

Positive sales and profitability growth in the quarter

The quarter in summary

- Doro's net sales amounted to SEK 406.9 million (332.3), an increase of 22.4 percent.
- Net sales for business area Doro Care were SEK 146.6 million (124.9), an increase of 17.4 percent and for business area Doro Phones were SEK 260.3 million (207.4), an increase of 25.5 percent.
- Gross margin increased to 37.4 percent (34.8). For Doro Care, the gross margin decreased to 41.4 percent (44.9) and for Doro Phones the gross margin increased to 35.2 percent (28.8).
- EBITDA amounted to SEK 51.6 million (38.0), an increase of 35.8 percent.
- Operating profit (EBIT) amounted to SEK 30.8 million (7.8), excluding restructuring costs and costs for the listing of business area Doro Care of SEK 9.3 million, corresponding to an operating margin of 7.6 percent (2.3). Including restructuring costs and costs for the listing, EBIT amounted to SEK 21.5 million (7.8) with an operating margin of 5.3 percent (2.3).
- Profit after tax for the period was SEK 12.9 million (-3.3) and profit per share was SEK 0.54 (-0.14).
- Free cash flow before acquisitions was SEK 4.9 million (29.3).

+22.4%

Net sales

7.6%

Adjusted EBIT margin

January - June in summary

- Doro's net sales amounted to SEK 743.6 million (756.5), a decrease of 1.7 percent.
- Net sales for business area Doro Care were SEK 284.6 million (255.2), an increase of 11.5 percent and for business area Doro Phones were SEK 459.0 million (501.3), a decrease of 8.4 percent.
- Gross margin increased to 37.6 percent (34.2). For Doro Care, the gross margin decreased to 41.5 percent (42.8) and for Doro Phones the gross margin increased to 35.1 percent (29.8).
- EBITDA amounted to SEK 99.5 million (81.7), an increase of 21.8 percent.
- Operating profit (EBIT) amounted to SEK 49.2 million (23.0), excluding restructuring costs and costs for the listing of business area Doro Care of SEK 10.3 million, corresponding to an operating margin of 6.6 percent (3.0). Including restructuring costs and costs for the listing, EBIT amounted to SEK 38.9 million (23.0) with an operating margin of 5.2 percent (3.0).
- Profit after tax for the period was SEK 31.7 million (11.3) and profit per share was SEK 1.32 (0.47).
- Free cash flow before acquisitions was SEK -42.7 million (7.3).

-1.7%

Net sales

6.6%

Adjusted EBIT margin

KEY FIGURES

(SEK million)	2021 Quarter 2	2020 Quarter 2	%	2021 Jan-Jun	2020 Jan-Jun	%	2020 Whole year
Net sales	406.9	332.3	22.4	743.6	756.5	-1.7	1,689.3
Sales growth, %	22.4	-27.7		-1.7	-18.3		-18.1
EBITDA	51.6	38.0	35.8	99.5	81.7	21.8	203.9
EBITDA margin, %	12.7	11.4		13.4	10.8		12.1
EBIT	21.5	7.8	175.6	38.9	23.0	69.1	85.7
EBIT margin, %	5.3	2.3		5.2	3.0		5.1
Adjusted EBIT*	30.8	7.8	294.9	49.2	23.0	113.9	101.6
Adjusted EBIT margin*, %	7.6	2.3		6.6	3.0		6.0
Profit per share	0.54	-0.14	-487.1	1.32	0.47	181.1	2.06
Equity ratio, %	56.2	52.1		56.2	52.1		50.9

*EBIT excluding restructuring costs and costs for the listing of business area Doro Care

Message from the CEO

The second quarter continued to be defined by an increased activity in our markets as restrictions eased. We have delivered good organic growth in both business areas, where Doro Care has gained new market shares in Sweden and Doro Phones had a strong quarter in several of its markets. During the quarter, we managed to limit the effects of the component shortage and higher prices, although the challenges to some extent made us prioritise our business. We expect a continued increase in activity in the coming quarters, while there is an uncertainty in how sales will be affected by the current component shortages and extended lead times.

At the end of the last quarter, we initiated the last part of our restructuring program and during the quarter we continued to work with the restructuring of Germany. We have, since the restructuring was announced, successfully reduced our operating costs in order to ensure long-term profitability. In the coming quarters, we will complete the last activities in the program, and we will achieve the communicated savings of 110–130 million SEK compared with 2019 levels. In addition to an improved cost base, the restructuring has created opportunities for us to work with greater focus and increased competitiveness.

Preparations to separate the business into two listed companies are in full progress with the goal of being able to carry out the listing during the fourth quarter of 2021. The work is proceeding according to plan, and we have confidence in being able to complete the listings this year. The separation aims to increase long-term shareholder value, by enabling the businesses to realise their strategies more favorably, with better conditions and greater focus on the individual business area.

Doro Phones will continue to manifest its position as market leader for senior phones in Europe. With Doros long experience in the market, strong customer relations and deep senior knowledge, we want to continue to make technology available to seniors. We will also by broadening our offering to new product areas, develop the business area and provide support to both today's and tomorrow's seniors.

The ambition to become European market leader in technology enabled care will continue to be the goal for Doro Care. New preventive solutions are necessary to handle a growing elderly population and we want to drive the digitalisation of the market forward. By developing our own welfare technology platform, we can offer more proactive solutions that makes this possible. Our main focus will still be to grow organically, streamline the operation and develop new technical solutions. In combination with this, we are continuously working on new acquisition opportunities as part of our strategy, on the way to become a market leader in Europe.

