

-6.5%

Net sales growth

6.1%

EBIT margin

Stable earnings despite weaker than expected sales**October – December 2017**

- Net sales amounted to SEK 560.4m (599.4), a decrease of 6.5 percent.
- Earnings before interest and taxes (EBIT) of SEK 34.1m (20.3), corresponding to an operating margin of 6.1 percent (3.4). EBIT includes SEK 0m (20.6) of restructuring expenses.
- Order intake decreased by 12.5 percent to SEK 500.6m (572.3).
- The order book amounted to SEK 314.9m (307.8) at the end of the period.
- Profit after tax for the period was SEK 22.5m (11.4).
- Earnings per share amounted to SEK 0.95 (0.49).
- Free cash flow before acquisitions was SEK 17.8m (31.7).

January – December 2017

- Net sales amounted to SEK 1,924.0m (1,959.1), a decrease of 1.8 percent.
- EBIT of SEK 92.0m (47.7), corresponding to an operating margin of 4.8 percent (2.4). EBIT includes SEK 3.5m (29.8) of restructuring expenses.
- Profit after tax for the period was SEK 66.5m (31.0).
- Earnings per share amounted to SEK 2.83 (1.33).
- Free cash flow before acquisitions amounted to SEK 49.3m (-5.7).
- Proposal on dividend for 2017 will at the latest be given in the notice convening the AGM 2018.

Outlook

Our expectations for 2018 are sales in the range of SEK 1.9bn – 2.1bn and operating profit (EBIT) in the range of SEK 100m – 140m, excluding potential M&A.

DORO GROUP (SEKm)	2017 Oct-Dec	2016 Oct-Dec	2016 Jan-Dec	2016 Jan-Dec
Net sales	560.4	599.4	1,924.0	1,959.1
Net sales growth, %	-6.5	-3.7	-1.8	7.1
EBITDA	53.1	45.2	156.2	121.4
EBITDA margin, %	9.5	7.5	8.1	6.2
EBITA	35.7	21.4	97.2	55.1
EBITA margin, %	6.4	3.6	5.1	2.8
EBIT	34.1	20.3	92.0	47.7
EBIT margin, %	6.1	3.4	4.8	2.4
Profit after tax	22.5	11.4	66.5	31.0
Earnings per share	0.95	0.49	2.83	1.33
Equity/assets ratio, %	49.6	40.4	49.6	40.4



Sales down by 6.5%

Lower sales in the UK and Nordics, growth in other regions

Positive progress for Doro Care, strategic order won

Efficiency measures lead to lower operating expenses

Updated strategy and new financial goals announced

Expectations for 2018 of sales of SEK 1.9bn – 2.1bn, EBIT of SEK 100m – 140m

CEO's comment

Doro's sales in the fourth quarter were somewhat disappointing after a weak finish in the Nordics and UK. Meanwhile, a lower cost base contributed to stable earnings despite lower revenue. Measures we initiated and executed in 2017 are paying off and we are continuing our work also in 2018.

Our mobile phone sales in the Nordics and UK decreased in the latter part of the fourth quarter, partly due to product launches from competitors. This impacted total sales negatively despite growth in other regions and caused a total downturn of 6.5 percent year on year. However, Doro Care made very positive progress in sales and operational efficiency. Sales were up by 17 percent, recurring revenues increased 25 percent. We signed our first agreement based on Doro Connect, a mobile safety service, with a scope of over 1,200 connections.

Our fourth-quarter operating margin of 6.1 percent was somewhat lower than in the fourth quarter of 2016, excluding restructuring expenses, mainly because of lower gross margin. However, for the full year 2017, we increased our operating margin, adjusted for restructuring expenses, year on year mainly because of lower operating expenses. We strengthened our Balance Sheet in the year and increased our equity/assets ratio to 49.6 percent.

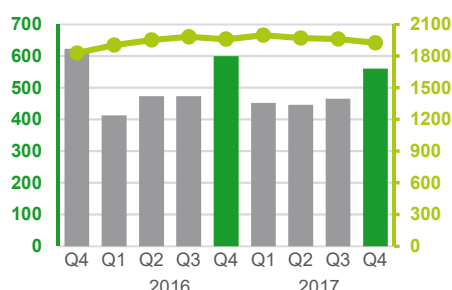
Doro started a journey of change in 2017. Our management team was reinforced, and we launched an updated strategy and financial goals for the coming years at our capital markets day in November. Our focus is on extending our leadership in mobile phones for seniors, expanding our operations in telecare and executing our new concept for consumer-oriented safety services for seniors - SmartCare by Doro - which includes the Doro Connect service.

