

-7.2%

Net sales

5.9%

EBIT margin

Improved earnings and increased margins despite lower sales**January – March 2018**

- Net sales amounted to SEK 419.6m (452.3), a decrease of 7.2 percent.
- Net sales for the category Products were SEK 366.8m (405.2), down by 9.5 percent. Net sales for the category Services were SEK 52.7m (47.1), an 11.9 percent increase.
- The gross margin increased to 33.8 percent (29.3). The gross margin for Products increased to 32.2 percent (28.6), and for Services, the gross margin increased to 44.5 percent (36.2).
- Earnings before interest and taxes (EBIT) was SEK 24.9m (17.3), corresponding to an operating margin of 5.9 percent (3.8).
- Profit after tax for the period was SEK 18.6m (13.0).
- Earnings per share were SEK 0.78 (0.56).
- Free cash flow before acquisitions amounted to SEK 32.2m (26.5).

Outlook

Unchanged outlook: our expectation for 2018 is sales in the range of SEK 1.9bn - 2.1bn and EBIT in the range of SEK 100m - 140m, excluding potential acquisitions.

DORO GROUP (SEKm)	2018 Jan-Mar	2017 Jan-Mar	2017 Jan-Dec
Net sales	419.6	452.3	1,924.0
Sales growth, %	-7.2	9.5	-1.8
EBITDA	38.5	31.3	156.2
EBITDA margin, %	9.2	6.9	8.1
EBITA	26.0	18.5	97.2
EBITA margin, %	6.2	4.1	5.1
EBIT	24.9	17.3	92.0
EBIT margin, %	5.9	3.8	4.8
Profit after tax	18.6	13.0	66.5
Earnings per share	0.78	0.56	2.83
Equity/assets ratio, %	54.8	47.0	49.6



Sales decreased by 7.2%

Services revenue up 11.9%, Product revenue down 9.5%

Currency effects and increased efficiency in Services helped improve earnings and margins

Unchanged outlook for the full year 2018

CEO's comment

Doro's sales were down by a total of 7.2 percent in the first quarter compared to the corresponding period of 2017. Sales in our category Products decreased by 9.5 percent due to a continuously challenging market for mobile phones. Sales in the Nordics and Central and Eastern Europe were down, while in other regions, sales were either stable or increased, despite a declining market. Sales in our category Services were up by 11.9 percent thanks to the positive progress of our subscription-based operation in Doro Care. Doro Care's contract with Oslo Municipality was expanded to cover all social alarm services for the municipality. We benefited from positive currency effects in Products which, combined with increased margin in Services, helped generate significantly higher earnings and improved margins in the quarter, despite lower sales.

Overall performance on our largest mobile phone market, Western Europe, has been negative for an extended period. This applies especially to the feature phones category, where we generate a significant share of sales. We are also encountering more competition in this category. To address the challenging market, we are working to increase our market shares, mainly in Southern and Eastern Europe, and strengthened our sales organization in Southern Europe in the quarter. We are also driving sales of our new products in established channels.

We launched two new mobile phones at the Mobile World Congress in February, the Doro 8035 (smartphone) and Doro 7060 (4G feature phone). During the quarter, our mobile phones received several awards, with the Doro 8040 recognized as the Best Senior Phone in Italy by *Cellulare Magazine*. The Doro 8040 also received the Red Dot Award 2018 for Best Product Design. Overall, this confirms that we have an offering that is relevant to our primary consumer segment—seniors.

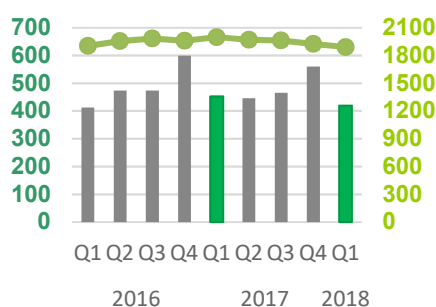
After improving efficiency in our service delivery, which generated an improved gross margin for services, we are now focusing on reducing our cost base in areas such as procurement, logistics and administration. We have initiated significant consolidation of our warehouse units which, in addition to direct savings, will lower transportation costs, and are rationalizing our administrative functions.