With joint efforts we delivered an improved operating profit adjusted for restructuring costs and costs for the listing of business area Doro Care of SEK 30.8 million (7.8) in the quarter, an improvement of 295 percent compared to the same quarter last year and an improvement compared to last quarter. We work hard to focus the business and drive organic growth in business area Doro Care, as we are still not in line with our ambition regarding sales, although the quarter was a step in the right direction. As more people are vaccinated and restrictions ease, we are confident about the future and hope to leave the pandemic behind us. I am proud with how we handled the challenges of COVID-19 and the strong commitment and drive our employees have shown since the start of the pandemic. We have, during its entirety, continued to deliver high-quality services and managed to maintain a stable profitability. Now we look forward to a continued exciting and eventful journey for Doro.



“We expect a continued increase in activity in the coming quarters, although the market development is difficult to read in terms of access to components”

“We work hard to focus the business and drive organic growth in business area Doro Care and the quarter was a step in the right direction”

Carl-Johan Zetterberg Boudrie, President and CEO

NET SALES

Highlights during the second quarter

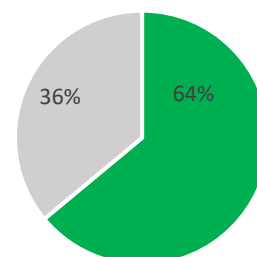
Doro's net sales for the second quarter amounted to SEK 406.9 million (332.3), an increase of 22.4 percent compared with the second quarter of 2020. Adjusted for currency effects, the increase was 26.4 percent.

Sales in business area Doro Care increased by 17.4 percent, while sales in business area Doro Phones increased by 25.5 percent compared with the second quarter of 2020. Organic growth within Doro Care was 6.5 percent, adjusted for currency effect the organic growth was 8.5 percent.

NET SALES BY BUSINESS AREA

(SEK million)	2021 Quarter 2	2020 Quarter 2	%	2021 Jan-Jun	2020 Jan-Jun	%	2020 Whole year
Doro Care	146.6	124.9	17.4	284.6	255.2	11.5	524.1
Doro Phones	260.3	207.4	25.5	459.0	501.3	-8.4	1,165.2
Total	406.9	332.3	22.4	743.6	756.5	-1.7	1,689.3

Net sales
by business area
for the quarter



- Doro Phones
- Doro Care

OPERATING PROFIT

Highlights during the second quarter

The gross margin increased compared with the second quarter of 2020 and amounted to 37.4 percent (34.8).

EBITDA for the second quarter increased by 35.8 percent to SEK 51.6 million (38.0), which corresponds to an EBITDA margin of 12.7 percent (11.4).

EBITA for the second quarter increased to SEK 24.1 million (10.3). Planned depreciation of intangible assets from company acquisitions was SEK -2.6 million (-2.4) during the quarter, resulting in an EBIT of SEK 30.8 million excluding restructuring costs and costs for the listing of business area Doro Care of SEK 9.3 million and an EBIT margin of 7.6 percent. Including restructuring costs and costs for the separate listing EBIT amounted SEK 21.5 million (7.8) with an EBIT margin of 5.3 percent (2.3). The improved operating margin is mainly explained by the effects of the cost saving program and the improved gross margin.

Net financial items for the second quarter totalled SEK -5.1 million (-12.2) including revaluation of financial instruments in foreign currency. The decrease is mainly due to the strengthening of SEK against the EUR and USD currencies. Group tax for the quarter was SEK -3.5 million (1.1). Profit after tax for the period was SEK 12.9 million (-3.3).

OPERATING PROFIT BY BUSINESS AREA

(SEK million)	2021 Quarter 2	2020 Quarter 2	%	2021 Jan-Jun	2020 Jan-Jun	%	2020 Whole Year
Doro Care							
Gross profit	60.7	56.1	8.2	118.0	109.3	8.0	217.2
Gross margin	41.4	44.9		41.5	42.8		41.4
Operating profit (EBIT)	8.1	14.9	-45.6	15.8	22.1	-28.5	38.7
EBIT margin	5.5	11.9		5.6	8.7		7.4
Doro Phones							
Gross profit	91.6	59.7	53.4	161.3	149.5	7.9	352.7
Gross margin	35.2	28.8		35.1	29.8		30.3
Operating profit (EBIT)	24.8	-1.9	-1,405.3	37.5	8.0	368.8	71.5
EBIT margin	9.5	-0.9		8.2	1.6		6.1
Unallocated operating expenses	-11.4	-5.2	119.2	-14.4	-7.1	102.8	-24.5
Group							
Gross profit	152.3	115.7	31.6	279.3	258.8	7.9	570.0
Gross margin	37.4	34.8		37.6	34.2		33.7
Operating profit (EBIT)	21.5	7.8	175.6	38.9	23.0	69.1	85.7
EBIT margin	5.3	2.3		5.2	3.0		5.1

HIGHLIGHTS BY BUSINESS AREA

DORO CARE

Second quarter

Net sales in business area Doro Care for the second quarter amounted to SEK 146.6 million (124.9), an increase of 17.4 percent compared with the second quarter of 2020. Sales of services increased by 12.9 percent to SEK 115.2 million (SEK 102.0 million) and product sales increased by 37.1 percent to SEK 31.4 million (22.9). Organic growth in the quarter amounted to 6.5 percent, adjusted for currency effects it amounted to 8.5 percent, which is a clear improvement compared to the previous quarter and a step in the right direction for the business area.

The gross margin for the second quarter was 41.4 percent (44.9). The lower margin is partly a result of lower efficiency in the service delivery, higher costs due to component shortage and continued high freight costs. During the quarter we had implementation costs linked to the implementation of a new system in the UK alarm receiving centres, as well as one-off costs to maintain high quality in the alarm reception despite network-related connection problems in the Nordics.

