

+11.1%

Net sales

4.5%

EBIT margin

Good sales and stable results in the transition to services**January – March 2019**

- Net sales were SEK 466.2 million (419.6), an increase of 11.1 percent.
- Net sales for the category Products were SEK 380.7 million (366.8), an increase of 3.8 percent. Net sales for the category Services were SEK 85.5 million (52.7), an increase of 62.2 percent.
- Gross margin decreased to 31.1 percent (33.8). For Products, the gross margin decreased to 27.4 percent (32.2) and for Services the gross margin increased to 47.8 percent (44.5).
- Operating profit (EBIT) was SEK 21.2 million (24.9), which corresponds to an operating margin of 4.5 percent (5.9).
- Profit after tax for the period was SEK 15.4 million (18.6).
- Earnings per share was SEK 0.65 (0.78).
- Free cash flow before acquisitions was SEK 19.2 million (32.2).

Outlook

Unchanged 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.

THE DORO GROUP
(SEK million)

	2019 Jan-Mar	2018 Jan-Mar	2018 Jan-Dec
Net sales	466.2	419.6	1,906.4
Sales growth, %	11.1	-7.2	-0.9
EBITDA	43.6	38.5	194.3
EBITDA margin, %	9.4	9.2	10.2
EBITA	24.0	26.0	130.8
EBITA margin, %	5.1	6.2	6.9
EBIT	21.2	24.9	122.3
EBIT margin, %	4.5	5.9	6.4
Profit after tax	15.4	18.6	91.5
Earnings per share	0.65	0.78	3.86
Equity ratio, %	46.1	54.8	46.7



Sales increased by 11.1%

Service income increased by 62.2% while product income increased by 3.8%

The transition to a more service-based company is going according to plan, Services now accounts for 18% of net sales

Unchanged outlook for full-year 2019

Message from the CEO

Net sales during the period amounted to SEK 466.2 million (419.6), an increase of 11.1%, thanks to positive development in both Products and Services. The operating margin for the quarter was 4.5 percent (5.9).

During the first quarter we have continued to develop the service business, which now accounts for more than 18% of our total sales. The new organisation that was launched last year, which now targets private and public customers, is having positive effects. Business in the public sector is based on winning public procurements, something we are now addressing with a better structure and offer.

Organic growth for Services is 10.4 percent for the quarter, with the increase in sales in Norway prominent. Our subsidiary Welbeing, which we acquired in June 2018, continues to drive sales growth in the United Kingdom. During the period we have appointed a new country manager with extensive industry experience, which we hope will give even better results on the contract side. We continue to promote technology enabled care services for private individuals, such as Response by Doro. During the quarter the service was launched with one of Scandinavia's largest electronic retail chains, Elkjöp/Elgiganten.

The development of our Products business category has been positive compared to the same period last year, despite a continued weak general market for mobile phones and consumer electronics. This is a sign that we have a strong brand that stands up in competition. It is primarily in feature phones that we have taken up a position and in total product sales grew by 3.8 percent during the period.

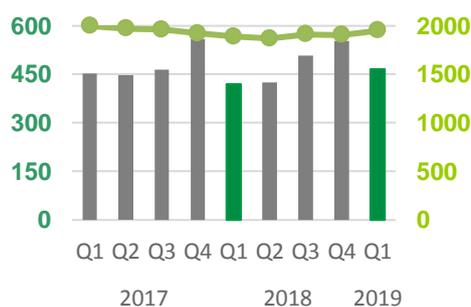
Our sales development in the USA continues to show good growth figures, as in recent quarters. Our feature phone adapted for 4G, 7050, is a product that shows good traction also after its launch period. At the same time, challenges continue in Central and Eastern Europe, particularly in Germany. The German market had had a negative development for eleven consecutive quarters which has pushed forward structural changes at one of the largest electronics chains, affecting the quarter negatively.

The quarter's sales increase and results show that we have the ability to generate a solid cash flow despite the fact that we are going through a transition phase to become a more service-based company. We are now continuing to optimise operations and we are further reviewing our organisation in order to adapt to prevailing market conditions.

More acquisitions in technology enabled care services are also on the agenda, and we are constantly evaluating companies that could match for our strategy. My assessment is that we have both the knowledge and the ability to drive consolidation on the European market. The acquisition of Welbeing almost a year ago is one such example. Now we would like to see more.