Apart from mobile phone launches, we announced and demonstrated our new SmartCare by Doro service concept at the Mobile World Congress, which attracted substantial media attention in most European countries where we operate. SmartCare by Doro is part of our realigned strategy of delivering fully integrated solutions that provide seniors and their relatives with safety services. Development of the concept is going as planned, with the first service launches scheduled for the end of this year. We now have a dedicated Group function in place to drive service development and the critical integration with Doro mobile phones going forward.

With the first-quarter results in hand, we reiterate our expectations for the full year 2018 of sales in the range of SEK 1.9bn-2.1bn and EBIT in the range of SEK 100m-140m, excluding potential acquisitions.

Robert Puskaric, President & CEO

Net sales per quarter and R12m, SEKm



EBIT per quarter and R12m, SEKm



Net sales down by 7.2%

Smartphone sales stable

Weak sales in the Nordics and Central and Eastern Europe

Positive currency effects in products

Gross margin expands to 33.8%, and EBIT margin to 5.9%

Financial overview group, first quarter 2018

Sales

Doro's net sales for the first quarter amounted to SEK 419.6m (452.3), a 7.2 percent decrease compared to the first quarter 2017. Adjusted for currency effects, the downturn was 7.9 percent.

First-quarter order intake was down by 6.0 percent to SEK 399.2m (424.6). The value of the order book was SEK 294.6m (282.4) at the end of the quarter.

Sales in category Products were down by 9.5 percent, while sales in category Services increased by 11.9 percent compared to the first quarter 2017.

Sales of smartphones were stable in the quarter, comprising some 22 percent of total mobile phone sales. We enhanced our offering in this category further in the period, launching the new Doro 8035 smartphone.

Sales in the Nordics were down by 11.1 percent compared to the first quarter 2017. In the West and South Europe and Africa region, sales were up by 1.4 percent. In Central and Eastern Europe, sales decreased by 14.4 percent. Sales in the United Kingdom and Ireland increased by 7.0 percent, while sales in North America were up by 44.9 percent.

Earnings

Doro's gross margin increased compared to the first quarter 2017 and amounted to 33.8 percent (29.3). The increase versus the previous year is mainly because the USD depreciated against the EUR and GBP. The remainder of the margin expansion is due to increased profitability in category Services.

First-quarter EBITDA was up by 23.0 percent to SEK 38.5m (31.3), corresponding to an EBITDA margin of 9.2 percent (6.9). The increased EBITDA was mainly due to an increased gross margin.

EBITA improved to SEK 26.0m (18.5). Amortization of intangible assets from business combinations according to plan was SEK -1.1 m (-1.2) in the quarter, corresponding to an EBIT of SEK 24.9m (17.3) and an EBIT margin of 5.9 percent (3.8).

Net financial items for the first quarter were SEK 0.2m (0.4) including the revaluation of financial instruments in foreign currencies.

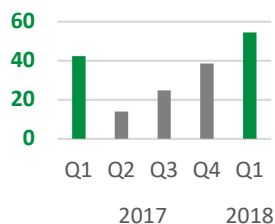
Group tax for the quarter was SEK -6.5m (-4.7).

Profit after tax for the period was SEK 18.6m (13.0).

EBIT and EBIT margin per quarter, SEKm and %



Cash flow from operating activities, SEKm



Cash flow, investments and financial position

Cash flow from operating activities in the first quarter was SEK 54.5m (42.3), with the increase mainly due to higher EBIT and a decrease in working capital in the period. Free cash flow, after investments but before acquisitions, amounted to SEK 32.2m (26.5).

Cash and cash equivalents were SEK 28.9m at the end of the first quarter (35.7). The equity/assets ratio was 54.8 percent (47.0) at the end of the period.

Net debt amounted to SEK 81.1m at the end of the first quarter, which can be compared to SEK 102.9m at the end of the previous quarter, and SEK 124.3m at the end of the first quarter 2017.

Significant events in the period

Effective January 1, 2018, Doro has altered the definition of its geographical market regions. In tandem with this change, Doro Care, which was previously reported as an independent region, is included in each region's net sales. Separate reporting of sales and gross margins in the Products and Services categories was introduced effective the same date.

Comparative figures for 2017 have been restated to comply with this new reporting method.

Jörgen Alsing became Vice President, and joined Group Management, heading up the new SmartCare & Services function.

Annika Björk became Human Resources Director and joined Group Management.

