

-1.1%

Net sales

6.9%

EBIT margin

Improved profitability and cash flow**October – December 2018**

- Net sales were SEK 554.1 million (560.4), a decrease of 1.1 percent.
- Net sales for the category Products were SEK 467.9 million (509.1), a decrease of 8.1 percent. Net sales for the category Services were SEK 86.2 million (51.3), an increase of 68.0 percent.
- The gross margin increased to 32.6% (31.0). For Products, the gross margin increased to 29.4 percent (29.3) and for Services the gross margin increased to 49.8 percent (49.4).
- Operating profit (EBIT) was SEK 38.0 million (34.1), which corresponds to an operating margin of 6.9 percent (6.1).
- Profit after tax for the period was SEK 25.6 million (22.5).
- Earnings per share were SEK 1.08 (0.95).
- Free cash flow before acquisitions was SEK 36.1 million (17.8).

January – December 2018

- Net sales were SEK 1,906.4 million (1,924.0), a decrease of 0.9 percent.
- Net sales for the category Products were SEK 1,621.0 million (1,731.3), a decrease of 6.4 percent. Net sales for the category Services were SEK 285.4 million (192.7), an increase of 48.1 percent.
- The gross margin increased to 33.4% (30.3%). For Products, the gross margin increased to 31.0 percent (29.0) and for Services the gross margin increased to 47.4 percent (41.7).
- Operating profit (EBIT) was SEK 122.3 million (92.0), which corresponds to an operating margin of 6.4 percent (4.8). The operating profit includes restructuring costs of SEK 4.3 million (3.5).
- Profit after tax for the period was SEK 91.5 million (66.5).
- Earnings per share were SEK 3.86 (2.83).
- Free cash flow before acquisitions was SEK 122.5 million (49.3).

THE DORO GROUP
(SEK million)

	2018 Oct-Dec	2017 Oct-Dec	2018 Jan-Dec	2017 Jan-Dec
Net sales	554.1	560.4	1,906.4	1,924.0
Sales growth, %	-1.1	-6.5	-0.9	-1.8
EBITDA	57.4	53.1	194.3	156.2
EBITDA margin, %	10.4	9.5	10.2	8.1
EBITA	40.0	35.7	130.8	97.2
EBITA margin, %	7.2	6.4	6.9	5.1
EBIT	38.0	34.1	122.3	92.0
EBIT margin, %	6.9	6.1	6.4	4.8
Profit after tax	25.6	22.5	91.5	66.5
Earnings per share	1.08	0.95	3.86	2.83
Equity ratio, %	46.7	49.6	46.7	49.6



Message from the CEO

In 2018, we continued to develop our business towards offering the market service-oriented care solutions. During the year we have created a solid foundation to build on, a foundation that will now enable continued growth in prioritized segments. The organisation, which is now divided into private and public customers, now has better opportunities for creating offers that are tailored to the needs of each target group.

Services continued to show strong growth during the quarter and represents an ever-increasing share of sales. The positive development is primarily driven by increasing sales in the public sector in Sweden, Norway and the United Kingdom. The British telecare company Welbeing is now our base for the service business in the United Kingdom and the company has generated several new contracts during the period, including a new agreement that brought us 3,200 new connections.

It is primarily in the service segment that we are seeing interesting growth opportunities, for both consumers and the public sector, something that is also supported by market trends, with an increasingly ageing population. Moving forward, we wish to develop and broaden what we offer to both existing and new geographical markets.

In Sweden, we have conducted a first launch of the consumer service Response by Doro in a few selected stores. The service, which links our mobile phones with alarm centres and family members, is a new technology enabled care service, which we launch in more channels during the first half of 2019.

In our Products category, Doro is maintaining its market share in our key markets. Generally, the market in Europe is challenging. The USA stands out positively by generating growth figures, largely due to the fact that our feature phone adapted for 4G, 7050, was well received.

Our strategic initiatives to optimise operations have continued. During the period, warehousing in the Nordics and France was moved to our new central warehouse facility in the Czech Republic. Warehouse consolidation is continuing during the first quarter of this year. We have also implemented a new business system in much of the group, which creates the foundation for improving efficiency throughout the entire chain.