I expect 2018 to be another eventful year with positive progress for Doro. Our ambition is to advance Doro's positioning in smartphones in 2018. We have established our recently launched Doro 8040 in our markets and new offerings in this segment are underway. Launch of a 4G feature phone in the US & Canada and Europe will be done in the second half-year. We are strengthening our focus on services by bringing a new role into our management team. In the short term, I'm looking forward to our first presentation of SmartCare by Doro at the Mobile World Congress in Barcelona in February, where we will also demonstrate our leadership in mobile phones with new product launches.

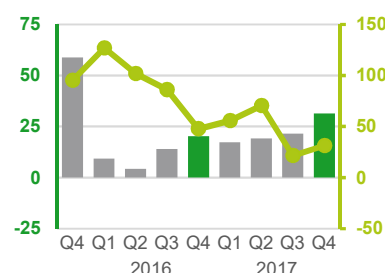
Our expectations for the full year 2018 are sales in the range of SEK 1.9bn – 2.1bn and operating profit (EBIT) in the range of SEK 100m - SEK 140m, excluding potential M&A.

Robert Puskaric, President & CEO

Net sales per quarter and R12m, SEKm



EBIT per quarter and R12m, SEKm



Net sales down by 6.5%

Weak sales in the UK and Nordics, growth in other regions and Care

Smartphone sales made satisfactory progress

Operating margin of 6.1%. Lower gross margin was compensated by lower operating costs

Financial overview group, fourth quarter 2017

Sales

Doro's net sales for the fourth quarter amounted to SEK 560.4m (599.4), a 6.5 percent decrease year on year. Adjusted for currency effects, the decrease was 5.4 percent.

Fourth-quarter order intake was down by 12.5 percent to SEK 500.6m (572.3). The value of the order book was SEK 314.9m (307.8) at the end of the quarter.

Sales in the Nordics were down by 31.4 percent year on year after poor progress at the end of the period.

Sales in the DACH region increased by 14.2 percent, supported by several marketing campaigns, a positive product mix and geographical expansion.

Sales in the EMEA region increased by 1.9 percent, despite the continued embargo on mobile phone imports to Algeria.

Sales in the US/Canada region increased by 1.1 percent, supporting our view that sales in the region have stabilized.

Sales in the UK decreased by 28.3 percent in the fourth quarter. A weak mobile phone market in general, major phone launches from competitors and a successful product launch in Q4 2016 being the main reasons for the outcome.

Sales of smartphones made satisfactory progress in the quarter, representing approximately 24 percent of Doro's total mobile phone sales. Our offering in this category is in continuous enhancement and regeneration, and sales of our new smartphone, the Doro 8040, have started in most of our markets.

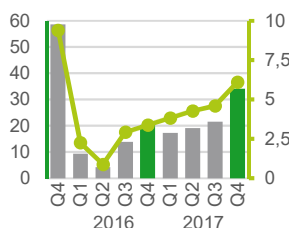
Doro Care increased sales by 17.2 percent in the fourth quarter. Sales were SEK 70.9m (60.5), of which SEK 48.5m (38.8), were recurring revenue.

Earnings

Doro's gross margin decreased on the fourth quarter 2016 and amounted to 39.2 percent (42.1). The decrease year on year is mainly explained by a negative currency effect from the revaluation of forward contracts. All other things equal, depreciation of the USD against the EUR is fundamentally positive for Doro, since a substantial part of our material and component sourcing is made in USD and has a positive impact on our result.

Fourth-quarter EBITDA was up by 17.5 percent to SEK 53.1m (45.2), corresponding to an EBITDA margin of 9.5 percent (7.5). The increased EBITDA was mainly due to lower operating expenses.

EBIT and EBIT margin per quarter, SEKm and %



EBITA improved significantly, to SEK 35.7m (21.4). Amortization of intangible assets from business combinations according to plan was SEK -1.6 m (-1.1) in the quarter, corresponding to an EBIT of SEK 34.1m (20.3) and an EBIT margin of 6.1 percent (3.4). EBIT includes restructuring expenses of SEK 0m (20.6).