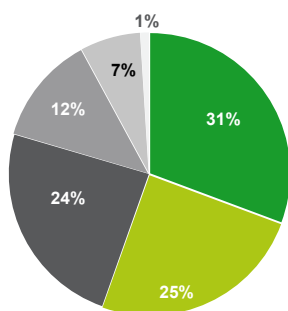
On February 16, 2018, Doro initiated a buyback program of shares for a total of up to SEK 25m. At the end of the quarter, shares corresponding to a value of SEK 12.6m had been repurchased.

Doro Care was awarded an agreement with Oslo municipality to deliver social alarm services to five districts in the municipality.

Significant events after the end of the period

Doro published its Annual Report for 2017 on April 6, 2018.

Sales by market, R12, April 2017 - March 2018



■ Nordics

■ West and South Europe and Africa

■ Central and Eastern Europe

■ United Kingdom and Ireland

■ North America

■ Rest of the World

Net sales by market, first quarter 2018

NET SALES BY MARKET*

Doro group (SEKm)

	2018 Jan-Mar	Sales growth, %	2017 Jan-Mar restated	2017 Jan-Dec restated
Nordics	130.2	-11.1	146.5	556.2
West and South Europe and Africa	105.1	1.4	103.6	444.0
Central and Eastern Europe	102.4	-14.4	119.6	557.0
United Kingdom and Ireland	53.2	7.0	49.7	250.2
North America	32.6	44.9	22.5	96.1
Rest of world	2.1	-62.5	5.6	23.7
Other	-6.0		4.8	-3.2
Total	419.6	-7.2	452.3	1,924.0

* Note 1

Nordics

Sales in the Nordics decreased by 11.1 percent compared to the first quarter 2017. The combination of a general downturn on the Nordic mobile phone market and high customer inventory levels impeded progress. This was partly offset by continued growth of sales in category Services.

West and South Europe and Africa

Sales increased by 1.4 percent in the West and South Europe and Africa region, supported by positive progress in Western Europe, where good smartphone sales were a contributor. The Doro 8040 was recognized as the best senior phone in Italy by trade journal *Cellulare Magazine*. A continued embargo on imports of mobile phones in Algeria reduced sales in Africa compared to the first quarter of the previous year.

Central and Eastern Europe

Sales decreased by 14.4 percent in the first quarter, mainly due to customers having high inventories after poor sales to consumer in the previous quarter. The regional feature phone market contracted compared to the corresponding period of the previous year.

UK and Ireland

Sales increased by 7.0 percent in the first quarter. Doro increased its share of what remains a challenging mobile phone market, which contracted significantly compared to the first quarter 2017.

North America

Sales increased by 44.9 percent mainly because of a weak comparative quarter. Our view is that sales levels in North America have stabilized. Preparations for the launch of a 4G feature phone in the region in the second half of 2018 are continuing as planned.

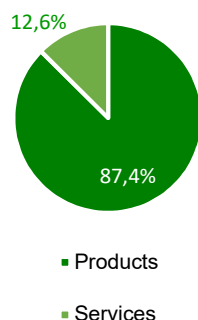
Rest of world

Net sales in the Rest of World region were SEK 2.1m (5.6).

Other

Income and income adjustments not connected to any specific region amounted to SEK -6.0m (4.8) in the first quarter.

Sales by category, January-March 2018



Net sales and gross margin by category, first quarter 2018

NET SALES BY CATEGORY*

Doro group (SEKm)	2018 Jan-Mar	Sales growth %	2017 Jan-Mar restated	2017 Jan-Dec restated
Products	366.8	-9.5	405.2	1,731.3
Gross margin	32.2%		28.6%	29.0%
Services	52.7	11.9	47.1	192.7
Gross margin	44.5%		36.2%	41.7%
Total	419.6	-7.2	452.3	1,924.0
Gross margin	33.8%		29.3%	30.3%

* Note 2

Products

Sales in the Product category decreased by 9.5 percent compared to the first quarter 2017, mainly because of lower mobile phone sales, due to poor market progress in the Nordics, as well as Central and Eastern Europe.

The gross margin for this category increased to 32.2 percent (28.6), most of which was due to positive currency effects, mainly from depreciation of the USD against the EUR and GBP.