In conclusion, 2018 was a year in which we improved our operating profit (+33 percent), our free cash flow (+148 percent) and earnings per share (+37 percent), largely due to growth and investment in the public service sector. Naturally we are proud of this, but we have more work to do to achieve our long-term financial goals. We shall now continue to develop what we have started. By being responsive to developments in the market and the needs of our target group, we look forward to an exciting 2019.

Robert Puskaric, President and CEO

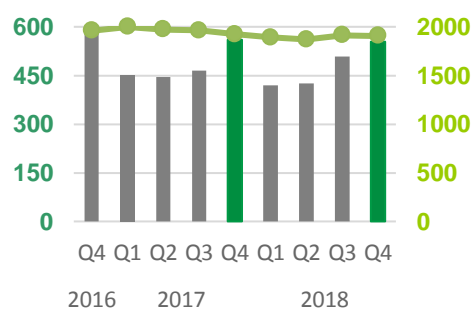
Good growth in Services continues

Consumer service Response by Doro launched

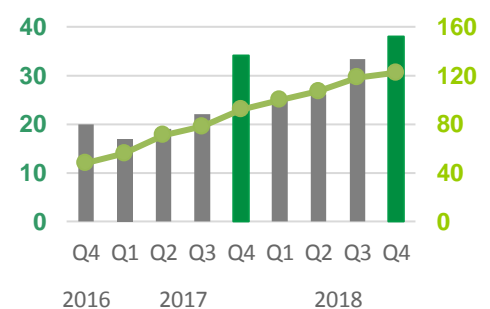
Centralisation of warehouse operations and implementation of business system provide foundation for increased efficiency

Improved earnings for the eighth consecutive quarter

Sales per quarter and R12m, SEK million



EBIT per quarter and R12m, SEK million



Group financial summary, fourth quarter 2018

Net sales decreased
by 1.1%

Positive sales trend
in Services
continues

Challenging market
for Products has led
to lower sales in
some regions

Gross margin
increased to 32.6%
and operating
margin to 6.9%

Sales

Doro's net sales for the fourth quarter were SEK 554.1 million (560.4), a decrease of 1.1 percent compared with the fourth quarter of 2017. Excluding the acquisition of Welbeing, the decrease was 5.8 percent. Adjusted for currency effects, the downturn was 6.1 percent including the acquisition of Welbeing.

New orders during the fourth quarter increased by 7.9 percent to SEK 540.2 million (500.6). At the end of the quarter, the value of the order book was SEK 396.1 million (314.9).

Sales in the Products category decreased by 8.1 percent, while sales in the Services category increased by 68.0 percent compared with the fourth quarter of 2017.

Sales of smartphones accounted for around 18 percent of our total mobile phone sales, which is an improvement on the preceding quarter. Our latest smartphone, Doro 8035, has now also been launched with a number of customers in the United Kingdom after protracted acceptance tests, which will hopefully make a positive contribution in the future.

Sales in the Nordics increased by 2.2 percent compared with the fourth quarter of 2017. In the Western and Southern Europe and Africa region, sales decreased by 10.9 percent. In Central and Eastern Europe, sales decreased by 19.0 percent. Sales in the United Kingdom and Ireland increased by 18.6 percent including the acquisition of Welbeing, while sales in North America increased by 62.6 percent.

Earnings

The gross margin increased compared with the fourth quarter of 2017 and totalled 32.6 percent (31.0). The stronger gross margin is mainly the result of an increasing share of sales from Services.

EBITDA for the fourth quarter increased by 8.1 percent to SEK 57.4 million (53.1), which corresponds to an EBITDA margin of 10.4 percent (9.5). The increase in EBITDA is the result of the improved gross margin.

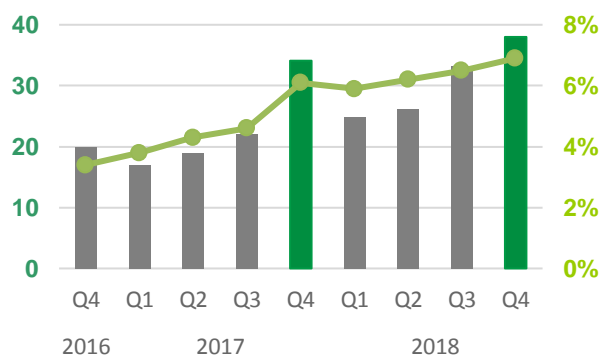
EBITA improved to SEK 40.0 million (35.7). Planned depreciation of intangible assets from company acquisition was SEK -2.0 million (-1.6) during the quarter, which resulted in an operating profit (EBIT) of SEK 38.0 million (34.1) and an EBIT margin of 6.9 percent (6.1).