Net financial items for the fourth quarter were SEK -0.8m (-4.0) including the revaluation of financial instruments in foreign currencies.

Group tax for the quarter was SEK -10.8m (-4.9).

Profit after tax for the period was SEK 22.5m (11.4).

Cash flow, investments and financial position

Cash flow from operating activities in the fourth quarter was SEK 38.5m (50.2), with the decrease mainly due to an increase in working capital. Free cash flow, after investments but before acquisitions, amounted to SEK 17.8m (31.7).

Cash and cash equivalents were SEK 57.1m at the end of the fourth quarter (61.0). At the same time, the equity/assets ratio was 49.6 percent (40.4).

Net debt declined in the period, amounting to SEK 102.9m at the end of the fourth quarter, which can be compared to SEK 120.6m at the end of the previous, third, quarter, and SEK 149.5m at the end of the fourth quarter 2016.

Dividend

The board will make its proposal on dividend for 2017 at the latest in the notice convening the Annual General Meeting 2018.

Significant events in the period

Magnus Eriksson left Doro and his position as CFO at the end of October.

Carl-Johan Zetterberg Boudrie took up the position as Doro's new CFO on 1 November.

Carl-Johan Rijpma was appointed VP Operations and a member of Group Management at the beginning of October. He took up his position on 1 November.

A capital markets day for investors, financial analysts and the media was held in Stockholm on 14 November, which included presentations of Doro's updated strategy and new financial goals.

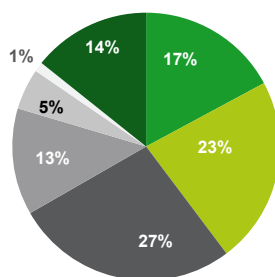
Significant events after the end of the period

In a press release of 18 January, Doro reported its preliminary sales and EBIT for 2017, and net debt at year-end 2017, explained by full-year sales not matching the company's expectations.

Jörgen Alsing has been appointed Vice President and member of Group management with responsibility for the new SmartCare & Services unit.

Annika Björk has been appointed Human Resources Director and member of Group management.

Sales per market, January – December 2017



- Nordic
- Europe, Middle East, Africa
- DACH
- United Kingdom
- USA, Canada
- Other regions
- Care

Sales by market fourth quarter 2017

NET SALES PER MARKET*

Doro group (SEKm)	2017 Oct-Dec	Net sales growth, %	2016 Oct-Dec recalc.	2017 Jan-Dec	2016 Jan-Dec recalc.
Nordics	82.1	-31.4	119.7	332.6	353.1
EMEA	129.9	1.9	127.5	437.0	461.4
DACH (Germany, Austria, Switzerland and Central Europe)	179.5	14.2	157.2	522.4	462.9
UK	72.2	-28.3	100.7	239.9	266.4
US/Canada	28.4	1.1	28.1	96.1	189.8
Other regions	8.7	31.8	6.6	22.6	18.9
Care	70.9	17.2	60.5	276.6	210.1
Central overheads	-11.3		-0.9	-3.2	-3.5
Total	560.4	-6.5	599.4	1,924.0	1,959.1

* Note 1

Nordic

Sales in the Nordics decreased by 31.4 percent compared to the fourth quarter 2016 after a poor finish to the period. Notifications of price increases that lifted sales in Q4 2016 were not repeated in 2017. Launches by leading mobile phone vendors absorbed most of our resellers' purchasing.

DACH (Germany, Austria, Switzerland and Central Europe)

Sales in the DACH region increased by 14.2 percent, supported by a range of campaigns by resellers, a strong product mix supported by Doro 8040 being part of many campaigns, and geographical expansion.

EMEA (Europe, Middle East and Africa)

Sales in the fourth quarter increased by 1.9 percent, despite a continued embargo on mobile phone imports in Algeria. France and Italy contributed to strong sales to operator customers as well as retail.

UK

Sales fell by 28.3 percent in the fourth quarter. Sales into resellers were strong in the comparative quarter, thanks to a successful product launch. A generally weak mobile phone market and launches from competitors resulted in lower purchasing volumes from resellers, although this did result in lower inventory levels at the end of the period.

US/Canada

Sales increased marginally, by 1.1 percent, supporting our view that the regional sales downturn has levelled off. We continue to plan for the next technology generation on the North American market, with the ambition of launching a 4G feature phone in the second half-year 2018.