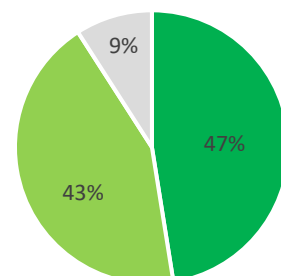
EBIT amounted to SEK 8.1 million (14.9) during the second quarter, which is equivalent to an EBIT margin of 5.5 percent (11.9). The lower operating profit is mainly explained by the decreased gross margin. The number of subscriptions at the end of the period was 368,000 (304,000) an increase by 21.1 percent.

Sales in the Nordics increased by 7.8 percent compared with the second quarter of 2020. The increase in sales is largely due to the fact that we have implemented new won agreements where our new welfare hub Doro Eliza has been a part of the agreement. Sweden has also continued to have a successful quarter with high tender activity, where we have won a number of new agreements.

Sales in the UK and Ireland increased by 12.9 percent compared with the second quarter of 2020. This increase in sales is partly a result of the acquisitions which were incorporated into the group last year. In the quarter we started to see an increased demand for products and signs that more customers want to switch from analogue to digital products.

Sales for Other regions during the second quarter totalled SEK 13.4 million (4.0), the increase is mainly due to increased product sales.

Sales by market



- Nordics
- United Kingdom and Ireland
- Other

KEY FIGURES

DORO CARE

(SEK million)	2021 Quarter 2	2020 Quarter 2	%	2021 Jan-Jun	2020 Jan-Jun	%	2020 Whole year
Net sales	146.6	124.9	17.4	284.6	255.2	11.5	524.1
Cost of goods and services sold	-85.9	-68.8	24.9	-166.6	-145.9	14.2	-306.9
Gross profit	60.7	56.1	8.2	118.0	109.3	8.0	217.2
Gross margin %	41.4	44.9		41.5	42.8		41.4
Other operating expenses	-52.6	-41.2	27.7	-102.2	-87.2	17.2	-178.5
Operating profit after depreciation and write-downs (EBIT)	8.1	14.9	-45.6	15.8	22.1	-28.5	38.7
EBIT margin %	5.5	11.9		5.6	8.7		7.4
Number of subscriptions (thousand)	368.0	304.0	21.1	368.0	304.0	21.1	372.0
Product sales	31.4	22.9	37.1	57.9	49.5	17.0	105.4
Sales of services	115.2	102.0	12.9	226.7	205.7	10.2	418.7
Investment in product development	7.6	5.9	28.8	15.0	10.9	37.6	21.9

NET SALES BY MARKET

(SEK million)	2021 Quarter 2	2020 Quarter 2	%	2021 Jan-Jun	2020 Jan-Jun	%	2020 Whole year
Nordics	69.5	64.5	7.8	136.8	134.4	1.8	265.1
United Kingdom and Ireland	63.7	56.4	12.9	125.2	110.0	13.8	226.1
Other	13.4	4.0	235.0	22.6	10.8	109.3	32.9
Total	146.6	124.9	17.4	284.6	255.2	11.5	524.1

DORO PHONES

Second quarter

Net sales in business area Doro Phones for the second quarter amounted to SEK 260.3 million (207.4), an increase of 25.5 percent compared with the second quarter of 2020. As restrictions ease and vaccination rates increase, sales have picked up and most of our main markets had a strong quarter. The strategic decision to phase out less profitable markets, as part of our restructuring program, has affected sales negatively, mainly the phase out of North America.

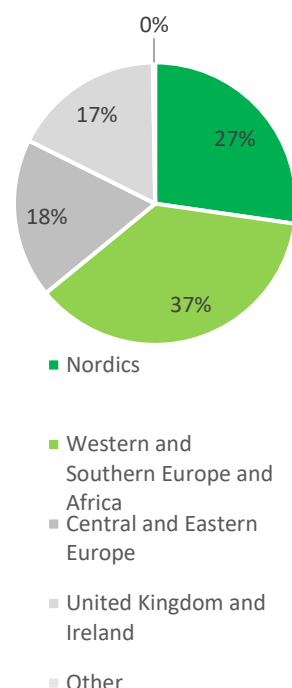
The order book decreased by 18.7 percent compared to the second quarter of 2020 but increased by 25.4 percent compared to the first quarter of 2021. The decrease is mainly explained by the phase out of North America.

The gross margin for the second quarter was 35.2 percent (28.8). The improved gross margin is partly explained by a more profitable product and customer mix and partly due to more favourable exchange rates. EBIT amounted to SEK 24.8 million (-1.9) during the second quarter, which is equivalent to an EBIT margin of 9.5 percent (-0.9). The improved profitability is explained by the savings initiated as a part of the cost saving program, the fact that less profitable markets have been phased out, and by a strong gross margin.

Sales in the Nordics increased by 54.0 percent compared with the second quarter of 2020 and sales in Western and Southern Europe and Africa increased by 89.0 percent. As more and more people have been vaccinated and restrictions eased, demand has increased. Sales in Western and Southern Europe and Africa were positively affected in the quarter by price increases that took place, to meet the price increase we are experiencing on our components. During the second quarter, we carried out a major campaign with one of our operators in the Nordic region, which had a positive effect on sales of feature phones.

Sales in the United Kingdom and Ireland increased by 71.3 percent compared with the second quarter of 2020 and sales in Central and Eastern Europe decreased by 19.5 percent. The increase in sales in the United Kingdom and Ireland is mainly a direct result of eased restrictions and reopening of stores. At the end of the previous quarter, a restructuring of the Central and Eastern Europe region was initiated to meet the negative sales trend we have seen in Germany. During the quarter, the restructuring work continued and in the second half of the quarter we saw an improved sales level. North America decreased by 99.1 percent compared to the second quarter of 2020 as a result of the strategic decision to phase out less profitable markets.