Net financial items for the fourth quarter totalled SEK -2.8 million (-0.8), including revaluation of financial instruments in foreign currency.

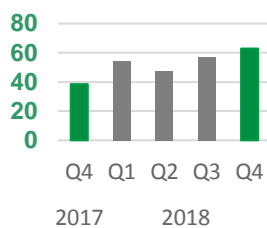
Group tax for the quarter was SEK -9.6 million (-10.8).

Profit after tax for the period was SEK 25.6 million (22.5).

Operating profit and operating margin per quarter, SEK million and %



Cash flow from operating activities, SEK million



Cash flow and financial position

Cash flow from operating activities during the fourth quarter was SEK 62.9 million (38.5). The increase was mainly due to improved working capital. Free cash flow, after investments but before operating acquisitions, amounted to SEK 36.1 million (17.8).

Cash and cash equivalents totalled SEK 134.2 million at the end of the fourth quarter (57.1). At the same time, the equity ratio was 46.7 per cent (49.6).

The net debt totalled SEK 105.8 million at the end of the fourth quarter, compared with SEK 141.2 million at the end of the previous quarter and SEK 102.9 million at the end of the fourth quarter of 2017.

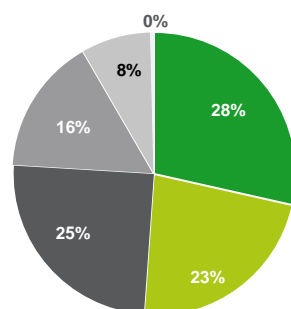
Significant events during the period

No such events can be reported.

Significant events after the period

Jörgen Alsing, Corporate Strategic Projects, has decided to leave Doro. Jörgen Alsing will remain in his position until the end of February.

Sales by market, R12, January 2018 - December 2018



■ Nordics

■ Western and Southern Europe and Africa

■ Central and Eastern Europe

■ United Kingdom and Ireland

■ North America

■ Rest of the world

Net sales by market fourth quarter 2018

NET SALES BY MARKET^{*)}

Doro Group (SEK million)	2018 Oct-Dec	Sales growth, %	2017 Oct-Dec restated	2018 Jan-Dec	2017 Jan-Dec restated
Nordics	144.3	2.2%	141.2	546.5	556.2
Western and Southern Europe and Africa	117.1	-10.9%	131.5	433.3	444.0
Central and Eastern Europe	152.0	-19.0%	187.6	475.8	557.0
United Kingdom and Ireland	88.0	18.6%	74.2	300.3	250.2
North America	46.2	62.6%	28.4	152.9	96.1
Rest of the world	2.0	-76.8%	8.8	7.5	23.7
Other	4.4		-11.3	-9.9	-3.2
Total	554.1	-1.1%	560.4	1,906.4	1,924.0

^{*)} Note 1

Nordics

Sales in the Nordics increased by 2.2 percent compared with the fourth quarter of 2017. Growth in the region is driven by Services, which showed continued positive development during the quarter. The Products category still faces a challenging market trend and showed a slight decline in the quarter.

Western and Southern Europe and Africa

In the Western and Southern Europe and Africa region, sales decreased by 10.9 percent. The downturn is mainly the result of a weak development in France, where political turmoil had a negative impact on trade. However, we can see that we are succeeding in maintaining and strengthening our position in the market. Southern Europe showed growth during the quarter and Doro 7070 is now listed with the largest operators in Italy.

Central and Eastern Europe

The region saw sales decrease by 19.0 percent. The German market, in particular, has remained weak. Many of the larger customers in retail are experiencing a negative trend and have been forced to make greater savings. Sales in Eastern Europe were stable.

United Kingdom and Ireland

Sales in the United Kingdom and Ireland grew by 18.6 percent. Excluding the acquired company Welbeing, there was a decline of 16.5 percent. The market in the United Kingdom has been weak during the quarter with uncertainty about Brexit and a continuing decline in performance for many dealers. What is positive is that after long acceptance tests we have had our latest products listed by many of the major customers in the UK and Ireland.