Robert Puskaric, President and CEO

Sales per quarter and R12m, SEK million



EBIT per quarter and R12m, SEK million



Group financial summary, First quarter 2019

**Net sales increased
by 11.1%**

**Double-digit sales
growth in the United
Kingdom and North
America**

**Gross margin
decreased to 31.1%
and operating
margin to 4.5%**

Sales

Doro's net sales for the first quarter were SEK 466.2 million (419.6), an increase of 11.1 percent compared with the first quarter of 2018. Adjusted for currency effects, the increase was 5.7 percent.

Order intake in the first quarter increased by 21.7 percent, to SEK 486.0 (399.2). At the end of the quarter, the value of the order book was SEK 416.0 million (294.6).

Sales in the Products category increased by 3.8 percent, while sales in the Services category increased by 62.2 percent compared with the first quarter of 2018.

Sales increased by 3.5 percent in the Western and Southern Europe and Africa region. Sales in the Nordic countries remained largely unchanged compared with the first quarter of 2018. In Central and Eastern Europe, sales decreased by 13.5 percent. Sales in the United Kingdom and Ireland increased by 72.4 percent including the acquisition of Welbeing, while sales in North America increased by 63.8 percent.

Financial results

The gross margin decreased compared to the first quarter of 2018 and amounted to 31.1 percent (33.8). The weakening against the previous year is mainly explained by the strengthening of the USD against EUR and GBP.

EBITDA for the first quarter increased by 13.2 percent to SEK 43.6 million (38.5), which corresponds to an EBITDA margin of 9.4 percent (9.2). The increase in EBITDA was mainly due to the new accounting standard IFRS 16 Leasing being applied from 1 January 2019, which increased EBITDA in the quarter by SEK 4.2 million.

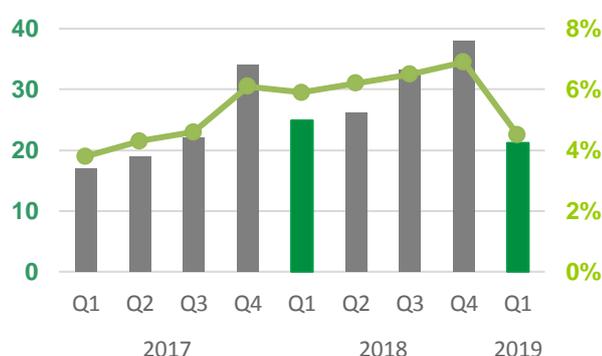
EBITA decreased to SEK 24.0 million (26.0). Planned depreciation of intangible assets from company acquisition was SEK -2.8 million (-1.1) during the quarter, which resulted in an operating profit (EBIT) of SEK 21.2 million (24.9) and an EBIT margin of 4.5 percent (5.9).

Net financial items for the first quarter totalled SEK -0.9 million (0.2), including revaluation of financial instruments in foreign currency.

Group tax for the quarter was SEK -4.9 million (-6.5).

Profit after tax for the period was SEK 15.4 million (18.6).

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



Cash flow from operating activities, SEK million



Cash flow, investments and financial position

Cash flow from operating activities during the first quarter was SEK 40.8 million (54.5). The decrease was mainly due to a lower working capital improvement than in the corresponding period last year. Free cash flow, after investments but before operating acquisitions, amounted to SEK 19.2 million (32.2). Investments during the period amounted to SEK 21.6 (22.3) million.

Cash and cash equivalents totalled SEK 150.8 million at the end of the first quarter (28.9). At the same time, the equity ratio was 46.1 percent (54.8).

Net debt amounted to SEK 156.7 million at the end of the first quarter, compared with SEK 105.8 million at the end of the previous quarter and SEK 81.1 million at the end of the first quarter of 2018. The increase in net debt was due to Doro applying IFRS 16 Leasing with effect from 1 January 2019, which meant that an additional financial leasing liability of SEK 67.6 million was reported compared with the previous year.

Significant events during the period

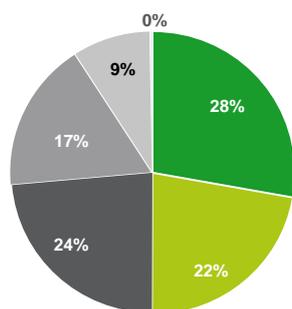
With effect from 1 January 2019, Doro applies the financial reporting standard IFRS 16 Leasing, which affects the reporting of EBITDA and the value of tangible fixed assets and liabilities. For further information, refer to the section on accounting principles and note 1.

Jörgen Alsing, vice president and member of group management with responsibility for SmartCare & Services, left the company during the first quarter.

