waitresses in the USA don't have mobile solutions – US. Labor Dept
    - North American mobile devices usage expected to increase by 400% from 2010 to 2015
- Access to data while mobile enhances safety, productivity, lower costs
  - Improved data collection for patients and transactions at point of contact
  - Socket supports many security features including Cisco CCX
  - No phone required by applications, no monthly cost or employee distractions

## Socket is benefiting from HP discontinuing its Mobile devices (iPAQ 200)

- SoMo650 is compatible with HP's iPAQ 200 Series PDA (both run Windows Mobile)
  - SoMo is more durable, better WiFi, more expensive ,no sw app investment req.
- HP has been the market leader in consumer grade classic PDA sales
- Socket's commitment to the mobile handheld computer space is long term
  - An important consideration for developers and companies deploying solutions

# Mobility Solutions – Partners

## Medical Mobility Solutions – Partners



## Hospitality Mobility Solutions – Partners



## All Solutions



# Barcode Scanning Market Overview

## The Cordless Scanning Market is emerging

- Growing mobile workforce using smartphone & tablets
  - Mobile apps making data collection integral part of job
  - Collecting or inputting key info as part of daily routine
  - Barcoding is the ideal data entry mechanism
- Workforce requires small, light, easy-to-use scanners
  - Workers not willing to carry a second device
  - Built in camera only suitable for limited scanning
  - Strong requirement for small professional scanner
  - Customer needs data capture flexibility: 1D & 2D
- Socket Cordless Hand Scanner Series 7 is well positioned for growth
  - World's smallest & lightest (only 46g)
  - Strong application partner base to support these opportunities
  - Easy to add barcode scanning to developer applications through SocketScan
  - Support for all popular phones
  - Focus and development expertise to support our partners in this market



# We support the Apple iPhone, iPad, iPod touch



Apple certified cordless scanner for use with iPhone, iPad and iPod touch

- CHS iPad & iPhone 4/5 support announced within 24 hrs of Apple release
- Applications are now being written by Apple developers

Apple business is mostly incremental to current business

- These changes will help us grow the Cordless Scanning business

# Our cordless barcode scanners work with Smartphones and Tablets

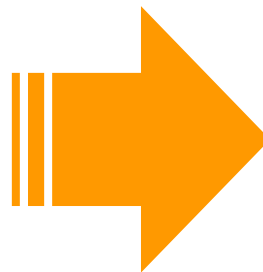


Replaces traditional bulky & heavy handheld terminals for managers

- Compatible with Android, iPhone, BlackBerry, Windows Mobile
- Scans all 2D and 1D barcodes
- Ideal for asset tracking, field servicing, inspections, patient care