North America

North America also shows good growth in the fourth quarter. Compared with the same period last year, sales increased by 62.6 percent. The launch of our Doro 7050 phone has gone according to plan and we have thereby reached a higher sales level than the previous year.

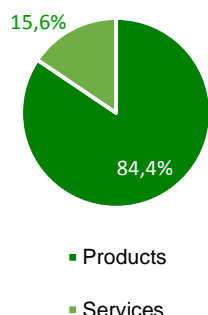
Rest of the world

Net sales in the rest of the world amounted to SEK 2.0 million (8.8).

Other

During the fourth quarter, income and income adjustments that were not connected to any specific region totalled SEK 4.4 million (-11.3).

Sales by category October - December 2018



Net sales and gross margin by category fourth quarter 2018

NET SALES BY CATEGORY^{*)}

Doro Group (SEK million)	2018 Oct-Dec	Sales growth %	2017 Oct-Dec restated	2018 Jan-Dec	2017 Jan-Dec restated
Products	467.9	-8.1%	509.1	1,621.0	1,731.3
Gross margin	29.4%		29.3%	31.0%	29.0%
Services	86.2	68.0%	51.3	285.4	192.7
Gross margin	49.8%		49.4%	47.4%	41.7%
Total	554.1	-1.1%	560.4	1,906.4	1,924.0
Gross margin	32.6%		31.0%	33.4%	30.3%

^{*)} Note 2

Products

Sales in the Products category decreased by 8.1 percent compared with the fourth quarter of 2017. Weak development in our major markets in Europe has had a negative effect on sales during the quarter, although our general assessment is that we are maintaining or increasing our market share. During the quarter, we have succeeded in showing sales growth in North America and Southern Europe as we strengthen our positions in these markets. The gross margin for the category increased to 29.4 percent (29.3).

Services

Sales in the Services category increased by 68.0 per cent. We have seen a positive development from the Nordics as well as the UK, where the acquired company Welbeing is developing well. Including Welbeing, the number of subscriptions to Doro Care totalled approximately 200,000 (126,000), of which Welbeing contributed approximately 77,000 subscriptions. The gross margin for the category increased somewhat to 49.8 percent (49.4).

Equity and the Doro share

Doro's share is listed on Nasdaq Stockholm, Small Cap, in the segment Telecom/IT. On 31 December 2018, the number of issued shares was 24,204,568 of which Doro AB holds 439,030 Doro shares. Total equity amounted to SEK 683.7 million (583.7).

Related party transactions

During the period there were no transactions between Doro and related parties that had any significant effect on the company's position and financial results.

Personnel

On 31 December 2018, Doro had 685 (458) employees, corresponding to 534 (380) full-time equivalents. Of these, 361 (347) are based in the Nordics, 55 (58) in Central and Eastern Europe, 25 (28) in Western and Southern Europe and Africa, 235 (16) in the United Kingdom and Ireland and 9 (9) in the rest of the world.

Risks

Risks and uncertainty factors are primarily related to the challenge of continuously developing competitive products, disturbances to deliveries, customer relations, exchange rate fluctuations, loan financing and the public procurement process in Doro Care. Other than these risks, which are described in more detail on pages 35 and 36 of the annual report, no other significant risks have been identified during the period.

Parent company

The parent company's net sales during the fourth quarter totalled SEK 438.3 million (460.4). Profit after tax was SEK 33.2 million (24.5).

Accounting principles

This interim report has been created for the group in accordance with IAS 34, "Interim Financial Reporting" and for the parent company in accordance with Annual Reports Act and the Swedish Financial Reporting Board's recommendation RFR 2, "Accounting for legal entities". The accounting principles and calculation methods used correspond with those that were used to create the latest annual report, except that the group applies IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers with effect from 1 January 2018. The transition has had no significant effect on the financial reports.

IFRS 16 - Leases is effective as of 1 January 2019. For lessees, the standard eliminates the classification of leases as either operating or finance, as required by IAS 17, and instead introduces a single lease accounting model. Applying that model a lessee is required to recognize, (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value and (b) depreciation of leased assets separately from interest on lease liabilities in the income statement.