Services

Sales in the Services category increased by 11.9 percent, mainly because of expansion of Doro Care's subscriber base to about 126,000 (123,000) and higher average revenue per subscription. In the first quarter, Doro Care was awarded an expansion of the agreement with Oslo Municipality, adding approximately 3,500 subscriptions from end of April 2018. With the expansion, Doro Care will be responsible for handling all social alarm receiving services for Oslo Municipality. The gross margin for this category improved to 44.5 percent (36.2), mainly due to higher profitability in the service delivery within Doro Care.

Shareholders' equity and the Doro share

Doro's shares are listed on Nasdaq Stockholm, Small Cap, Telecom/IT list. On March 31, 2018, the number of shares outstanding was 23 755 255. Shareholders' equity amounted to SEK 601.7m (530.9).

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 431 (486) employees as of March 31, 2018, equivalent to 360 (375) full-time employees. Of these, 319 (376) are based in the Nordics, 59 (53) in Central and Eastern Europe, 28 (33) in West and South Europe and Africa, 16 (15) in the United Kingdom and Ireland and 9 (9) in the Rest of the World.

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 35 and 36 of the Annual Report, no other material risks were identified in the period.

Parent Company

The Parent Company's net sales for the first quarter amounted to SEK 332.7m (309.3). The profit after tax amounted to SEK 15,6m (4,8).

Accounting principles

This interim 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, except that the Group applies IFRS 9, Financial instruments, and IFRS 15, Revenue from customer contracts, effective January 1, 2018. There are no material effects on the financial reports from the transit.

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 Q2 2018 report will be published on July 13, 2018.

This report will be presented via audiocast on April 27, at 09:00 CET.

Reporting dates

Q2-report, January-June 2018:	July 13, 2018
Q3-report, January-September 2018:	October 19, 2018
Q4-report, January-December 2018:	February 14, 2019

Annual General Meeting 2018

The Annual General Meeting will be held in Stockholm on April 27, 2018, at 14:00 CET.

For further information, please contact:

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Doro's report to be presented via audiocast

Analysts, investors and media are welcome to attend a presentation of the interim report via <https://edge.media-server.com/m6/p/6da6bh6w> or by telephone at 09:00 CET on April 27, 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
UK:	+ 44 (0) 203 364 5374
US:	+ 1 855 7532 230

Om Doro

Doro is a Swedish company that empowers seniors to live richer everyday lives. In addition to being the global market leader in senior mobile phones, Doro offers a wide array of products, services and smart care solutions tailored to meet the specific needs of seniors. These include services and solutions for connecting generations and providing greater peace of mind for relatives and friends. Furthermore, the Doro Care division offers social care and telecare solutions that enable elderly and disabled persons to continue living safely at home with the dignity and security they deserve.

Doro AB is a publicly traded company listed on the Nasdaq OMX Stockholm exchange, Nordic List, Small Companies. Doro reported net sales of SEK 1,924 million (EUR 200 million) for 2017. www.doro.com

Financial reports

INCOME STATEMENT

Doro Group (SEKm)

	Note	3	2018 Jan-Mar	2017 Jan-Mar	2017 Jan-Dec
Net sales			419.6	452.3	1,924.0
Cost of goods and services sold			-278.0	-319.5	-1,341.9
Gross profit			141.6	132.8	582.1
Selling, distribution and marketing expenses			-60.7	-60.5	-277.4
Research and development expenses			-23.0	-26.2	-103.0
Administrative expenses			-34.0	-32.1	-116.6
Other income and expense			1.0	3.3	6.9
Total operating expenses			-116.7	-115.5	-490.1
whereof depreciation and amortisation of intangible and tangible fixed assets			-13.6	-14.0	-64.2
Operating profit/loss before depreciation and amortisation (EBITDA)			38.5	31.3	156.2
Operating profit/loss after depreciation and amortisation (EBIT)			24.9	17.3	92.0
Net financial items			0.2	0.4	-0.3
Profit/loss before taxes			25.1	17.7	91.7
Taxes			-6.5	-4.7	-25.2
Profit/loss for the period			18.6	13.0	66.5
Average number of shares, thousands			23 755	23 238	23 536
Average number of shares after dilution, thousands*			23 755	23 510	23 591
Earnings per share, SEK			0.78	0.56	2.83
Earnings per share after dilution, SEK*			0.78	0.56	2.82

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

STATEMENT OF COMPREHENSIVE INCOME

Doro Group (SEKm)