Sales by market



KEY FIGURES

DORO PHONES

(SEK million)

	2021 Quarter 2	2020 Quarter 2	%	2021 Jan-Jun	2020 Jan-Jun	%	2020 Whole year
Net sales	260.3	207.4	25.5	459.0	501.3	-8.4	1,165.2
Cost of goods and services sold	-168.7	-147.7	14.2	-297.7	-351.8	-15.4	-812.5
Gross profit	91.6	59.7	53.4	161.3	149.5	7.9	352.7
Gross margin %	35.2	28.8		35.1	29.8		30.3
Other operating expenses	-66.8	-61.6	8.4	-123.8	-141.5	-12.5	-281.2
Operating profit after depreciation and write-downs (EBIT)	24.8	-1.9	-1,405.3	37.5	8.0	368.8	71.5
EBIT margin %	9.5	-0.9		8.2	1.6		6.1
Order book	111.0	136.6	-18.7	111.0	136.6	-18.7	70.8
New orders	282.8	228.1	24.0	499.2	539.5	-7.5	1,137.6
Investment in product development	5.2	9.5	-45.3	8.3	18.0	-53.9	25.2

NET SALES BY MARKET

(SEK million)

	2021 Quarter 2	2020 Quarter 2	%	2021 Jan-Jun	2020 Jan-Jun	%	2020 Whole year
Nordics	71.0	46.1	54.0	120.0	100.1	19.9	232.1
West and South Europe and Africa	95.8	50.7	89.0	179.2	139.8	28.2	366.0
Central and Eastern Europe	47.6	59.1	-19.5	93.4	130.9	-28.6	292.6
UK and Ireland	45.2	26.4	71.3	67.1	68.7	-2.3	171.5
North America	0.2	21.3	-99.1	1.5	63.3	-97.6	99.9
Other	0.5	3.9	-87.1	-2.2	-1.4	53.8	3.1
Total	260.3	207.4	25.5	459.0	501.3	-8.4	1,165.2

FINANCIAL DEVELOPMENT

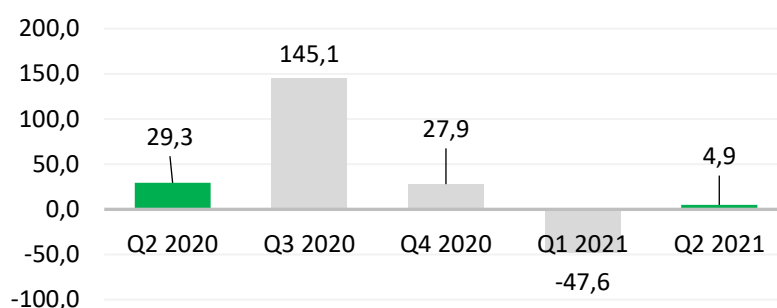
Cash flow, investments, and financial position

Cash flow from operating activities during the second quarter was SEK 25.1 million (47.5). The decrease is mainly due to a negative change in working capital compared with the second quarter of 2020. Free cash flow, after investments but before acquisitions, amounted to SEK 4.9 million (29.3). Investments during the period amounted to SEK 20.2 million (18.2).

During the quarter, as planned, we settled the pension liability we took over in connection with the acquisition of Centra Pulse and Connect 2019 with SEK 41.9 million, it is reported as acquisitions. Cash and cash equivalents totalled SEK 79.2 million (194.0) at the end of the second quarter. At the same time, the equity ratio was 56.2 percent (52.1).

Net debt amounted to SEK 73.1 million at the end of the second quarter, compared with a net debt of SEK 32.3 million at the end of the previous quarter and a net debt of SEK 100.4 million at the end of the second quarter of 2020.

FREE CASH FLOW



Significant events during the period

- No significant events during the period

Significant events after the period

- No significant events after the period

OTHER INFORMATION

Equity and the Doro share

Doro's share is listed on Nasdaq Stockholm, Small Cap, in the segment Telecom/IT. On 30 June 2021, the number of issued shares was 24,204,568, of which Doro AB holds 206,286 Doro shares. Total equity amounted to SEK 856.8 million (777.7).

Employees

On 30 June 2021, Doro had 1,067 (881) employees, corresponding to 799 (646) full-time equivalents. Of these employees, 368 (353) are based in the Nordic region, 33 (39) in Central and Eastern Europe, 24 (22) in Western and Southern Europe and Africa, 631 (457) in the United Kingdom and Ireland and 11 (10) in the rest of the world.

Risks

In the present situation, the most significant risks are those relating to the COVID-19 pandemic. Stores remaining closed and a general downturn in the economy would have a major impact on sales of telephones. Within Doro Care, the pandemic may result in problems meeting demand for services if a large number of our alarm centre staff are absent from work while at the same time there is an increase in the number of alarms being generated. Risks relating to information security are slightly increased (personal data) due to a large number of staff working from home, including alarm receiving centre staff. Procurements and product launches are in danger of being postponed as a result of the pandemic.

As a consequence of the pandemic and the situation in the world, with higher shipping costs and an increased shortage of components, there is a risk of increased costs and challenges in the supply chain.

Other risks are described on pages 40–42 of the Annual Report 2020.

Parent company

The parent company's net sales during the second quarter totalled SEK 301.3 million (231.5). Profit after tax amounted to SEK 7.0 million (-10.1).

Accounting principles

This interim report has been prepared for the group in accordance with IAS 34, "Interim Financial Reporting", and for the parent company in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, "Accounting for legal entities". Government assistance received is reported as other income. The accounting principles and calculation methods applied correspond to those that were used to prepare the most recent annual report.

Seasonal variations

Doro's sales in business area Doro Phones are affected by seasonal variations. Normally, sales are lowest during the first quarter, improve during the second and third quarters and peak during the fourth quarter. Sales in business area Doro Care usually experience only small seasonal variations.