Doro has will adopt IFRS 16 using the modified retrospective approach, which means that the comparatives for 2018, in accordance with the standard will not be restated. The lease liability is the sum of the present value of all future payments until lease end date. The practical expedient to set the right of use asset (before adjustments for any prepayments) equal to the lease liability has been applied for the transition. The rate for discounting the lease payments is the Doro Group incremental borrowing rate with consideration to the maturity of the lease contracts. The practical expedient for definition of a lease has been applied, which means that all components within a lease has been considered as a lease component. The short term lease exception and the asset of low value exception has also been applied.

The estimated opening balance of the lease liability and the Right-of-use assets is around SEK 70 million for current lease contracts. The largest asset class of leases is office premises.

Seasonal variations

Doro's sales in the Products category are affected by seasonal variations. Normally, sales are lowest during the first quarter. Sales during the second and third quarters are normally higher than in the first quarter. Sales are normally strongest during the fourth quarter.

Outlook

The overall market for mobile phones is expected to remain challenging, Doro has maintained and is expected to maintain or increase market share in the senior segment.

Services is growing organically and we are active in multiple acquisition discussions and we expect continued double-digit growth for Services in 2019.

The profitability is expected to remain at a healthy level.

Dividend

The proposal for a dividend for 2018 is submitted at the latest in the notice of the AGM.

The report for the first quarter of 2019 will be published on 3 May 2019

This report is presented via an audiocast on 14 February at 09.00 CET

Report dates

Q1 report, January-March 2019:	3 May 2019
Q2 report, January-June 2019:	12 July 2019
Q3 report, January-September 2019:	25 October 2019

Annual General Meeting 2019

The Annual General Meeting will be held in Stockholm on 3 May 2019.

For further information, please contact:

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Carl-Johan Zetterberg Boudrie, CFO, +46 (0)70 335 84 49

E-mail: ir@doro.com

Doro's report is presented via an audiocast

Analysts, investors and the media are welcome to join the presentation via <https://edge.media-server.com/m6/p/tae6csa5> or telephone at 09.00 CET on 14 February 2019. Doro's President and CEO Robert Puskaric and CFO Carl-Johan Zetterberg Boudrie will give the presentation and answer questions. Approximately one hour after the presentation has ended, an on-demand version will also be made available on the website <https://corporate.doro.com/investors/reports-and-presentations/presentations/>.

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About Doro

Doro AB develops telecom products and services for seniors, so that they can live a full, rich life. As well as being global market leaders in the category of telecom for seniors, Doro also offers a wide portfolio of products and services for safety and care solutions. These smart solutions are tailored to the specific needs of seniors and the disabled and also help to digitally connect generations and create a safe and independent environment in people's own homes. Doro is a Swedish publicly traded company and its share is listed on Nasdaq OMX Stockholm, Nordic List, Small Cap. Net sales in 2018 amounted to SEK 1,906 million (EUR 186 million).

Visit Doro on www.doro.se or www.facebook.com/dorosverige.

Financial reports

INCOME STATEMENT

Doro Group (SEK million)

	Note 3	2018 Oct-Dec	2017 Oct-Dec	2018 Jan-Dec	2017 Jan-Dec
Net sales		554.1	560.4	1,906.4	1,924.0
Cost of goods and services sold		-373.6	-386.8	-1,269.2	-1,341.9
Gross profit		180.5	173.6	637.2	582.1
Selling, distribution and marketing expenses		-77.1	-85.1	-278.4	-277.4
Research and development expenses		-29.3	-28.2	-104.8	-103.0
Administrative expenses		-36.7	-27.2	-134.3	-116.6
Other income and expenses		0.6	1.0	2.6	6.9
Total operating expenses		-142.5	-139.5	-514.9	-490.1
whereof depreciation and amortisation of intangible and tangible fixed assets		-19.4	-19.0	-72.0	-64.2
Operating profit/loss before depreciation and amortisation (EBITDA)		57.4	53.1	194.3	156.2
Operating profit/loss after depreciation and amortisation (EBIT)		38.0	34.1	122.3	92.0
Net financial items		-2.8	-0.8	0.7	-0.3
Profit/loss before taxes		35.2	33.3	123.0	91.7
Taxes		-9.6	-10.8	-31.5	-25.2
Profit/loss for the period		25.6	22.5	91.5	66.5
Average number of shares, thousands		23,766	23,755	23,674	23,536
Average number of shares after dilution, thousands*		23,766	23,755	23,674	23,591
Earnings per share, SEK		1.08	0.95	3.86	2.83
Earnings per share, after dilution, SEK*		1.08	0.95	3.86	2.82

*) Dilution effects are only taken into account where they would have a negative effect on profit per share.