		2018 Jan-Mar	2017 Jan-Mar	2017 Jan-Dec
Profit/loss for the period		18.6	13.0	66.5
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Translation differences		12.2	-0.5	1.1
Effects from cash flow hedges		-0.3	-2.1	-3.1
Deferred tax		0.1	0.5	0.7
Total result related to Parent Company's shareholders		30.6	10.9	65.2

STATEMENT OF FINANCIAL POSITION

Doro Group (SEKm)

	2018 Mar 31	2017 Mar 31	2017 Dec 31
Non-current assets			
Intangible assets	481.7	463.6	466.5
Property, plant and equipment	21.3	15.0	19.0
Financial assets	9.1	7.0	7.8
Deferred tax assets	9.7	13.0	9.5
Current assets			
Inventories	215.1	231.6	196.9
Current receivables	331.5	362.8	420.5
Cash and cash equivalents	28.9	35.7	57.1
Total assets	1,097.3	1,128.7	1,177.3
Shareholders' equity attributable to Parent company shareholders	601.7	530.9	583.7
Long term liabilities	62.8	149.8	119.2
Current liabilities	432.8	448.0	474.4
Total shareholders' equity and liabilities	1,097.3	1,128.7	1,177.3

Financial instruments recognized at fair value in the Balance Sheet (SEKm)

	2018 Mar 31	2017 Mar 31	2017 Dec 31
Exchange rate contracts recorded as current liability	7.8	2.6	8.1
Exchange rate contracts recorded as current receivable	3.9	4.2	4.0

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)

	2018 Jan-Mar	2017 Jan-Mar	2017 Jan-Dec
Operating profit/loss after depreciation and write-downs, EBIT	24.9	17.3	92.0
Depreciation according to plan	13.6	14.0	64.2
Net paid financial items	-1.0	-1.1	-5.0
Unrealized exchange rate differences in cash flow hedges	-0.5	5.4	9.9
Taxes paid	-1.3	-7.0	-10.9
Changes in working capital (including changes in provisions)	18.8	13.7	-30.7
Cash flow from current activities	54.5	42.3	119.5
Investments in intangible and tangible fixed assets	-22.3	-15.8	-70.2
Total free cash flow before acquisitions	32.2	26.5	49.3
Acquisitions	0.0	0.0	0.0
Cash flow from investment activities	-22.3	-15.8	-70.2
Amortization of debt	-50.0	-50.5	-75.5
New loans/changes in bank overdraft facility	0.0	0.0	25.0
Dividend/buy-back of shares	-12.6	0.0	-23.2
New share issue	0.0	0.0	21.7
Warrant program, new/buy-back	0.0	-1.2	-1.2
Cash flow from financing activities	-62.6	-51.7	-53.2
Exchange rate differences in cash and cash equivalents	2.2	-0.1	0.0
Change in cash and cash equivalents	-28.2	-25.3	-3.9
Net debt	81.1	124.3	102.9

STATEMENT OF CHANGES IN EQUITY

Doro Group (SEKm)

	2018 Mar 31	2017 Mar 31	2017 Dec 31
Opening balance	583.7	520.0	520.0
Total result related to Parent company's shareholders	30.6	10.9	65.2
Dividend/buy-back of shares	-12.6	0.0	-23.2
New share issue	0.0	0.0	21.7
Closing balance	601.7	530.9	583.7

OTHER KEY FIGURES

Doro Group

	2018 Mar 31	2017 Mar 31	2017 Dec 31
Order book end of period (SEKm)	294.6	282.4	314.9
Order intake in quarter (SEKm)	399.2	424.6	500.6
Gross margin, %	33.8	29.3	30.3
EBITA (SEKm)	26.0	18.5	97.2
Equity/assets ratio, %	54.8	47.0	49.6
Number of shares end of period, thousands	23 755	23 238	23 755
Number of shares end of period after dilution, thousands*	23 755	23 363	23 755
Shareholders' equity per share, SEK	25.33	22.85	24.57
Shareholders' equity per share after dilution, SEK*	25.33	22.72	24.57
Return on average shareholders' equity, %	12.7	7.5	12.1
Return on average capital employed, %	14.6	7.9	13.5
Share price at period's end, SEK	43.55	53.75	43.70
Market value (SEKm)	1,034.5	1,249.1	1,038.1