Care

Care's sales increased by 17.2%, supported by continued positive progress in hardware and service income. Export sales progressed well. Care's total income for the fourth quarter was SEK 70.9m (60.5), of which SEK 48.5m (38.8) was recurring revenue.

At the end of the quarter, the total subscriber base was approximately 126,000, an increase on the end of the fourth quarter 2016, when the subscriber base was some 118,000.

Other regions

Net sales in other regions were SEK 8.7m (6.6).

Central overheads

Income and income adjustments not related to any specific region were SEK -11.3m (-0.9) in the fourth quarter.

Shareholders' equity and the Doro-share

Doro's shares are listed on Nasdaq Stockholm, Small Cap, Telecom/IT list. On December 31, 2017, the number of shares outstanding was 23 755 255. Shareholders' equity amounted to SEK 583.7m (520.0).

Transactions with related parties

No transactions took place between Doro and related parties that had a material impact on the Company's financial position or results during the period.

Employees

Doro had 458 (500) employees as of December 31, 2017, equivalent to 380 (379) full-time employees. Of these, 238 (256) are based in Sweden, 26 (37) in France, 16 (13) in the UK, 9 (9) in Hong Kong, 109 (124) in Norway, 2 (2) in Italy and 58 (59) in Germany.

Risks

Risks and uncertainty factors primarily relate to Doro's ability to continuously develop competitive products, supply disruptions, customer relationships, exchange rate fluctuations, loan finance and the public tendering processes within Doro Care. Apart from these risks and uncertainty factors, which are described in more detail on pages 23 and 24 of the Annual Report, no other material risks were identified in the period.

Parent Company

The Parent Company's net sales for the fourth quarter amounted to SEK 460.4m (431.7). The profit after tax amounted to SEK 24.5m (-22.5).

Accounting principles

This Year-end Report has been prepared on behalf of the Group according to IAS 34, Interim Financial Reporting, and for the Parent Company in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting of legal entities. The accounting principles and calculation methods applied are consistent with those that were applied when drawing up the previous year's accounts.

The evaluation of the potential accounting effect of the new accounting standards IFRS 9 Financial instruments and IFRS 15 Revenue from customer contracts, to be implemented on 1 January 2018, is finished and accounted for in Note 3 below.

Seasonality

Doro's sales are subject to seasonal changes. Sales in the first quarter are normally the weakest in the year. Sales in the second and third quarter are normally sequentially higher than in the first quarter. Sales in the fourth quarter are normally the strongest in the year.

Outlook

Our expectations for 2018 are sales in the range of SEK 1.9bn – 2.1bn and operating profit (EBIT) in the range of SEK 100m – 140m, excluding potential M&A.

**The Q1 2018 report
will be published on
April 27, 2018**

**This report will be
presented via
audiocast on
February 15 at 9:00
CET**

Reporting dates

Q1-report, January-March 2018:	April 27, 2018
Q2-report, January-June 2018:	July 13, 2018
Q3-report, January-September 2018:	October 19, 2018

Annual General Meeting 2018

The Annual General Meeting 2018 will be held in Stockholm on April 27, 2018.

For further information, please contact:

Robert Puskaric, President and CEO, +46 (0)46 280 50 05

Carl-Johan Zetterberg Boudrie, CFO, +46 (0)46 280 50 47

E-mail: ir@doro.com

Doro's report to be presented via audiocast

Analysts, investors and media are welcome to attend a presentation of the Year-end report via <https://edge.media-server.com/m6/p/6htae86j> or by telephone at 9:00 CET on February 15, 2018. Doro's President and CEO Robert Puskaric and CFO Carl-Johan Zetterberg Boudrie will hold the presentation and answer questions. Before the start of the presentation, the presentation material will be available at: <https://corporate.doro.com/investors/reports-and-presentations/presentations/>.

