



Press release

Lund, 31 May 2018

Doro acquires Welbeing, a UK based telecare company

To expand their telecare business and strengthen their platform and service revenue, Doro has acquired the UK based telecare company Welbeing, based in Eastbourne, UK. Doro will initially pay approximately 130 MSEK.

“We are adding Welbeing to the Doro Group as the next step in expanding our telecare business. This strategic move is in line with our long term ambition to increase our services business. Doro moves closer to becoming a full technology enabled services provider for seniors. With our strong position in the mobile phone market, the combination creates a foundation for further growth in the UK telecare sector as well as new service-based offerings for our customers, for example Response and SmartCare by Doro,” says Robert Puskaric CEO of Doro Group.

The UK is the largest telecare market in Europe with an estimated 1.7 million connections. Market penetration amongst seniors is 13%, compared to the average in Europe of 5%. The market is fragmented and mainly analogue although undergoing a digital transformation, on the back of BT’s stated intention to switch off the analogue network by 2025. Doro will add value being the market leader within digital telecare and from its experience driving the digital transformation of the Swedish market. “For Doro it is a natural step to acquire a well-positioned telecare services company in one of the largest markets in Europe, fully in line with our strategy and continuing our transformation to a complete technology enabled care services provider”, continues Robert Puskaric, CEO of Doro Group.

Welbeing is one of the leading telecare companies in the UK. The company services around 75 000 connections from various locations of which 21 000 are private customers. Organic growth has been significant, thanks to strong management and a track record of winning tenders and commercial bids. The number of employees is approximately 180. Revenue for the financial year ended September, 2017 was GBP 7.6m (approximately SEK 90m) of which the main part is from services. The acquisition will be consolidated into Doro Group from 1 June 2018, and is expected to have a negligible effect on earnings per share for 2018 including transaction costs.

“Our two businesses are a perfect match, Doro creates safety and security for all stages of a senior’s life, with complete technology enabled care solutions that allows seniors to live life independently. Welbeing’s long-term local experience in supporting and reassuring customers and their families, is a value-adding complement, empowering people to stay safe and independent in their homes. Doro develops solutions for use on digital networks. This experience will be invaluable considering BT’s intention to switch off its PSTN and ISDN networks by 2025”, concludes Steve Smith, CEO of Welbeing.

Doro will initially pay approximately 130 MSEK for the acquisition of Welbeing, equal to eight times estimated EBITDA for the financial year 2017/2018. 85% of the acquisition price will be paid in cash and 15% in newly issued shares in Doro AB. In addition, the sellers are entitled to receive an additional consideration if Welbeing’s EBITDA for the financial year 2017/2018, which ends on 30 September 2018, exceeds the estimated EBITDA. The final acquisition amount will be calculated and published after the end of Q3-2018.

The shares will be issued pursuant to the authorisation granted to the board of directors by the annual general meeting on 27 April 2018. A total of 449 313 shares will be issued, entailing a dilution of approximately 1.89 per cent of the total number of shares and votes in the company prior to the share issue. The price per share has been set at SEK 43.60, equal to the volume weighted average price of Doro’s shares on Nasdaq Stockholm during the period 17 April 2018–30 May 2018.

Doro was advised by JZ Capital Partners in Stockholm.

For more information, please contact:

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**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 smartphones, 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

About Welbeing

Welbeing is one of the leading telecare companies in the UK, registered company name Wealden and Eastbourne Lifeline. They offer high quality, fully integrated managed services and work closely with their customers to develop innovative, cost effective solutions. Welbeing help their partners to provide high-quality services, manage risk, achieve efficiencies and add value, satisfying individuals and commissioning bodies alike. Their proven track record and reliability is reflected in their TSA Quality Standards membership and ISO 9001 accreditation. With their size and experience, comes an efficient, cost-effective person-centred and innovative service. Welbeing pride themselves on a high level of customer service and now support over 75,000 individuals across the UK. www.welbeing.org.uk

This information is information that Doro AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 31 May 2018, at 23:00 CET.