

Q1

Interim report January – March 2017



Doro AB
Corporate Identity Number 556161-9429

9.5%

Net sales growth

3.8%

EBIT margin

Good growth within Doro Care, sales and profitability strengthened

January – March 2017

- Net sales amounted to SEK 452.3m (413.0), an increase of 9.5 percent.
- Operating profit (EBIT) of SEK 17.3m (9.3), corresponding to an operating margin of 3.8 percent (2.3).
- Order intake amounted to SEK 424.6m (469.6), a decrease of 9.6 percent.
- Order book at the end of the period amounted to SEK 282.4m (246.2).
- Profit after tax for the period amounted to SEK 13.0m (5.8).
- Earnings per share amounted to SEK 0.56 (0.25).
- Free Cash Flow before acquisitions amounted to SEK 26.5m (-46.0).

Outlook

Unchanged outlook: Our expectation for 2017 is that both sales and EBIT will increase compared to 2016.

DORO GROUP (SEKm)	2017 Jan-Mar	2016 Jan-Mar	2016 Jan-Dec
Net sales	452.3	413.0	1,959.1
Net sales growth, %	9.5	22.3	7.1
EBITDA	31.3	22.3	121.4
EBITDA margin, %	6.9	5.4	6.2
EBITA	18.5	11.7	55.1
EBITA margin, %	4.1	2.8	2.8
EBIT	17.3	9.3	47.7
EBIT margin, %	3.8	2.3	2.4
Profit after tax	13.0	5.8	31.0
Earnings per share, SEK	0.56	0.25	1.33
Equity/assets ratio, %	47.0	42.5	40.4



Doro Care increases sales by 91.6%

Action plan initiated for the US/Canada

Collaboration with Sigma in regards of product development enhances flexibility, efficiency and cuts development lead-times

Mobile World Congress 2017

Good potential to further advance penetration in several markets

Outlook for 2017 unchanged: sales and EBIT to increase compared to 2016

CEO's comment

I'm pleased to be able to say that Doro's sales and earnings are now heading in the right direction again. Sales increased by 9.5 percent in the quarter to SEK 452.3m (413.0), and gross margin expanded to 38.4 percent (34.4). We generated a strong cash flow, and were able to reduce net debt in the quarter. Order intake decreased by 9.6 percent compared to the first quarter 2016, but this should be viewed against us securing the highest order intake in Doro's history in the fourth quarter 2016.

Doro Care, which we are reporting separately as an independent region effective this quarter, increased sales by 91.6 percent (40.7 percent excluding Trygghetssentralen). Our new framework agreement with local government procurement organisation SKL Kommentus Inköpscentral is one important explanation, although the acquisition of Trygghetssentralen, completed in the second quarter 2016, and a high export share to Germany and the UK in the current quarter, are other explanations. The work commenced in 2016 to improve efficiency and cost control has also started to pay off, but we still see potential in structuring and streamlining operations further.

For some time, we have noted sales declining in the US/Canada region, which is a result of our current product offering and a concentrated customer base. This situation is unsatisfactory. We are working on executing an action plan. We're confident, but do not expect results quickly.

Some time ago, we started a collaboration with Sigma in Lund, Sweden. By outsourcing product development to an external partner, we achieve far greater flexibility, cost-efficiency and speed in product development. In addition to this step, we are also executing actions to improve control and monitoring of product development.

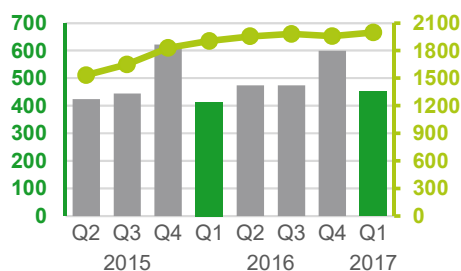
We were present at the Mobile World Congress in Barcelona in late-February, where we met a lot of customers, collaborative partners and demonstrated our offerings in Doro Care, as well as product news, including the smart phone segment. Our company and offering in the senior segment are gaining an excellent reception. In the quarter, Orange, one of our most important customers, gave us its Orange Device Partner Award for Outstanding Excellence in Smart Mobile Design for Seniors. We also received the Red Dot Award for the Doro 6050 clam shell feature phone.