Call-in numbers

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France:	+ 33 (0) 1 7075 0725
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US:	+ 1 855 7532 230

About Doro

Doro develops telecom products and services for Seniors to lead full and rich lives: to do things they want to do more easily as well as the things they thought they might never do. The global market leader in senior mobile phone, Doro offers easy-to-use mobile phones and smart phones, mobile applications, fixed line telephony with loud and clear sound. Within Doro Group, Doro Care offers social care and telecare solutions for elder and disabled persons for independent and safe living in their own homes. Doro AB is a Swedish public company and its shares are quoted on the Nasdaq OMX Stockholm exchange, Nordic List, Small Companies. Net sales of SEK 1 924 million (EUR 200 million) were reported for 2017.

www.doro.com

Financial reports

INCOME STATEMENT

Doro Group (SEKm)

	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
Net sales	560.4	599.4	1 924.0	1 959.1
Own work capitalized and other income	2.4	5.4	34.4	16.0
Operating costs	-509.7	-559.6	-1 802.2	-1 853.7
Operating profit/loss before depreciation and write-downs, EBITDA	53.1	45.2	156.2	121.4
Depreciation according to plan, excl depreciation of intangible assets related to company acquisitions	-17.4	-23.8	-59.0	-66.3
Operating profit/loss after depreciation and write-downs, EBITA	35.7	21.4	97.2	55.1
Depreciation according to plan of intangible assets related to company acquisitions	-1.6	-1.1	-5.2	-7.4
Operating profit/loss after depreciation and write-downs, EBIT	34.1	20.3	92.0	47.7
Net financial items	-0.8	-4.0	-0.3	-8.3
Profit/loss after financial items	33.3	16.3	91.7	39.4
Taxes	-10.8	-4.9	-25.2	-8.4
Profit/loss for the period	22.5	11.4	66.5	31.0
Average number of shares, thousands	23 755	23 238	23 536	23 238
Average number of shares after dilution, thousands*	23 755	23 380	23 591	23 411
Earnings per share, SEK	0.95	0.49	2.83	1.33
Earnings per share after dilution, SEK*	0.95	0.49	2.82	1.32

*) The effect of dilution is considered only when the effect on earnings per share is negative.

STATEMENT OF COMPREHENSIVE INCOME

Doro Group (SEKm)

	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
Profit/loss for the period	22.5	11.4	66.5	31.0
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Translation differences	3.8	-1.3	1.1	4.9
Effects from cash flow hedges	0.5	0.9	-3.1	4.9
Deferred tax	-0.1	-0.2	0.7	-1.1
Total result related to Parent Company's shareholders	26.7	10.8	65.2	39.7

STATEMENT OVER FINANCIAL POSITION

Doro Group (SEKm)

	2017 Dec 31	2016 Dec 31
Non-current assets		
Intangible assets	466.5	464.1
Property, plant, and equipment	19.0	12.9
Financial assets	7.8	7.3
Deferred tax assets	9.5	11.9
Current assets		
Inventories	196.9	217.9
Current receivables	420.5	512.8
Cash and cash equivalents	57.1	61.0
Total assets	1 177.3	1 287.9
Shareholders' equity attributable to Parent company's shareholders	583.7	520.0
Long term liabilities	119.2	197.0
Current liabilities	474.4	570.9
Total shareholders' equity and liabilities	1 177.3	1 287.9

Financial instruments recognized at fair value in the Balance sheet, SEKm

	2017 31 dec	2016 31 dec
Exchange rate contracts recorded as current liability	8.1	3.2
Exchange rate contracts recorded as current receivable	4.0	12.4

Financial instruments recognized at fair value consist of currency forward contracts and are used primarily for hedging purposes and are measured at level 2.

STATEMENT OF CASH FLOWS

Doro Group (SEKm)

	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
Operating profit/loss after depreciation and write-downs, EBIT	34.1	20.3	92.0	47.7
Depreciation according to plan	19.0	24.9	64.2	73.7
Net paid financial items	-1.2	-4.1	-5.0	-8.3
Unrealized exchange differences in cash flow	-2.7	-4.9	9.9	-0.6
Taxes paid	1.4	0.5	-10.9	-26.3
Changes in working capital (including changes in provisions)	-12.1	13.5	-30.7	-24.5
Cash flow from current activities	38.5	50.2	119.5	61.7
Investments in intangible and tangible fixed assets	-20.7	-18.5	-70.2	-67.4
Total free cash flow before acquisitions	17.8	31.7	49.3	-5.7
Acquisitions	0.0	-1.1	0.0	-29.0
Cash flow from investing activities	-20.7	-19.6	-70.2	-96.4
Amortization of debt	-25.0	-20.2	-75.5	-79.8
New loans/changes in bank overdraft facility	0.0	29.2	25.0	129.8
Dividend	0.0	0.0	-23.2	0.0
New share issue	0.0	0.0	21.7	0.0
Warrant program, new/buy back	0.0	-0.9	-1.2	-0.6
Cash flow from financing activities	-25.0	8.1	-53.2	49.4
Exchange differences in cash and cash equivalents	-0.1	-0.5	0.0	2.4
Change in cash and cash equivalents	-7.3	38.2	-3.9	17.1
Net debt	102.9	149.5	102.9	149.5