FINANCIAL REPORTS

Group

INCOME STATEMENT

Doro – Group (SEKm)

	Note	Quarter 2 2021	Quarter 2 2020	Jan-Jun 2021	Jan-Jun 2020	Whole year 2020
Net sales		406.9	332.3	743.6	756.5	1,689.3
Cost of goods and services sold		-254.6	-216.6	-464.3	-497.7	-1,119.3
Gross profit		152.3	115.7	279.3	258.8	570.0
Selling, distribution and marketing expenses		-57.4	-46.2	-109.7	-115.6	-224.4
Research and development expenses		-28.2	-26.1	-55.6	-48.8	-108.4
Administrative expenses		-46.9	-40.1	-77.9	-74.7	-160.9
Other income and expense		1.7	4.5	2.8	3.3	9.4
Total operating expenses		-130.8	-107.9	-240.4	-235.8	-484.3
whereof depreciation and amortisation of intangible and tangible fixed assets		-30.1	-30.2	-60.6	-58.7	-118.2
Operating profit/loss before depreciation and amortisation (EBITDA)		51.6	38.0	99.5	81.7	203.9
Operating profit/loss after depreciation and amortisation (EBIT)		21.5	7.8	38.9	23.0	85.7
Net financial items		-5.1	-12.2	3.2	-7.5	-17.1
Profit/loss before taxes		16.4	-4.4	42.1	15.5	68.6
Taxes		-3.5	1.1	-10.4	-4.3	-19.5
Profit/loss for the period		12.9	-3.3	31.7	11.3	49.1

Average number of shares, thousands	23,998	23,766	23,998	23,766	23,890
Average number of shares after dilution, thousands*	23,998	23,766	23,998	23,766	23,890
Earnings per share, SEK	0.54	-0.14	1.32	0.47	2.06
Earnings per share after dilution, SEK*	0.54	-0.14	1.32	0.47	2.06

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

STATEMENT OF COMPREHENSIVE INCOME

Doro – Group (SEKm)

	Note	Quarter 2 2021	Quarter 2 2020	Jan-Jun 2021	Jan-Jun 2020	Whole year 2020
Profit/loss for the period		12.9	-3.3	31.7	11.3	49.1
Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
Translation differences		-6.5	-24.3	13.1	-16.5	-34.4
Effects from cash flow hedges		0.9	-5.3	9.4	1.4	-3.3
Deferred tax		-0.2	1.1	-1.9	-0.3	0.7
Total Result related to Parent company's shareholders		7.1	-31.7	52.3	-4.1	12.2

STATEMENT OF FINANCIAL POSITION

Doro – Group (SEKm)	2021 30-Jun	2020 30-Jun	2020 31-Dec
Non-current assets			
Intangible assets	750.2	677.4	752.6
Property, plant and equipment	116.1	128.2	123.0
Financial assets	6.3	6.7	4.2
Deferred tax asset	13.2	17.7	13.9
Current assets			
Inventories	220.0	207.5	224.4
Current receivables	338.4	261.1	292.6
Cash and cash equivalents	79.2	194.0	170.6
Total assets	1,523.4	1,492.6	1,581.3
Shareholders' equity attributable to Parent company's shareholders	856.8	777.7	804.5
Long term liabilities	220.7	335.6	261.0
Current liabilities	445.9	379.3	515.8
Total shareholders' equity and liabilities	1,523.4	1,492.6	1,581.3

Financial instruments valued at fair value on the balance sheet, SEK million

	2021 30-Jun	2020 30-Jun	2020 31-Dec
Exchange rate contracts recorded as current liability	1.2	4.4	12.8
Exchange rate contracts recorded as current receivable	5.9	4.5	3.1
Financial instruments valued at fair value consist of currency derivatives and these are valued at level 2			

STATEMENT CASH FLOWS

Doro – Group (SEKm)	Quarter 2 2021	Quarter 2 2020	Jan-Jun 2021	Jan-Jun 2020	Whole year 2020
Operating profit/loss after depreciation and write-downs.	21.5	7.8	38.9	23.0	85.7
EBIT					
Depreciation according to plan	30.1	30.2	60.6	58.7	118.2
Net paid financial items	-1.5	-2.0	-2.4	-3.5	-6.3
Unrealized exchange rate differences in cash flow hedges	-0.6	-10.0	-5.0	-4.2	0.6
Taxes paid	-4.2	-3.8	-14.9	-30.0	-26.7
Changes in working capital (incl changes in provisions)	-20.2	25.3	-88.5	1.0	72.3
Cash flow from current activities	25.1	47.5	-11.3	45.0	243.9
Investments in intangible and tangible fixed assets	-20.2	-18.2	-31.4	-37.7	-63.5
Total Free Cash flow before acquisitions	4.9	29.3	-42.7	7.3	180.4
Acquisitions	-41.9	0.0	-41.9	-0.7	-38.2
Cash flow from investment activities	-62.1	-18.2	-73.3	-38.4	-101.7
Amortisation of debt	-5.4	-5.0	-10.8	-10.2	-155.3
Warrant program, new/buy back	0.0	0.0	0.0	0.0	0.0
Cash flow from financial activities	-5.4	-5.0	-10.8	-10.2	-155.3
Exchange rate differences in cash and cash equivalents	-2.2	-2.8	4.0	-1.0	-14.8
Change in liquid funds	-44.6	21.6	-91.4	-4.5	-27.9
Net cash	0.0	0.0	0.0	0.0	12.1
Net debt	73.1	100.4	73.1	100.4	0.0

STATEMENT OF CHANGES IN EQUITY

Doro – Group (SEKm)

	2021 30-Jun	2020 30-Jun	2020 31-Dec
Opening balance	804.5	781.8	781.8
Total Result related to Parent company's shareholders	52.3	-4.1	12.2
Acquisition of subsidiaries net assets	0.0	0.0	10.5
Closing balance	856.8	777.7	804.5