Doro has a very well established brand with a good reputation on its home market of the Nordics, which means our growth there remains strong. When I started at Doro, I initiated an overhaul of our whole international presence. I see potential for greater penetration on several markets, Italy and Spain for example. Simultaneously, I am not averse to reprioritising. Our presence on certain markets should, perhaps, be managed differently from before.

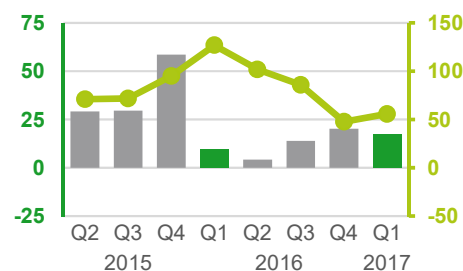
The response Doro receives from distributors and collaborative partners is convincing, our positioning in the senior segment is strong and I see a wealth of exciting opportunities to evolve and advance it further.

Robert Puskaric, President & CEO

Net sales per quarter and R12m, SEKm



EBIT per quarter and R12m, SEKm



Financial overview group, first quarter 2017

Sales

Doro's net sales in the first quarter amounted to SEK 452.3m (413.0), a 9.5 percent increase compared to the first quarter 2016. Excluding Trygghetssentralen, the increase was 4.7 percent. Currency adjusted growth was 7.4 percent including Trygghetssentralen.

Order intake in the first quarter was healthy, but somewhat lower than the corresponding period of the previous year, at SEK 424.6m (469.2), mainly as a result of poorer order levels in the UK and US.

Overall, the geographical regions' sales were unchanged compared to the first quarter of the previous year, but there are wide variations between regions. Sales in the Nordics are very strong, up 53.7 percent. A somewhat weak comparative quarter in 2016 and customer stockpiling relating to price adjustments are key explanations. We also achieved high sales in DACH region, where sales increased by 24.9 percent.

Our progress in the US/Canada region has been slow for some time. We are now reviewing our long-term strategy for the US market, and are working on executing an action plan which we expect to re-secure our stable positioning on this market. In Canada, we have not had an established position for the past one to two years, but have now renewed our partnership with the operator Rogers Communication, which achieved a positive sales start in the quarter.

Sales in the UK were poor in the first quarter, largely the result of very high sales in December, caused by announced price increases, which then resulted in poor sales in January. At the end of the past quarter, we then saw an improvement and normalisation of sales and order levels.

Smart phone sales in the first quarter of 2017 reached 21.1 percent of our total mobile phone sales. Our range in this segment will be renewed and better focused during the current year.

Doro Care secured a new framework agreement with local government procurement organisation SKL at the end of October of the previous year, and order levels in this product segment have now normalised. For the first quarter sales increased by 91.6 percent (40.7 excluding Trygghetssentralen) and reached SEK 75.5m, of which SEK 42.5m represent recurring revenues. Apart from the acquisition of Trygghetssentralen, there is another key explanation for this positive outcome—one of the largest regional private sector care providers on the German export market placed a substantial order that had a very positive effect on sales in the quarter.

Earnings

Doro's gross margin is continuing to increase, and amounted to 38.4 percent in the first quarter 2017 (34.4). This improvement is sourced from strong handset sales in the Nordics, the acquisition of Trygghetssentralen (corresponding to some 2.4 percentage points of the improvement) and a generally improved customer and product mix.