STATEMENT OF CHANGES IN EQUITY

Doro Group (SEKm)

	2017 Dec 31	2016 Dec 31
Opening balance	520.0	482.0
Total result related to Parent company shareholders	65.2	39.7
Dividend	-23.2	0.0
Warrants	0.0	-1.8
New share issue	21.7	0.0
Closing balance	583.7	520.0

OTHER KEY FIGURES

Doro Group

	2017 Dec 31	2016 Dec 31
Orderbook at the end of period, SEKm	314.9	307.8
Order intake in quarter, SEKm	500.6	572.3
Gross margin, %	38.6	38.5
Gross margin in the quarter, %	39.2	42.1
Equity/assets ratio, %	49.6	40.4
Number of shares at the end of the period, thousands	23 755	23 238
Number of shares at the end of the period after dilution, thousands*	23 755	23 357
Equity per share, SEK	24.57	22.38
Equity per share after dilution, SEK*	24.57	22.26
Return on average shareholders' equity, %	12.1	6.2
Return on average capital employed, %	13.5	6.8
Share price at period's end, SEK	43.70	53.00
Market value, SEKm	1 038.1	1 231.6

*) The effect of dilution is considered only when the effect on earnings per share is negative.

SALES PER MARKET*)

Doro Group (SEKm)

	2017 Oct-Dec	2016 Oct-Dec (recalc- ulated)	2017 Jan-Dec	2016 Jan-Dec (recalc- ulated)
Nordic	82.1	119.7	332.6	353.1
Europe, Middle East and Africa	129.9	127.5	437.0	461.4
DACH (Germany, Austria, Switzerland and Central Europe)	179.5	157.2	522.4	462.9
United Kingdom	72.2	100.7	239.9	266.4
US and Canada	28.4	28.1	96.1	189.8
Other regions	8.7	6.6	22.6	18.9
Care	70.9	60.5	276.6	210.1
Central overhead	-11.3	-0.9	-3.2	-3.5
Total	560.4	599.4	1 924.0	1 959.1

*) Note 1

STATEMENT OF INCOME

Parent company (SEKm)

	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
Net sales	460.4	431.7	1 531.8	1 439.5
Own work capitalized and other income	1.7	0.4	24.1	5.7
Operating costs	-410.2	-438.9	-1 444.7	-1 384.6
Operating profit/loss before depreciation and write-downs, EBITDA	51.9	-6.8	111.2	60.6
Depreciation	-20.5	-18.5	-65.1	-58.2
Operating profit/loss after depreciation and write-downs, EBIT	31.4	-25.3	46.1	2.4
Net financial items	0.8	-2.9	2.4	-3.7
Profit/loss after financial items	32.2	-28.2	48.5	-1.3
Group contribution	1.4	0.0	1.4	0.0
Taxes	-9.1	5.7	-13.1	-0.2
Profit/loss for the period	24.5	-22.5	36.8	-1.5

STATEMENT OF COMPREHENSIVE INCOME

Parent company (SEKm)

	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
Profit/loss for the period	24.5	-22.5	36.8	-1.5
Other comprehensive income to be reclassified to profit or loss				
Effects from cash flow hedges	0.5	0.9	-3.1	4.9
Deferred tax	-0.1	-0.2	0.7	-1.1
Total result related to Parent company shareholders	24.9	-21.8	34.4	2.3

STATEMENT OF FINANCIAL POSITION

Parent company (SEKm)

	2017 Dec 31	2016 Dec 31
Non-current assets		
Intangible assets	282.9	52.0
Property, plant, and equipment	14.0	0.8
Financial assets	119.6	347.5
Current assets		
Inventories	139.3	130.5
Current receivables	521.0	574.1
Cash and cash equivalents	41.5	43.4
Total assets	1 118.3	1 148.3
Shareholders' equity	411.3	373.2
Provisions	58.6	74.9
Long term liabilities	100.0	160.0
Current liabilities	548.4	540.2
Total shareholders' equity and liabilities	1 118.3	1 148.3

Notes

Note 1 – Sales per market

Effective 1 January 2017, Doro altered the definition of its markets, so reporting is consistent with how sales are organised. This means sales are divided into geographical regions, with Doro Care as a separate region. The comparative figures for 2016 have been restated to comply with this new reporting method.