Significant events after the period

Doro published its annual report for 2018 on 5 April 2019.

Sales by market, R12, April 2018 - March 2019



- 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, first quarter 2019

NET SALES BY MARKET

Doro Group (SEK million)

	2019 Jan-Mar	Growth %	2018 Jan-Mar	2018 Jan-Dec
Nordics	129.6	-0.5	130.2	546.5
Western and Southern Europe and Africa	108.8	3.5	105.1	433.3
Central and Eastern Europe	88.6	-13.5	102.4	475.8
United Kingdom and Ireland	91.7	72.4	53.2	300.3
North America	53.4	63.8	32.6	152.9
Rest of the world	0.4	-81.0	2.1	7.5
Other	-6.3		-6.0	-9.9
Total	466.2	11.1	419.6	1,906.4

Nordics

Sales in the Nordic region decreased by 0.5 percent compared with the first quarter of 2018. The Nordic mobile phone market remains weak, but Doro is defending its market share. During the first quarter, the technology enabled care service Response by Doro was launched in all Elgiganten/Elkjöp retail outlets in Sweden and Norway. In the services area, Doro maintained its strong market position in both Sweden and Norway.

Western and Southern Europe and Africa

In Western and Southern Europe and Africa, sales increased by 3.5 percent, with sales of feature phones on the French market developing especially positively. Sales in Italy and Spain remained stable compared to the previous year.

Central and Eastern Europe

Sales in the first quarter decreased by 13.5 percent. The weak development is mainly explained by the decline in sales at our most important customers in the German retail sector. Restructuring of customers' businesses as a result of the weak market has contributed to the weak quarter.

United Kingdom and Ireland

Sales during the first quarter increased by 72.4 percent, thanks to the acquisition of Welbeing in the second quarter of 2018. The UK market remained fragmented, but we could see that price pressure increased somewhat in procurements. Doro's sales of both mobile phones and alarm devices also showed good growth figures in the first quarter of 2019.

North America

Sales increased by 63.8 percent thanks to continuing strong demand, including after the launch of our smart 4G feature phone, Doro 7050.

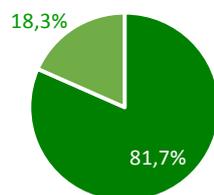
Rest of the world

Net sales in the rest of the world amounted to SEK 0.4 million (2.1).

Other

During the first quarter, income and income adjustments that were not connected to any specific region totalled SEK -6.3 million (-6.0).

Sales by category
January - March 2019



■ Products

■ Services

Net sales and gross margin by category, first quarter 2019

NET SALES BY CATEGORY

Doro Group (SEK million)	2019 Jan-Mar	Growth %	2018 Jan-Mar	2018 Jan-Dec
Products	380.7	3.8	366.8	1,621.0
Gross margin, %	27.4		32.2	31.0
Services	85.5	62.2	52.7	285.4
Gross margin, %	47.8		44.5	47.4
Total	466.2	11.1	419.6	1,906.4
Gross margin, %	31.1		33.8	33.4

Products

Sales of products increased by 3.8 percent compared to the first quarter of 2018. Weak development in Central and Eastern Europe was offset by growth in the UK and Ireland and North America respectively. Our assessment is that Doro is maintaining or increasing its market share in a market that continues to be weak, especially for feature phones. The gross margin fell to 27.4 percent (32.2) mainly due to the strengthening of the USD against EUR and GBP, but also as a result of a changed product and market mix.

Services

Sales of services increased by 62.2 percent, partly due to organic growth in Sweden and Norway, but mainly due to the acquisition of Welbeing in the second quarter of 2018. In the public procurement that was carried out, there was a greater demand for broader technology enabled care solutions, including, for example, automatic locks and remote supervision. The number of subscriptions amounted to 203,000 (126,000). The gross margin increased to 47.8 percent (44.5). The increased margin was primarily the result of a changed market mix with the acquisition of Welbeing.

Equity and the Doro share

Doro's share is listed on Nasdaq Stockholm, Small Cap, in the segment Telecom/IT. On 31 March 2019 the number of issued shares was 24,204,568, of which Doro AB holds 439,030 Doro shares. Total equity amounted to SEK 718.1 million (601.7).

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 March 2019, Doro had 688 (431) employees, corresponding to 566 (360) full-time equivalents. Of these, 354 (319) are based in the Nordic region, 52 (59) in Central and Eastern Europe, 25 (28) in Western and Southern Europe and Africa, 248 (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. Other than these risks, which are described in more detail on pages 34 and 35 of the annual report, no other significant risks have been identified during the period.