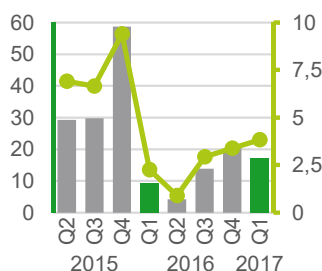
Higher operating expenses are mainly a result of the acquisition of Trygghetssentralen. An improved customer and product mix, better cost structure and normalised order level for Care contributed to first-quarter EBITDA increasing, to SEK 31.3m (22.3), corresponding to an EBITDA margin of 6.9 percent (5.4).

Strong sales in the Nordics and DACH, weaker in the US/Canada and UK

Smart phones: 21.1% of total mobile phone sales

Doro Care sales reached SEK 75.5m, of which SEK 42.5m represent recurring revenues

EBIT and EBIT margin per quarter, SEKm and %



EBITA also improved, to SEK 18.5m (11.7). Amortisation of intangible assets from business combinations according to plan was SEK -1.2 m (-2.4) in the quarter, corresponding to an EBIT of SEK 17.3m (9.3) and an EBIT margin of 3.8 percent (2.3).

To some extent, the improved profitability is a consequence of better cost control and efficiency measures in the alarm receiving centre operation, which resulted in lower costs per connection. Work on structuring and streamlining operations is ongoing and expected to contribute to continued profitability improvement with retained or growing sales.

Net financial items for the first quarter were SEK 0.4m (-1.3) including the revaluation of financial instruments in foreign currencies.

Group tax for the quarter was SEK -4.7m (-2.2).

Profit after tax for the period was SEK 13.0m (5.8).

Cash flow, investments and financial position

Cash flow from operating activities was high in the first quarter, at SEK 42.3m (-32.0). Free cash flow, after investments but before business combinations, also increased, to SEK 26.5m (-46.0). Improved profits and a continued focus on increasing working capital efficiency are the primary explanations for this improvement.

Cash and cash equivalents were SEK 35.7m at the end of the first quarter (50.6). At the same time, the equity/assets ratio was 47.0 percent (42.5).

Doro was able to reduce net debt in the period, which amounted to SEK 124.3m by the end of the first quarter, which can be compared to SEK 149.5m at the end of the fourth quarter 2016.

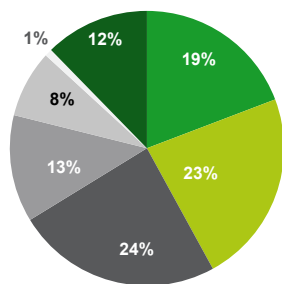
Significant events in the period

Effective 1 January 2017, Doro altered the definition of its markets so reporting is consistent with how sales are organised. This means sales are divided into geographical regions, with Doro Care as a separate region. The comparative figures for 2016 have been restated to comply with this new reporting method. Coincident with this, Carl-Johan Zetterberg Boudrie was appointed as Vice President of Doro Care, and also became a member of Group Management.

Significant events after the end of the period

There have been no significant events to report since the end of the period.

Total sales per market, R12, April 2016 – March 2017



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

Sales by market first quarter 2017

SALES PER MARKET*) Doro Group (SEKm)	2017 Jan-Mar	Net sales growth, %	2016 Jan-Mar recalc.	2016 Jan-Dec recalc.
Nordic	89.0	53.7%	57.9	353.1
Europe, Middle East and Africa	100.8	-5.6%	106.8	461.4
DACH (Germany, Austria, Switzerland and Eastern)	108.2	24.9%	86.6	462.9
United Kingdom	46.4	-23.6%	60.7	266.4
USA and Canada	22.5	-58.3%	53.9	189.8
Other regions	5.1	-19.0%	6.3	18.9
Care	75.5	91.6%	39.4	210.1
Central	4.8		1.4	-3.5
Total	452.3	9.5%	413.0	1,959.1

*) Note 1

Nordics

2017 started off strong in the Nordics, even if a high share of the sales increase is due to fairly poor comparative figures for the corresponding period of 2016. Price adjustments late in the previous year and early in the current year also contributed to sales growth through some stockpiling by customers ahead of price increases. Nevertheless, Doro has a strong product portfolio, and notes that its products are frequently listed by retailers Nordic wide. Sales of smart phones also progressed in line with expectations.