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

NET SALES PER MARKET*)

Doro Group (SEKm)

	2018 Jan-Mar	2017 Jan-Mar recalc	2017 Jan-Dec recalc
Nordics	130.2	146.5	556.2
West and South Europe and Africa (WSEA)	105.1	103.6	444.0
Central and Eastern Europe (CEE)	102.4	119.6	557.0
United Kingdom and Ireland	53.2	49.7	250.2
North America	32.6	22.5	96.1
Rest of the World	2.1	5.6	23.7
Other	-6.0	4.8	-3.2
Total	419.6	452.3	1,924.0

*) Note 1

NET SALES PER CATEGORY*)

Doro Group (SEKm)

	2018 Jan-Mar	2017 Jan-Mar	2017 Jan-Dec
Products	366.8	405.2	1,731.3
Gross margin, %	32.2	28.6	29.0
Services	52.7	47.1	192.7
Gross margin, %	44.5	36.2	41.7
Total	419.6	452.3	1,924.0
Gross margin, %	33.8	29.3	30.3

*) Note 2

INCOME STATEMENT

Parent company (SEKm)

	2018 Jan-Mar	2017 Jan-Mar	2017 Jan-Dec
Net sales	332.7	309.3	1,531.8
Cost of goods and services sold	-214.2	-225.7	-1,070.3
Gross profit	118.5	83.6	461.5
Operating expenses	-99.1	-79.0	-415.4
Operating profit/loss (EBIT)	19.4	4.6	46.1
Net financial items	1.4	1.5	2.4
Profit/loss after financial items	20.8	6.1	48.5
Group contribution	0.0	0.0	1.4
Taxes	-5.2	-1.3	-13.1
Profit/loss for the period	15.6	4.8	36.8

STATEMENT OF COMPREHENSIVE INCOME

Parent company (SEKm)

	2018 Jan-Mar	2017 Jan-Mar	2017 Jan-Dec
Profit/loss for the period	15.6	4.8	36.8
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Effects from cash flow hedges	-0.3	-2.1	-3.1
Deferred tax	0.1	0.5	0.7
Total result related to Parent company's shareholders	15.4	3.2	34.4

STATEMENT OF FINANCIAL POSITION

Parent company (SEKm)

	2018 Mar 31	2017 Mar 31	2017 Dec 31
Non-current assets			
Intangible assets	287.6	54.0	282.9
Property, plant and equipment	15.7	0.8	14.0
Financial assets	119.6	348.0	119.6
Current assets			
Inventories	161.5	142.5	139.3
Current receivables	459.3	468.6	521.0
Cash and cash equivalents	7.5	18.2	41.5
Total assets	1,051.2	1,032.1	1,118.3
Shareholders' equity attributable to Parent company's shareholders	414.2	376.4	411.3
Provisions	44.4	74.1	58.6
Long term liabilities	50.0	110.0	100.0
Short term liabilities	542.6	471.6	548.4
Total shareholders' equity and liabilities	1,051.2	1,032.1	1,118.3

Notes

Note 1 – Net sales per market

Effective 1 January 2018, Doro altered the reporting of sales per market to follow the geographical markets. Consequently, Doro Care is no longer reported as a separate region. The comparative figures for 2017 have been restated to comply with this new reporting model. Effective 1 January 2018, Doro changed the names of several of its geographical markets to make it clear what geographical regions they cover. The region named EMEA is changed to West and South Europe and Africa (WSEA), DACH is renamed Central and Eastern Europe (CEE), United Kingdom is renamed United Kingdom and Ireland and region USA and Canada is renamed North America.

Net sales per market Doro Group (SEKm)

	2017 Jan-Mar recalc.	2017 Apr-Jun recalc.	2017 Jul-Sep recalc.	2017 Oct-Dec recalc.	2017 Jan-Dec recalc.
Nordics	146.5	131.9	136.6	141.2	556.2
West and South Europe and Africa (WSEA)	103.6	99.2	109.7	131.5	444.0
Central and Eastern Europe (CEE)	119.6	128.3	121.5	187.6	557.0
United Kingdom and Ireland	49.7	57.5	68.8	74.2	250.2
North America	22.5	25.5	19.7	28.4	96.1
Rest of the World	5.6	4.7	4.6	8.8	23.7
Other	4.8	-1.1	4.4	-11.3	-3.2
Total	452.3	446.0	465.3	560.4	1,924.0