**Traditional Solutions**

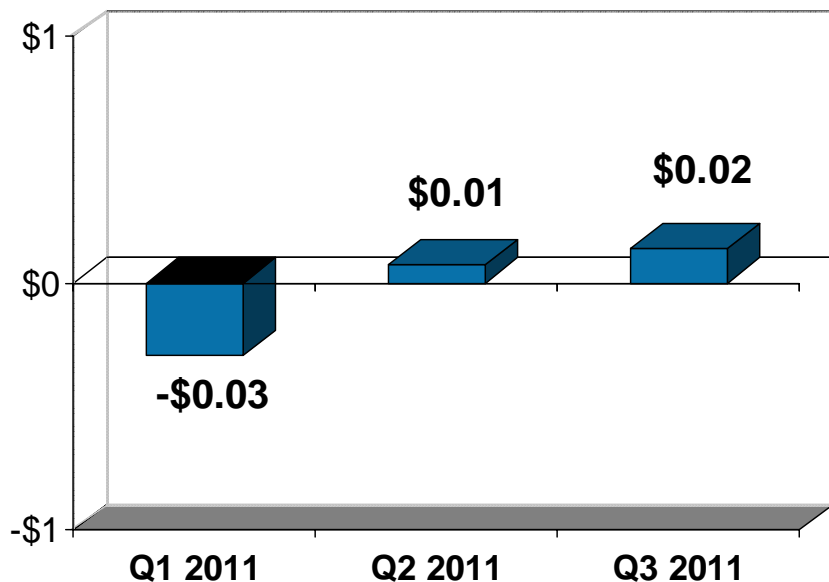


**New Market Opportunities**

# 2011 Quarterly Financial Results

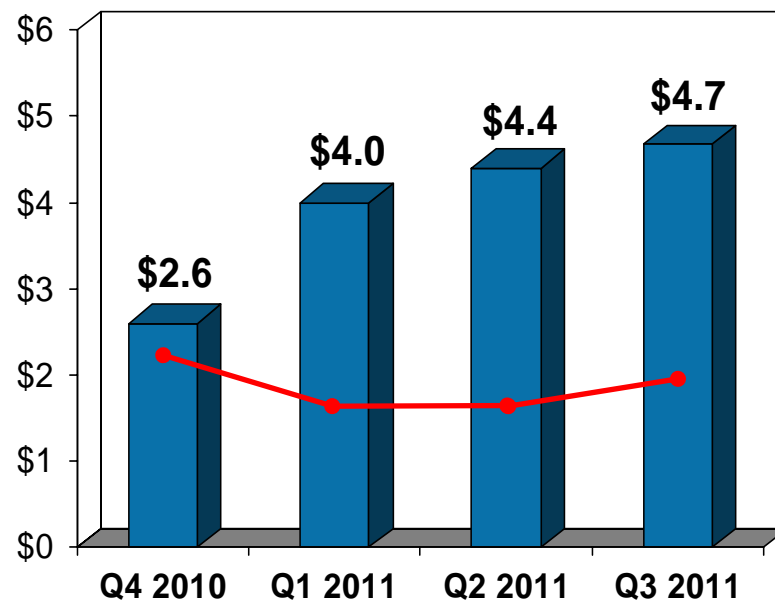
(Amounts in \$ millions except per share)

## EBITDA Net Income (Loss)\*



\*Excludes interest expense, taxes, depreciation, and amortization of debt discount, intangibles, and stock options

## Revenue



— Operating Expenses\*

Order backlog 9/30/11: \$3.0 million

# Other Investment Considerations

## Balance Sheet

- No debt, notes converted to common stock in Q3 2011
- \$2.5 million revolving bank line of credit activated Q4 2011
- Current ratio excluding deferred revenue was 1.0 to 1.0.- 9/30/11

## Growth drivers in play for both major product lines

- The SoMo growth for Q1-Q3 of 2011 was 13% over Q1-Q3 2010
- The CHS growth for Q1-Q3 of 2011 was 252% over Q1-Q3 2010
- SoMo and CHS represent 90% of current revenue

## Experienced Leadership, Management

- Aggressively reduced expenses but kept vital R+D over past 2 years
- Restructured organization to new lower cost economic reality
- Reached EBITDA positive operations in difficult environment

# Summary

## **The Business Mobility Market is emerging**

- Both our SoMo and CHS sales are growing, both driven by mobile workforces

## **Healthcare and Hospitality markets play to our handheld's strengths**

- Requirement is for small, light, durable, WLAN centric and highly portable device
- Requirement is for stable dependable platform for mobile applications
- Needs data capture flexibility, ranging from none, card swipes, 2D, 1D and RFID

## **Cordless scanning business is driven by smartphone and tablet deployments**

- Requirement is for small, light, durable and highly portable scanning devices
- Apple and Android support with excellent software tools is a key to success

## **Socket is well positioned for growth**

- Complete product set and a strong partner base to support these opportunities
- Manufacturing and worldwide distribution infrastructures in place to support growth
- We remain focused on developing our expertise in the business mobility market

# For More Information:

# Thank You!

[www.socketmobile.com](http://www.socketmobile.com)



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