DACH (Germany, Austria, Switzerland and Eastern Europe)

A strong quarter at the retailer and operator levels. Sales of smart phones stood out as very robust, although sales of feature phones are also healthy, with both segments gaining traction from the positive outcome in a German test of mobile phones for seniors (Stiftung Warentest's test of the Doro Phone Easy 613 and Doro Liberto 825 models). Campaigns and new operator partnerships are also contributing to profitability and good sales figures in Germany, the Czech Republic and Slovenia.

EMEA (Europe, Middle East and Africa)

Sales were down by 5.6 percent in the first quarter 2017, but this is largely explained by an unusually large order to Algeria in the first half-year 2016, which presented challenging comparative figures. Sales in the past quarter were healthy, especially for smart phones. Good sales of 2G feature phones are compensating for somewhat lower sales of 3G phones. The Doro 6050, which was launched in February in the region at the Mobile World Congress, has the potential to be a best seller in the 2G feature phone segment.

UK

Sales were very strong in December, adversely affecting early-2017, through unusually high inventory levels with customers. Price increases executed late in 2016 to compensate for exchange rate deterioration had an initial negative effect, but order levels and sales gathered momentum and normalised late in the quarter. Doro still enjoys a high market share and noted that sales of smart phones returned to high growth in March.

US and Canada

Our progress in the US/Canada region has been slow for some time. We are now reviewing our long-term strategy for the US market, and are working on executing an action plan which we expect to re-secure our position on this market. In Canada, we have not had an established position for the past one to two years, and have now renewed our partnership with the operator Rogers Communication, launching our Doro 626 clam shell feature phone jointly with them. Sales started well in the quarter.

Care

Effective from January 1 2017, we are reporting sales for the Doro Care region separately. In the first quarter 2017, Care's sales increased briskly, returning to a normalised level after being adversely affected by the delayed framework agreement with local government procurement organisation SKL in the previous year. However, there are a number of other important explanations for the high growth in the quarter. Firstly, the acquisition of Trygghetssentralen, which was completed in the second quarter 2016, and secondly, a large-scale export order to a major German private sector care provider in this market.

Of total sales for Doro Care, in total SEK 75.5m, SEK 42.5m represent recurring revenues. This is an increase compared to the first quarter 2016, when recurring revenues only amounted to SEK 17.2m. Excluding Trygghetssentralen recurring revenues in the first quarter 2017 amounted to SEK 25.7m.

At the end of the quarter, the total number of subscribers reached 123,000 (95,000 excluding Trygghetssentralen), an increase compared to the first quarter 2016 when the total number of subscribers reached 82,000.

Rest of world

Net sales in other regions were SEK 5.1m (6.3).

Central overheads

Income and income adjustments not related to a specific region were SEK 4.8m (1.4) in the first quarter.

Shareholders' equity and the Doro share

Doro's shares are listed on Nasdaq Stockholm, Small Cap – Telecom/IT list. As per March 31 2017 the total number of shares outstanding was 23,238,255. Shareholders' equity amounted to SEK 530.9m (485.8).

Transactions with related parties

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

Employees

Doro had 486 (374) employees as of March 31, 2017, equivalent to 375 (305) full-time employees. Of these, 253 (251) are based in Sweden, 31 (36) in France, 15 (14) in the UK, 9 (9) in Hong Kong, 123 (3) in Norway 2 (1) in Italy, and 53 (60) in Germany.

Risks

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

Parent Company

The Parent Company's net sales for the first quarter amounted to SEK 309.3m (328.3). The profit after tax amounted to SEK 4.8m (7.3).

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.

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

The outlook is unchanged. Our expectation for 2017 is that both sales and EBIT will increase compared to 2016.