Note 2 – Net sales per category

Effective 1 January 2018, Doro reports Sales and Gross margin per category, Products and Services respectively. Products include sales of mainly telephone handsets and alarm devices and are non-recurring revenues. Services are normally offered as a package deal for a contracted period, including an alarm device, alarm receiving services, alarm response services and communication between the alarm device and the alarm receiving centre. Previously, Doro reported the period's recurring revenue. Recurring revenue is the main part of sales for the category Services. The comparative figures for 2017 have been restated to comply with this new reporting model.

Net sales per category **Doro Group (SEKm)**

	2017 Jan-Mar restated	2017 Apr-Jun restated	2017 Jul-Sep restated	2017 Oct-Dec restated	2017 Jan-Dec restated
Products	405.2	400.5	416.5	509.1	1,731.3
Gross margin, %	28.6	30.2	27.8	29.3	29.0
Services	47.1	45.5	48.8	51.3	192.7
Gross margin, %	36.2	38.0	42.3	49.4	41.7
Total	452.3	446.0	465.3	560.4	1,924.0
Gross margin, %	29.3	31.1	29.4	31.0	30.3

Note 3 – Functional income statement

Effective 1 January 2018, Doro changed from an income statement based on the nature of expenses to a functional income statement. The reason for the change is that Doro is organised and controlled in functions and that a functional income statement gives a clearer view of Doro's development. Following this change, Doro also adjusts the definition of gross margin, including costs for services rendered and warranty costs et c in the cost for goods and services sold.

INCOME STATEMENT **Doro Group (SEKm)**

	2017 Jan-Mar recalc.	2017 Apr-Jun recalc.	2017 Jul-Sep recalc.	2017 Oct-Dec recalc.	2017 Jan-Dec recalc.
Net sales	452.3	446.0	465.3	560.4	1,924.0
Cost of goods and services sold	-319.5	-307.2	-328.4	-386.8	-1,341.9
Gross profit	132.8	138.8	137.0	173.5	582.1
Selling, distribution and marketing expenses	-60.5	-67.4	-63.5	-86.0	-277.4
Research and development expenses	-26.2	-24.7	-23.9	-28.2	-103.0
Administrative expenses	-32.1	-29.4	-27.9	-27.2	-116.6
Other income and expense	3.3	1.4	1.2	1.0	6.9
Total operating expenses	-115.5	-120.1	-114.1	-140.4	-490.1
whereof depreciation and amortisation of intangible and tangible fixed assets	-14.0	-14.7	-16.5	-19.0	-64.2
Profit/loss before depreciation and amortisation (EBITDA)	31.3	33.8	38.0	53.1	156.2
Profit/loss after depreciation and amortisation (EBIT)	17.3	19.1	21.5	34.1	92.0
Net financial items	0.4	0.2	-0.1	-0.8	-0.3
Profit/loss before taxes	17.7	19.3	21.4	33.3	91.7
Taxes	-4.7	-4.0	-5.7	-10.8	-25.2
Profit/loss for the period	13.0	15.3	15.7	22.5	66.5

Definitions

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 the 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, 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.
Net debt/Net cash	Cash and bank balances less interest-bearing liabilities.
Market value, SEKm	Share price at period's end multiplied by 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 performance measures that are not used in IFRS

Non-IFRS performance measure	Description	Reason for use of 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 costs for goods and services sold as a percentage of net sales.	Gross margin is an important measure for showing the margin before 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 for the 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 less 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 for the 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.
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

	2018 Jan-Mar	2017 Jan-Mar	2018 Jan-Mar	2017 Jan-Dec
Currency adjusted sales growth (SEKm)				
Currency adjusted sales growth	-35.7	30.6		
Currency effect	3.0	8.7		
Reported sales growth	-32.7	39.3		
Capital employed				
Total assets			1 097.3	1 128.7
-Non-interest bearing liabilities			385.6	422.5
-Cash and bank			28.9	35.7
Reported capital employed			682.8	670.5

Board assurance

The Board of Directors and the CEO confirm that this interim 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 interim report has not been reviewed by the Company's auditors.

Lund, Sweden, April 27, 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 8, at 08:00 CET on April 27, 2018.