Sales per market

Doro Group (SEKm)

	2016 Jan-Mar recalc.	2016 Apr-Jun recalc.	2016 Jul-Sep recalc.	2016 Oct-Dec recalc.	2016 Full year recalc.
Nordic	57.9	88.3	87.2	119.7	353.1
Europe, Middle East, and Africa	106.8	102.7	124.4	127.5	461.4
DACH (Germany, Austria, and Central Europe)	86.6	97.7	121.4	157.2	462.9
United Kingdom	60.7	49.6	55.4	100.7	266.4
US and Canada	53.9	74.9	32.8	28.2	189.8
Other regions	6.3	1.5	4.5	6.6	18.9
Care	39.4	59.6	50.6	60.5	210.1
Central overhead	1.4	-0.8	-3.1	-1.0	-3.5
Total	413.0	473.5	473.2	599.4	1 959.1

Note 2 – Recurring revenue

Effective 1 January 2017, Doro reports the period's recurring revenue. Earlier, Doro reported forward looking 12 months recurring revenue on current subscriptions. The comparative figures for 2016 have been restated to comply with this new reporting method.

Recurring revenue

Doro Group (SEKm)

	2016 Jan-Mar recalc.	2016 Apr-Jun recalc.	2016 Jul-Sep recalc.	2016 Oct-Dec recalc.	2016 Full year recalc.
Recurring revenue	17.2	33.3	35.4	38.8	124.7

Note 3 – Implementation of new accounting standards IFRS 9 Financial Instruments and IFRS 15 Revenue

IFRS 9, Financial Instruments, replaces the existing guidance in IAS 39 Financial Instruments, Recognition and Measurement. IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The standard must be applied for financial years commencing on or after 1 January 2018. The Group has reviewed its financial assets and liabilities and assessed the potential impact on its consolidated financial statements resulting from the application of IFRS 9. Based on the assessments performed Doro concluded that its current hedge relationships qualify as continuing hedges upon the adoption of IFRS 9 and has updated its hedge documentation in accordance with IFRS 9. Also, in other areas IFRS 9 does not have a material impact on Doro's consolidated financial statements. The Group will adopt the standard from 1 January 2018 and the cumulative impact of the adoption, which is not expected to be material, will be recognised in retained earnings as of 1 January 2018.

IFRS 15, Revenue from contracts with customers, establishes a comprehensive framework for determining whether, how much and when revenue is recognised. This standard replaces IAS 18 covering contracts for goods and services, IAS 11 covering construction contracts and IFRIC 13 covering Customer Loyalty Programmes. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard is mandatory for financial years commencing on or after 1 January 2018. Doro carried out an analysis and impact assessment during the past financial year. Based on a detailed analysis of contracts, Doro identified a need to adjust the allocation of sales prices between different performance obligations included in the package deals Doro Care provides. The changed allocation model has no significant impacts on Doro's consolidated financial statements. The Group will adopt the standard from 1 January 2018 and the cumulative impact of the adoption, which is not expected to be material, will be recognised in retained earnings as of 1 January 2018.

Definitions

Gross Margin	Net sales - Merchandise costs
Gross Margin, %	Gross Margin in percentage of Net sales
Average number of shares	Number of shares at the end of each period divided with number of periods.
Average number of shares after dilution	Average number of shares adjusted with the dilution effect from warrants is calculated as the difference between the assumed number of shares issued at the exercise price and the assumed number of shares issued at average market price for the period.
Earnings per share	Profit/loss after financial items minus tax divided by average number of shares for the period.
Earnings per share, after dilution	Profit/loss after financial items minus tax divided by the average number of shares for the period after dilution.
Number of shares at the end of the period	Actual number of shares at the end of the period.
Number of shares at the end of the period, after dilution	The number of shares at the end of the period adjusted with the dilution effect from warrants is calculated as the difference between assumed number of shares issued at the exercise price and the assumed number of shares issued at the closing market price at the end of the period.
Equity per share	Shareholders' equity at the end of the period divided by the number of shares at the end of the period.
Equity per share, after dilution	Shareholders' equity at the end of the period divided by the number of shares at the end of the period, after dilution.
Equity/assets ratio, %	Shareholders' equity as a percentage of the balance sheet total.
Return on average shareholders' equity, %	Profit/Loss rolling twelve months after financial items and tax divided by average shareholders' equity.
Capital employed	Total assets reduced with non-interest-bearing debt and cash and bank balances.
Return on average capital employed, %	Operating profit/loss rolling twelve months, divided by the quarterly average capital employed excluding cash and bank balances.
Share price at period's end	Closing market price at the end of the period.
Market value, SEK m	Share price at period's end times the number of shares at the end of the period.