**The Q2 2017 report
will be presented on
July 13**

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

Reporting dates

Q2 report January – June 2017:	July 13, 2017
Q3 report January – September 2017:	October 24, 2017
Q4 report January – December 2017:	February 15, 2018

Annual General Meeting 2017

The annual general meeting 2017 will be held in Stockholm on April 27, 2017.

For further information, please contact:

Robert Puskaric, President and CEO, +46 (0)46 280 50 05
Magnus Eriksson, CFO, +46 (0)46 280 50 06

Doro's report to be presented via audiocast

Analysts, investors and the media are welcome to attend a presentation via <http://edge.media-server.com/m/p/vrm7ph7q> or by telephone at 09:00 CET on April 27, 2017. Doro's President and CEO Robert Puskaric and Doro's CFO Magnus Eriksson will hold the presentation and answer questions. Before the start of the presentation, the material will be made available at <http://corporate.doro.com/blog/hp-doro-webcast>.

Call-in details

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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 marketleader in senior mobile phone, Doro offers easy-to-use mobile phones and smart phones, mobile applications, fixed line telephony with loud and clear sound. Within Doro Group, Doro Care offers social care and telecare solutions for elder and disabled persons for independent and safe living in their own homes. Doro AB is a Swedish public company and its shares are quoted on the Nasdaq OMX Stockholm exchange, Nordic List, Small Companies. Net sales of SEK 1,959 million (EUR 205 million) was reported for 2016.

www.doro.com

Financial reports

INCOME STATEMENT

Doro Group (SEKm)

	Note	2017 Jan-Mar	2016 Jan-Mar	2016 Full year
Net sales		452.3	413.0	1,959.1
Own work capitalized and other income		9.5	3.1	16.0
Operating cost		-430.5	-393.8	-1,853.7
Operating profit/loss before depreciation and write-downs, EBITDA		31.3	22.3	121.4
Depreciation according to plan, excl depr of intangible assets related to company acquisitions		-12.8	-10.6	-66.3
Operating profit/loss after depreciation and write-downs, EBITA		18.5	11.7	55.1
Depreciation according to plan of intangible assets related to company acquisitions		-1.2	-2.4	-7.4
Operating profit/loss after depreciation and write-downs, EBIT		17.3	9.3	47.7
Net financial items		0.4	-1.3	-8.3
Profit/loss after financial items		17.7	8.0	39.4
Taxes		-4.7	-2.2	-8.4
Profit/loss for the period		13.0	5.8	31.0
Average number of shares, thousands		23,238	23,238	23,238
Average number of shares after dilution, thousands*		23,357	23,510	23,411
Earnings per share, SEK		0.56	0.25	1.33
Earnings per share, after dilution, SEK*		0.56	0.25	1.32

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

STATEMENT OF COMPREHENSIVE INCOME

Doro Group (SEKm)

	2017 Jan-Mar	2016 Jan-Mar	2016 Full year
Profit/loss for the period	13.0	5.8	31.0
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Translation differences	-0.5	-1.2	4.9
Effects from cash flow hedges	-2.1	-1.4	4.9
Deferred tax	0.5	0.3	-1.1
Total Result related to Parent company's shareholders	10.9	3.5	39.7

STATEMENT OF FINANCIAL POSITION

Doro Group (SEKm)

	2017 31 Mar	2016 31 Mar	2016 31 Dec
Non-current assets			
Intangible assets	463.6	445.2	464.1
Property, plant and equipment	15.0	7.8	12.9
Financial assets	7.0	12.6	7.3
Deferred tax asset	13.0	18.3	11.9
Current assets			
Inventories	231.6	231.0	217.9
Current receivables	362.8	377.4	512.8
Cash and cash equivalents	35.7	50.6	61.0
Total assets	1,128.7	1,142.9	1,287.9
Shareholders' equity attributable to Parent company's shareholders	530.9	485.8	520.0
Longterm liabilities	149.8	218.4	197.0
Current liabilities	448.0	438.7	570.9
Total shareholders equity and liabilities	1,128.7	1,142.9	1,287.9