STATEMENT OF COMPREHENSIVE INCOME

Doro Group (SEK million)

	2018 Oct-Dec	2017 Oct-Dec	2018 Jan-Dec	2017 Jan-Dec
Profit/loss for the period	25.6	22.5	91.5	66.5
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Translation differences	-6.6	3.8	5.1	1.1
Effects from cash flow hedges	-1.4	0.5	1.0	-3.1
Deferred tax	0.3	-0.1	-0.2	0.7
Total Result related to Parent company's shareholders	17.9	26.7	97.4	65.2

BALANCE SHEET

Doro Group (SEK million)

	2018 31 Dec	2017 31 Dec
Non-current assets		
Intangible assets	612.4	466.5
Property, plant and equipment	41.1	19.0
Financial assets	7.5	7.8
Deferred tax asset	6.5	9.5
Current assets		
Inventories	264.0	196.9
Current receivables	398.6	420.5
Cash and cash equivalents	134.2	57.1
Total assets	1,464.3	1,177.3
Shareholders' equity attributable to Parent company's shareholders	683.7	583.7
Long-term liabilities	284.2	119.2
Current liabilities	496.4	474.4
Total shareholders' equity and liabilities	1,464.3	1,177.3

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

	2018 31 Dec	2017 31 Dec
Exchange rate contracts recorded as current liability	1.7	8.1
Exchange rate contracts recorded as current receivable	4.3	4.0

Financial instruments valued at fair value consist of currency derivatives and these are valued at level 2.

CASH FLOW ANALYSIS

Doro Group (SEK million)

	2018 Oct-Dec	2017 Oct-Dec	2018 Jan-Dec	2017 Jan-Dec
Operating profit/loss after depreciation and write-downs, EBIT	38.0	34.1	122.3	92.0
Depreciation according to plan	19.4	19.0	72.0	64.2
Net paid financial items	-1.1	-1.2	-4.5	-5.0
Unrealized exchange rate differences in cash flow hedges	-0.9	-2.7	-5.7	9.9
Taxes paid	-3.8	1.4	-15.1	-10.9
Changes in working capital (incl changes in provisions)	11.3	-12.1	52.8	-30.7
Cash flow from current activities	62.9	38.5	221.8	119.5
Investments in intangible and tangible fixed assets	-26.8	-20.7	-99.3	-70.2
Total Free Cash flow before acquisitions	36.1	17.8	122.5	49.3
Acquisitions	0.0	0.0	-110.7	0.0
Cash flow from investment activities	-26.8	-20.7	-210.0	-70.2
Amortisation of debt	0.0	-25.0	-185.0	-75.5
New loans/changes in bank overdraft facility	0.0	0.0	265.0	25.0
Dividend/buy-back shares	0.0	0.0	-18.9	-23.2
New share issue	0.0	0.0	0.0	21.7
Warrant program, new/buy back	0.0	0.0	2.4	-1.2
Cash flow from financial activities	0.0	-25.0	63.5	-53.2
Exchange rate differences in cash and cash equivalents	-0.6	-0.1	1.9	0.0
Change in liquid funds	35.5	-7.3	77.2	-3.9
Net debt	105.8	102.9	105.8	102.9

EQUITY

Doro Group (SEK million)

	2018 31 Dec	2017 31 Dec
Opening balance	583.7	520.0
Total Result related to Parent company's shareholders	97.4	65.2
Dividend/buy-back shares	-18.9	-23.2
Warrants	2.3	0.0
New share issue	19.2	21.7
Opening balance	683.7	583.7

OTHER KEY FIGURES

Doro Group	2018 31 Dec	2017 31 Dec
Order book at the end of the period, SEK m**	396.1	314.9
Order intake Q, SEKm**	540.2	500.6
Gross margin, %	33.4	30.3
Gross margin Q, %	32.6	31.0
EBITA, SEKm	130.8	97.2
Equity/assets ratio, %	46.7	49.6
Number of shares at the end of the period, thousands	23,766	23,755
Number of shares at the end of the period after dilution, thousands*	23,766	23,755
Equity per share, SEK	28.77	24.57
Equity per share, after dilution SEK*	28.77	24.57
Return on average share holders' equity, %	14.4	12.1
Return on average capital employed, %	16.1	13.5
Share price at period's end, SEK	34.15	43.70
Market value, SEKm	811.6	1,038.1