OTHER KEY FIGURES

Doro – Group (SEKm)

	2021 30-Jun	2020 30-Jun	2020 31-Dec
EBITA, SEKm	44.0	28.5	95.0
Equity/assets ratio, %	56.2	52.1	50.9
Number of shares at the end of the period, thousands	23,998	23,766	23,998
Number of shares at the end of the period after dilution, thousands*	23,998	23,766	23,998
Equity per share, SEK	35.70	32.72	33.52
Equity per share, after dilution SEK*	35.70	32.72	33.52
Return on average share holders' equity, %	8.4	7.1	2.6
Return on average capital employed, %	11.6	9.8	9.9
Share price at period's end, SEK	57.90	35.30	46.70
Market value, SEKm	1,389.5	838.9	1,120.7

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

INCOME STATEMENT

Business Area (SEKm)

	Note	Quarter 2 2021	Quarter 2 2020	Jan-Jun 2021	Jan-Jun 2020	Whole year 2020
Net sales Doro Care		146.6	124.9	284.6	255.2	524.1
Net sales Doro Phones		260.3	207.4	459.0	501.3	1,165.2
Total Net sales		406.9	332.3	743.6	756.5	1,689.3
Gross profit Doro Care		60.7	56.1	118.0	109.3	217.2
Gross profit Doro Phones		91.6	59.7	161.3	149.5	352.7
Total Gross profit		152.3	115.7	279.3	258.8	570.0
Operating profit/loss (EBIT) Doro Care		8.1	14.9	15.8	22.1	38.7
Operating profit/loss (EBIT) Doro Phones		24.8	-1.9	37.5	8.0	71.5
Non-allocated operating expenses		-11.4	-5.2	-14.4	-7.1	-24.5
Total Operating profit/loss after depreciation and amortisation (EBIT)		21.5	7.8	38.9	23.0	85.7

DORO CARE

INCOME STATEMENT

Doro Care (SEKm)	Note	Quarter 2 2021	Quarter 2 2020	Jan-Jun 2021	Jan-Jun 2020	Whole year 2020
Net sales		146.6	124.9	284.6	255.2	524.1
Cost of goods and services sold		-85.9	-68.8	-166.6	-145.9	-306.9
Gross profit		60.7	56.1	118.0	109.3	217.2
Gross margin, %		41.4	44.9	41.5	42.8	41.4
Other operating expenses		-52.6	-41.2	-102.2	-87.2	-178.5
Operating profit (EBIT)		8.1	14.9	15.8	22.1	38.7
Operating margin (EBIT margin), %		5.5	11.9	5.6	8.7	7.4

NET SALES PER MARKET

Doro Care (SEKm)	Note	Quarter 2 2021	Quarter 2 2020	Jan-Jun 2021	Jan-Jun 2020	Whole year 2020
Nordics		69.5	64.5	136.8	134.4	265.1
UK and Ireland		63.7	56.4	125.2	110.0	226.1
Other		13.4	4.0	22.6	10.8	32.9
Total		146.6	124.9	284.6	255.2	524.1

KEY RATIOS DORO CARE

Doro Care (SEKm)	Note	Quarter 2 2021	Quarter 2 2020	Jan-Jun 2021	Jan-Jun 2020	Whole year 2020
Number of subscriptions (thousands)		368.0	304.0	368.0	304.0	372.0
Product sales		31.4	22.9	57.9	49.5	105.4
Service sales		115.2	102.0	226.7	205.7	418.7
Investments in product development		7.6	5.9	15.0	10.9	21.9

DORO PHONES

INCOME STATEMENT

Doro Phones (SEKm)	Note	Quarter 2 2021	Quarter 2 2020	Jan-Jun 2021	Jan-Jun 2020	Whole year 2020
Net sales		260.3	207.4	459.0	501.3	1,165.2
Cost of goods and services sold		-168.7	-147.7	-297.7	-351.8	-812.5
Gross profit		91.6	59.7	161.3	149.5	352.7
Gross margin, %		35.2	28.8	35.1	29.8	30.3
Other operating expenses		-66.8	-61.6	-123.8	-141.5	-281.2
Operating profit (EBIT)		24.8	-1.9	37.5	8.0	71.5
Operating margin (EBIT margin), %		9.5	-0.9	8.2	1.6	6.1

NET SALES PER MARKET

Doro Phones (SEKm)	Note	Quarter 2 2021	Quarter 2 2020	Jan-Jun 2021	Jan-Jun 2020	Whole year 2020
Nordics		71.0	46.1	120.0	100.1	232.1
West and South Europe and Africa		95.8	50.7	179.2	139.8	366.0
Central and Eastern Europe		47.6	59.1	93.4	130.9	292.6
UK and Ireland		45.2	26.4	67.1	68.7	171.5
North America		0.2	21.3	1.5	63.3	99.9
Other		0.5	3.9	-2.2	-1.4	3.1
Total		260.3	207.4	459.0	501.3	1,165.2

KEY RATIOS PHONES

Doro Phones (SEKm)	Note	Quarter 2 2021	Quarter 2 2020	Jan-Jun 2021	Jan-Jun 2020	Whole year 2020
Order book		111.0	136.6	111.0	136.6	70.8
Order intake		282.8	228.1	499.2	539.5	1,137.6
Investment's product development		5.2	9.5	8.3	18.0	25.2

PARENT COMPANY

INCOME STATEMENT

Parent company (SEKm)