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

	2017 31 Mar	2016 31 Mar	2016 31 Dec
Exchange rate contracts recorded as current liability	2.6	13.0	3.2
Exchange rate contracts recorded as current receivable	4.2	4.3	12.4

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

STATEMENT CASH FLOWS

Doro Group (SEKm)

	Note	2017 Jan-Mar	2016 Jan-Mar	2016 Full year
Operating profit/loss after depreciation and write-downs, EBIT		17.3	9.3	47.7
Depreciation according to plan		14.0	13.0	73.7
Net Financial items		-1.1	-1.7	-8.3
Unrealized exchange rate differences in cash flow hedges		5.4	10.7	-0.6
Taxes paid		-7.0	-8.6	-26.3
Changes in working capital (incl changes in provisions)		13.7	-54.7	-24.5
Cash flow from current activities		42.3	-32.0	61.7
Investments in intangible and tangible fixed assets		-15.8	-14.0	-67.4
Total Free Cash flow before acquisitions		26.5	-46.0	-5.7
Acquisitions		0.0	0.0	-29.0
Cash flow from investment activities		-15.8	-14.0	-96.4
Amortisation of debt		-50.5	-1.8	-79.8
New loans/changes in bank overdraft facility		0.0	54.1	129.8
Dividend		0.0	0.0	0.0
New share issue		0.0	0.0	0.0
Warrant program, new/buy back		-1.2	0.3	-0.6
Cash flow from financial activities		-51.7	52.6	49.4
Exchange rate differences in cash and cash equivalents		-0.1	0.1	2.4
Change in liquid funds		-25.3	6.7	17.1
Net debt		124.3	162.2	149.5

STATEMENT OF CHANGES IN EQUITY

Doro Group (SEKm)

	2017 31 Mar	2016 31 Mar	2016 31 Dec
Opening balance	520.0	482.0	482.0
Total Result related to Parent company's shareholders	10.9	3.5	39.7
Dividend	0.0	0.0	0.0
Warrants	0.0	0.3	-1.8
New share issue	0.0	0.0	0.0
Closing balance	530.9	485.8	520.0

OTHER KEY FIGURES

Doro Group

	2017 31 Mar	2016 31 Mar	2016 31 Dec
Orderbook at the end of the period, SEK m	282.4	246.2	307.8
Order intake Q, SEKm	424.6	469.6	572.3
Gross margin, %	38.4	34.4	38.5
Equity/assets ratio, %	47.0	42.5	40.4
Number of shares at the end of the period, thousands	23,238	23,238	23,238
Number of shares at the end of the period after dilution, thousands*	23,363	23,601	23,357
Equity per share, SEK	22.85	20.91	22.38
Equity per share, after dilution SEK*	22.72	20.58	22.26
Return on average share holders' equity, %	7.5	20.4	6.2
Return on average capital employed, %	7.9	20.8	6.8
Share price at period's end, SEK	53.75	74.25	53.00
Market value, SEKm	1,249.1	1,725.4	1,231.6

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

SALES PER MARKET*)

Doro Group (SEKm)

	2017 Jan-Mar	2016 Jan-Mar recalc.	2016 Full year recalc.
Nordic	89.0	57.9	353.1
Europe, Middle East and Africa	100.8	106.8	461.4
DACH (Germany, Austria, Switzerland and Eastern Europe)	108.2	86.6	462.9
United Kingdom	46.4	60.7	266.4
USA and Canada	22.5	53.9	189.8
Other regions	5.1	6.3	18.9
Care	75.5	39.4	210.1
Central	4.8	1.4	-3.5
Total	452.3	413.0	1,959.1

*) Note 1

INCOME STATEMENT

Parent company (SEKm)