* Dilution effects are only taken into account where they would have a negative effect on profit per share

NET SALES BY MARKET *)

Doro Group (SEK million)	2018 Oct-Dec	2017 Oct-Dec restated	2018 Jan-Dec	2017 Jan-Dec restated
Nordics	144.3	141.2	546.5	556.2
West and South Europe and Africa	117.1	131.5	433.3	444.0
Central and Eastern Europe	152.0	187.6	475.8	557.0
United Kingdom and Ireland	88.0	74.2	300.3	250.2
North America	46.2	28.4	152.9	96.1
Rest of the World	2.0	8.8	7.5	23.7
Other	4.4	-11.3	-9.9	-3.2
Total	554.1	560.4	1,906.4	1,924.0

*) Note 1

NET SALES BY CATEGORY*)

Doro Group (SEK million)	2018 Oct-Dec	2017 Oct-Dec	2018 Jan-Dec	2017 Jan-Dec
Products	467.9	509.1	1,621.0	1,731.3
Gross margin, %	29.4%	29.3%	31.0%	29.0%
Services	86.2	51.3	285.4	192.7
Gross margin, %	49.8%	49.4%	47.4%	41.7%
Total	554.1	560.4	1,906.4	1,924.0
Gross margin, %	32.6%	31.0%	33.4%	30.3%

*) Note 2

INCOME STATEMENT

Parent company (SEK million)	2018 Oct-Dec	2017 Oct-Dec	2018 Jan-Dec	2017 Jan-Dec
Net sales	438.3	460.4	1,483.9	1,531.8
Cost of goods and services sold	-287.7	-326.6	-999.5	-1,070.3
Gross profit	150.6	133.8	484.4	461.5
Operating expenses	-106.5	-102.4	-413.8	-415.4
Operating profit/loss (EBIT)	44.1	31.4	70.6	46.1
Net financial items	-1.6	0.8	5.6	2.4
Profit/loss after financial items	42.5	32.2	76.2	48.5
Group contribution	0.0	1.4	0.0	1.4
Taxes	-9.3	-9.1	-19.2	-13.1
Profit/loss for the period	33.2	24.5	57.0	36.8

STATEMENT OF COMPREHENSIVE INCOME

Parent company (SEK million)

	2018 Oct-Dec	2017 Oct-Dec	2018 Jan-Dec	2017 Jan-Dec
Profit/loss for the period	33.2	24.5	57.0	36.8
Other comprehensive income to be reclassified to profit or loss in				
Effects from cash flow hedges	-1.4	0.5	1.0	-3.1
Deferred tax	0.3	-0.1	-0.2	0.7
Total Result related to Parent company's shareholders	32.1	24.9	57.8	34.4

SUMMARY BALANCE SHEET

Parent company (SEK million)

	2018 31 Dec	2017 31 Dec
Non-current assets		
Intangible assets	296.9	282.9
Property, plant and equipment	17.3	14.0
Financial assets	272.1	119.6
Current assets		
Inventories	195.5	139.3
Current receivables	539.4	521.0
Cash and cash equivalents	98.3	41.5
Total assets	1,419.5	1,118.3
Shareholders' equity attributable to Parent company's shareholders	471.9	411.3
Provisions	78.1	58.6
Long-term liabilities	240.0	100.0
Current liabilities	629.5	548.4
Total shareholders' equity and liabilities	1,419.5	1,118.3

Notes

Note 1 – Net sales by market

With effect from 1 January 2018, Doro has changed its reporting of sales by market so that this follows the geographical markets. This means that Doro Care is no longer reported as a separate region. Comparison figures for 2017 have been recalculated according to the new way of reporting. With effect from 1 January 2018, Doro has changed the names of several of the geographical markets so as to show more clearly which region is referred to. The region that was previously called EMEA has changed name to West and South Europe and Africa (WSEA), DACH has changed name to Central and Eastern Europe (CEE), the United Kingdom has changed name to the United Kingdom and Ireland and the USA and Canada region has changed name to North America.