Use of non-IFRS performance measures

Guidelines on Alternative Performance Measures (APMs) for companies with securities listed on a regulated market within the European Union have been issued by ESMA (the European Securities and Markets Authority). These guidelines apply to APMs disclosed when publishing regulated information on or after July 3, 2016. Reference is made in the interim report to a number of non-IFRS performance measures that are used to help investors as well as management analyse the company's operations. Described below are the non-IFRS performance measures that are used as a complement to the financial information that is reported in accordance with IFRS.

Description of financial measures that are not used in IFRS

Non-IFRS performance measure	Description	Reason for use of the measure
Restructuring costs	Costs for impairment together with personnel costs in connection to restructuring.	This measure shows the specific costs that have arisen in connection to restructuring of a specific operation, which contributes to a better understanding of the underlying cost level in the continuing operations.
Gross margin %	Net Sales minus Merchandise costs in percentage of Net Sales.	Gross Margin is an important measure for showing the margin before Personnel expenses and Other external expenses.
Sales growth comparable entities %	Net Sales for the period minus Net Sales for entities acquired during the year minus Net Sales for the corresponding period last year in percentage of Net Sales for the corresponding period last year.	Sales growth for comparable entities shows the Group's organic growth excluding acquired businesses.
Currency adjusted sales growth %	Net Sales for the period recalculated using last year's currency exchange rates minus Net Sales for the corresponding period last year in percentage of Net Sales for the corresponding period last year.	The measure shows the Sales growth excluding the effect of changes in currency exchange rates between the years.
Equity/assets ratio	Equity expressed as a percentage of total assets.	A traditional measure for showing financial risk, expressing the amount of total assets that is financed by the owners.
Return on shareholders' equity	Profit/Loss rolling twelve months after financial items and tax divided by average shareholders' equity.	Shows from a shareholder perspective the return that is generated on the owners' capital that is invested in the company.
Capital employed	Total assets reduced with non-interest-bearing debt and cash and bank balances.	This measure shows the amount of total capital that is used in the operations and is thus one component for measuring the return from operations.
Return on average capital employed	Operating profit/loss rolling twelve months, divided by the quarterly average capital employed excluding cash and bank balances.	This is the central ratio for measuring the return on the capital tied up in operations.
Recurring revenue	Net Sales during the quarter from existing recurring agreements.	The measure shows revenues during the quarter from recurring agreements.
Number of subscribers	Number of subscribers connected to the alarm receiving centre.	The measure shows the volume of customers in the alarm receiving centre.

Calculation of financial performance measures that are not defined in IFRS

	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
Currency adjusted sales growth (SEKm)				
Currency adjusted sales growth	-32.4	-25.5		
Currency effect	-6.6	2.3		
Reported sales growth	-39.0	-23.2		
Capital employed				
Total assets			1 177.3	1 287.8
-Non interest-bearing liabilities			428.6	533.5
-Cash and bank			57.1	61.0
Reported capital employed			691.6	693.3

Board assurance

The Board of Directors and the CEO confirm that this year-end report provides a fair overview of the Company's and Group's business position and results and describes the significant risks and uncertainties faced by the Company and its subsidiaries.

This year-end report has not been reviewed by the Company's auditors.

Lund, Sweden, February 15, 2018

Johan Andsjö
Chairman of the Board

Henri Österlund
Vice chairman of the Board

Lena Hofsberger
Board member

Karin Moberg
Board member

Jonas Mårtensson
Board member

Robert Puskaric
President & CEO

This information is information that Doro AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above on page 7, at 08:00 CET on February 15, 2018.