	2017 Jan-Mar	2016 Jan-Mar	2016 Full year
Net sales	309.3	328.3	1 439.5
Own work capitalized and other income	3.6	1.6	5.7
Operating cost	-298.2	-310.4	-1 384.6
Operating profit/loss before depreciation and write-downs, EBITDA	14.7	19.5	60.6
Depreciation	-10.1	-9.7	-58.2
Operating profit/loss after depreciation and write-downs, EBIT	4.6	9.8	2.4
Net financial items	1.5	-0.1	-3.7
Profit/loss after financial items	6.1	9.7	-1.3
Taxes	-1.3	-2.4	-0.2
Profit/loss for the period	4.8	7.3	-1.5

STATEMENT OF COMPREHENSIVE INCOME

Parent company (SEKm)

	2017 Jan-Mar	2016 Jan-Mar	2016 Full year
Profit/loss for the period	4.8	7.3	-1.5
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Effects from cash flow hedges	-2.1	-1.4	4.9
Deferred tax	0.5	0.3	-1.1
Total Result related to Parent company's shareholders	3.2	6.2	2.3

STATEMENT OF FINANCIAL POSITION

Parent company (SEKm)

	Note	2017 31 Mar	2016 31 Mar	2016 31 Dec
Non-current assets				
Intangible assets		54.0	61.1	52.0
Property, plant and equipment		0.8	1.3	0.8
Financial assets		348.0	319.1	347.5
Current assets				
Inventories		142.5	138.8	130.5
Current receivables		468.6	457.2	574.1
Cash and cash equivalents		18.2	38.1	43.4
Total assets		1,032.1	1,015.6	1,148.3
Shareholders' equity attributable to Parent company's shareholders				
Provisions		74.1	71.6	74.9
Longterm liabilities		110.0	170.0	160.0
Current liabilities		471.6	396.9	540.2
Total shareholders equity and liabilities		1,032.1	1,015.6	1,148.3

Notes

Note 1 - Sales per market

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

Sales per market

Doro Group (SEKm)

	2016 Jan-Mar recalc.	2016 Apr-Jun recalc.	2016 Jul-Sep recalc.	2016 Oct-Dec recalc.	2016 Full year recalc.
Nordic	57,9	88,3	87,2	119,7	353,1
Europe, Middle East and Africa	106,8	102,7	124,4	127,5	461,4
DACH (Germany, Austria, Switzerland and Eastern Europe)	86,6	97,7	121,4	157,2	462,9
United Kingdom	60,7	49,6	55,4	100,7	266,4
USA and Canada	53,9	74,9	32,8	28,2	189,8
Other regions	6,3	1,5	4,5	6,6	18,9
Care	39,4	59,6	50,6	60,5	210,1
Central	1,4	-0,8	-3,1	-1,0	-3,5
Total	413,0	473,5	473,2	599,4	1 959,1

Note 2 - Recurring revenue

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

Recurring revenue

Doro Group (SEKm)

	2016 Jan-Mar recalc.	2016 Apr-Jun recalc.	2016 Jul-Sep recalc.	2016 Oct-Dec recalc.	2016 Full year recalc.
Recurring revenue	17,2	33,3	35,4	38,8	124,7

Definitions

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

Use of non-IFRS performance measures

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

Description of financial performance measures that are not used in IFRS

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

Calculation of financial performance measures that are not defined in IFRS

	2017 Jan-Mar	2016 Jan-Mar	2016 Full year
Currency adjusted Sales growth (MSEK)			
Currency adjusted Sales growth	30.6	75.6	
Currency effect	8.7	-0.3	
Reported Sales growth	39.3	75.3	
Capital employed			
Total assets	1,128.7	1,142.9	1,287.9
Non interest-bearing liabilities	422.5	414.2	533.5
Cash and bank	35.7	50.6	61
Reported Capital employed	670.5	678.1	693.4

Board Assurance

The Board of Directors and 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, 2017

Johan Andsjö
Acting Chairman of the Board

Henri Österlund
Acting Vice-Chairman of the Board

Lena Hofsberger
Board Member

Karin Moberg
Board Member

Jonas Mårtensson
Board Member

Robert Puskaric
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 at page 8, at 08:00 CET on April 27, 2017.