	Note	Quarter 2 2021	Quarter 2 2020	Jan-Jun 2021	Jan-Jun 2020	Whole year 2020
Net sales		301.3	231.5	535.1	545.0	1,266.8
Cost of goods and services sold		-195.8	-153.0	-342.6	-360.9	-853.3
Gross profit		105.5	78.5	192.5	184.1	413.5
Operating expenses		-92.8	-79.7	-180.8	-171.2	-365.2
Operating profit/loss (EBIT)		12.7	-1.2	11.7	12.9	48.3
Net financial items		-3.5	-10.1	6.7	-3.2	-13.5
Profit/loss after financial items		9.2	-11.3	18.4	9.7	34.8
Group contribution		0.0	0.0	0.0	0.0	0.0
Taxes		-2.2	1.2	-4.8	-4.2	-11.3
Profit/loss for the period		7.0	-10.1	13.6	5.5	23.5

STATEMENT OF COMPREHENSIVE INCOME

Parent Company (SEKm)

	Note	Quarter 2 2021	Quarter 2 2020	Jan-Jun 2021	Jan-Jun 2020	Whole year 2020
Profit/loss for the period		7.0	-10.1	13.6	5.5	23.5
Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
Effects from cash flow hedges		0.9	-5.3	9.4	1.4	-3.3
Deferred tax		-0.2	1.1	-1.9	-0.3	0.7
Total Result related to Parent company's shareholders		7.7	-14.3	21.1	6.6	20.9

STATEMENT OF FINANCIAL POSITION

Parent Company (SEKm)

	2021 30-Jun	2020 30-Jun	2020 31-dec
Non-current assets			
Intangible assets	273.0	319.1	292.1
Property, plant and equipment	24.8	22.1	21.3
Financial assets	487.4	303.0	402.5
Current assets			
Inventories	178.4	170.2	181.3
Current receivables	407.5	415.8	432.8
Cash and cash equivalents	4.7	122.5	109.9
Total assets	1,375.8	1,352.7	1,439.9
Shareholders' equity attributable to Parent company's shareholders	563.5	517.6	542.3
Provisions	60.5	62.8	67.0
Long term liabilities	126.3	220.0	125.9
Current liabilities	625.5	552.3	704.7
Total shareholders' equity and liabilities	1,375.8	1,352.7	1,439.9

Note 1 - Business combinations

FirstCall 24/7

On 1 February 2021, Doro acquired FirstCall 24/7 from Trent and Dove Hpusing. The acquisition means that Doro takes over the customer agreements for the business. The purchase price was paid in cash, GBP 1.00 on a debt free basis. FirstCall 24/7 had annual sales in 2019/20 of 0.5 million GBP.

Preliminary information about the acquisition is given below, fair value SEK million

Intangible assets	1.5
Accrued expenses	-1.5
Acquired net assets	0.0
Goodwill	0.0
Total purchase price	0.0
Effect of the acquisition on group cash flow	0.0

FINANCIAL DEFINITIONS

Average number of shares after dilution	The average number of shares adjusted for the dilution effect of subscription options calculated as the difference between the presumed number of shares issued at the redemption price and the presumed number of issued shares at the average market price for the period.
Profit per share	Profit after tax divided by the average number of shares for the period.
Profit per share after dilution	Profit after tax divided by the average number of shares for the period after the dilution effect.
Number of shares at end of period after dilution effect	The number of shares at the end of the period adjusted for the dilution effect of subscription options calculated as the difference between the presumed number of shares issued at the redemption price and the presumed number of issued shares at the market price at the end of the period.
Equity per share	Equity on the balance date divided by the number of shares on the balance date.
Equity per share after dilution	Equity on the balance date divided by the number of shares at the end of the period after dilution effects.
Net liabilities/Net cash	Cash and bank deposits less interest-bearing liabilities
Market value, SEK million	Share price at the end of the period times the number of shares at the end of the period.

Use of non-IFRS results measurement

Guidelines regarding alternative key figures for companies with securities listed on a regulated market within the EU have been issued by the ESMA (European Securities and Markets Authority). These guidelines shall be applied to alternative key figures that are used with effect from 3 July 2016. The interim report has references to a number of non-IFRS result measurements that are used to help both investors and management in analysing the company's activities. Below we describe the non IFRS result measurements that are used as a supplement to the financial information that is reported according to IFRS.

Description of financial result measurements that are not found in the IFRS rules

Non-IFRS result measurement	Description	Reason for use of measurement
Restructuring costs	Costs of impairment and personnel costs in connection with restructuring.	This measurement shows the specific costs that arise in connection with restructuring of a specific activity, which contributes to better understanding of the underlying cost level in the ongoing operational activities.
Gross margin %	Net sales minus cost of goods and services sold as a percentage of net sales.	The gross margin is an important measurement for showing the margin before other costs.
Sales growth comparable units %	Net sales for the period minus net sales for companies acquired during the period minus net sales for the corresponding period in the previous year as a percentage of net sales for the corresponding period in the previous year.	Sales growth comparable units shows the group's organic growth excluding company acquisitions.
Currency adjusted sales growth %	Net sales for the period recalculated with exchange rates for the corresponding period the previous year minus net sales for the corresponding period the previous year as a percentage of net sales for the corresponding period the previous year.	This measurement shows sales growth with currency effects cancelled out.
Equity ratio	Equity expressed as a percentage of total assets	A traditional measurement for showing financial risk, expressed as the percentage of the total capital that is financed by the owners.
Return on average equity	Rolling 12-month profit, after financial items and tax, divided by average equity.	Shows from a shareholder perspective what the return is on the owners' invested capital.
Capital employed	Total assets less non-interest-bearing liabilities and cash and bank deposits.	The measurement shows how much total capital is used in the operation and is thus the only component in measuring return from the activities.
Return on average capital employed	Rolling 12-month operating profit divided by the average quarterly capital employed	The key measurement for measuring the return on all the capital in the company.
Number of subscription customers	Number of subscription customers connected to alarm reception.	This measurement shows the volume of customers in the services activities.
Unallocated operating expenses	Central operating expenses not allocated to the business segments. Doro Care and Doro Phones. These expenses include acquisition costs, restructuring costs, amortisation of values identified at company acquisitions and effects of accounting of leases in accordance with IFRS 16.	These operating expenses are not allocated to the business segments so that the EBIT of the business segments shows the profitability excluding costs related to restructuring, acquisitions and IFRS 16-effects. This agree with how the business segments are measured internally.