Net sales by market

Doro Group (SEK million)

	2017 Jan-Mar restated	2017 Apr-Jun restated	2017 Jul-Sep restated	2017 Oct-Dec restated	2017 Full year restated
Nordics	146.5	131.9	136.6	141.2	556.2
West and South Europe and Africa	103.6	99.2	109.7	131.5	444.0
Central and Eastern Europe	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 by category

With effect from 1 January 2018, Doro reports net sales and gross margin by the categories Products and Services. Products consists of sales of primarily telephones and alarm devices where each transaction is a separate deal. Services normally offers a packaged solution over an agreed period including, for example, alarm device, alarm receipt, alarm call-out and communication between alarm device and alarm centre. Doro previously reported recurring revenue i.e. the period's income from agreed subscriptions. Recurring revenue represents the majority of net sales for the Services category. Comparison figures for 2017 have been recalculated according to the new way of reporting.

Net sales by category

Doro Group (SEK million)

	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 – Subdivision of income statement by function

With effect from 1 January 2018, Doro is changing from subdivision of income statement by cost type to subdivision of income statement by function. The reason for the change is that Doro is governed on the basis of a functional organisation, so that a subdivision of income statement by function gives clearer information about the group's development. In connection with this change, the definition of gross profit has changed so that costs of services performed and guarantee costs etc. are now included in the cost of goods and services sold.

INCOME STATEMENT

Doro Group (SEK million)

	2017 Jan-Mar restated	2017 Apr-Jun restated	2017 Jul-Sep restated	2017 Oct-Dec restated	2017 Jan-Dec restated
Net sales	452.3	446.0	465.3	560.4	1,924.0
Cost of goods and services sold	-319.5	-306.8	-328.8	-386.8	-1,341.9
Gross profit	132.8	139.2	136.6	173.6	582.1
Selling, distribution and marketing expenses	-60.5	-67.4	-64.4	-85.1	-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	-115.0	-139.5	-490.1
whereof depreciation and amortisation of intangible and tangible fixed assets	-14.0	-14.7	-16.5	-19.0	-64.2
Operating profit/loss before depreciation and amortisation (EBITDA)	31.3	33.8	38.0	53.1	156.2
Operating 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

Note 4 – Acquisitions

On 1 June 2018, Doro acquired the British telecare company Welbeing by purchasing all shares in the parent company of the Welbeing group, Greencoat House Limited. Acquisition expenses had a negative effect on the net profit of SEK 6.7 million. The purchase price was paid partly in cash, SEK 128.9 million, of which SEK 15.2 million related to payment of liabilities to the previous owner, and partly through a directed placement of 449,313 shares, valued at SEK 19.2 million. Goodwill is linked to the strengthened position in the Care area in the United Kingdom, which Welbeing's sales channels provide, and increased know-how in the Care area. At the time of acquisition the company had about 180 employees. In the last full financial year at the time of acquisition, Welbeing had annual sales of GBP 7.6 million.

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

Intangible assets	34.6
Tangible fixed assets	15.5
Inventory	0.5
Current receivables	27.1
Cash and bank	18.3
Deferred tax liabilities	-7.0
Long-term liabilities	-0.3
Current liabilities	-28.6
Acquired net assets	60.2
Goodwill	87.9
Total purchase price	148.1
Directed placement	19.1
Cash in acquired company	18.3
Effect of the acquisition on Group cash flow	110.7

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 debt/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 one 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 alarm reception activities.

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

	2018 Oct-Dec	2017 Oct-Dec	2018 Jan-Dec	2017 Jan-Dec
Currency adjusted sales growth (SEK million)				
Currency adjusted sales growth	-34.2	-32.4		
Currency effect	27.9	-6.6		
Reported sales growth	-6.3	-39.0		
Capital employed				
Total assets			1,464.3	1,177.3
-non interest bearing liabilities			540.6	428.6
-cash and cash equivalents			134.2	57.1
Reported capital employed			789.5	691.6

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 the Parent Company, and that it also describes the principal risks and uncertainty factors faced by the company and its subsidiaries.

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

Malmö, Sweden, 14 February 2019

Johan Andsjö
Chair of the Board

Henri Österlund
Deputy chair of the Board

Lena Hofsberger
Board member

Niklas Savander
Board member

Jonas Mårtensson
Board member

Josephine Salenstedt
Board member

Mona Kristensson
Employee board member

Robert Puskaric
CEO

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 persons on page 9, on February 14 2019, at 08.00 CET.