Calculation of financial result measurements that are not found in the IFRS rules

	Quarter 2 2021	Quarter 2 2020	Jan-Jun 2021	Jan-Jun 2020
Currency adjusted sales growth (SEK million)				
Currency adjusted sales growth	87.7	-125.9		
Currency effect	-13.1	-1.4		
Reported sales growth	74.6	-127.3		
Capital employed				
Total assets			1,523.4	1,492.6
-non-interest-bearing liabilities			472.9	415.1
-cash and cash equivalents			79.2	194.0
Reported capital employed			971.3	883.5

Confirmation by the Board

The board and managing director affirm that this interim report provides an accurate overview of the operations, position and earnings of the company and group and that it also describes the principal risks and uncertainty factors faced by the company and its subsidiaries.

This interim report has not been reviewed by the Company's auditors.

Malmö, 16 July 2021

Lennart Jacobsen
Chairman of the Board

Henri Österlund
Deputy Chairman of the Board

Tova Jexmark
Board member

Juha Mört
Board member

Cecilia Ardström
Board member

Victor Saeijs
Board member

Mona Sahlberg
Board member

Carl-Johan Zetterberg Boudrie
CEO

REPORT DATES

Q3-report, January-October 2021:
Q4-report, January-December 2021:

22 October 2021
17 February 2022

CONTACT

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WEBCAST

A webcast conference call will be held on Friday 16 June at 9.00 am (CEST) when President and CEO Carl-Johan Zetterberg Boudrie will present the report. The webcast is accessed at <https://tv.streamfabriken.com/doro-q2-2021>. The presentation material is available on Doro's financial website <http://www.doro.com/corporate>.

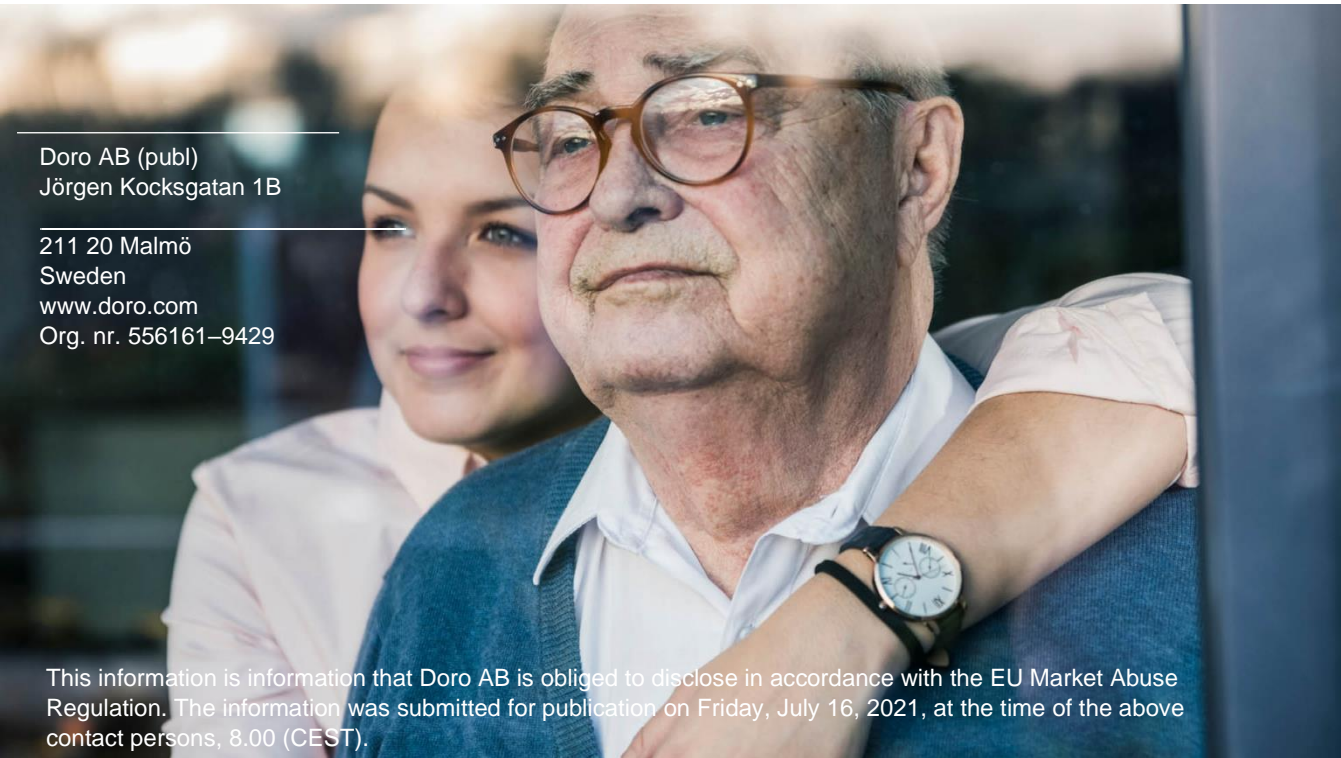
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This information is information that Doro AB is obliged to disclose in accordance with the EU Market Abuse Regulation. The information was submitted for publication on Friday, July 16, 2021, at the time of the above contact persons, 8.00 (CEST).