Parent company

The parent company's net sales during the first quarter totalled SEK 360.6 million (332.7). Profit after tax was SEK 3.1 million (15.6).

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 16 Leasing with effect from 1 January 2019, see note 1.

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 its market share in the senior segment. Services are growing organically and we are actively working on different acquisition opportunities, for which reason we expect continued double-digit percentage growth in services in 2019. Profitability is expected to remain at a healthy level.



The report for the second quarter of 2019 will be published on 12 July 2019

This report is presented via audiocast on 3 May at 09.00 CET

Report dates

Q2 report, January-June 2019:	12 July 2019
Q3 report, January-September 2019:	25 October 2019
Q4 report, January-December 2019:	19 February 2020

Annual General Meeting 2019

The Annual General Meeting will be held in Stockholm at 14.00 on 3 May.

For further information, please contact:

Robert Puskaric, President and CEO, +46 (0)46 280 50 05
Carl-Johan Zetterberg Boudrie, CFO, +46 (0)46 280 50 47

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/qfih5y7d> or telephone at 09.00 CET on 3 May 2019. Doro's President and CEO Robert Puskaric and CFO Carl-Johan Zetterberg Boudrie will give the presentation and answer questions. The presentation is available in advance on <https://corporate.doro.com/investors/reports-and-presentations/presentations/>.

Telephone numbers

Sweden:	+ 46 (0) 8 505 583 52
France:	+ 33 (0) 1 7075 0718
United Kingdom:	+ 44 (0) 303 300 9272
USA:	+ 1 646 722 4902

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	2019 Jan-Mar	2018 Jan-Mar	2018 Jan-Dec
Net sales		466.2	419.6	1,906.4
Cost of goods and services sold		-321.1	-278.0	-1,269.2
Gross profit		145.1	141.6	637.2
Selling, distribution and marketing expenses		-68.6	-60.7	-278.4
Research and development expenses		-25.9	-23.0	-104.8
Administrative expenses		-30.0	-34.0	-134.3
Other income and expenses		0.6	1.0	2.6
Total operating expenses		-123.9	-116.7	-514.9
whereof depreciation and amortisation of intangible and tangible fixed assets		-22.4	-13.6	-72.0
Operating profit/loss before depreciation and amortisation (EBITDA)		43.6	38.5	194.3
Operating profit/loss after depreciation and amortisation (EBIT)		21.2	24.9	122.3
Net financial items		-0.9	0.2	0.7
Profit/loss before taxes		20.3	25.1	123.0
Income tax		-4.9	-6.5	-31.5
Profit/loss for the period		15.4	18.6	91.5
Average number of shares, 000s		23,674	23,755	23,674
Average number of shares after dilution, 000s*		23,674	23,755	23,674
Earnings per share, SEK		0.65	0.78	3.86
Earnings per share after dilution, SEK*		0.65	0.78	3.86

*) 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)

	2019 Jan-Mar	2018 Jan-Mar	2018 Jan-Dec
Profit/loss for the period	15.4	18.6	91.5
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Translation differences	17.5	12.2	5.1
Effects from cash flow hedges	1.9	-0.3	1.0
Deferred tax	-0.4	0.1	-0.2
Total Result related to Parent company's shareholders	34.4	30.6	97.4

BALANCE SHEET

Doro Group (SEK million)

	2019 31 Mar	2018 31 Mar	2018 31 Dec
Non-current assets			
Intangible assets	623.0	481.7	612.4
Property, plant and equipment	114.2	21.3	41.1
Financial assets	6.3	9.1	7.5
Deferred tax asset	5.8	9.7	6.5
Current assets			
Inventories	289.4	215.1	264.0
Current receivables	369.5	331.6	398.6
Cash and cash equivalents	150.8	28.9	134.2
Total assets	1,559.0	1,097.4	1,464.3
Shareholders' equity attributable to Parent company's shareholders	718.1	601.7	683.7
Long-term liabilities	323.7	62.8	284.2
Current liabilities	517.2	432.8	496.4
Total shareholders' equity and liabilities	1,559.0	1,097.4	1,464.3

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

	2019 31 Mar	2018 31 Mar	2018 31 Dec
Exchange rate contracts recorded as current liability	1.8	7.8	1.7
Exchange rate contracts recorded as current receivable	3.9	3.9	4.3

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

CASH FLOW ANALYSIS

Doro Group (SEK million)

	2019 Jan-Mar	2018 Jan-Mar	2018 Jan-Dec
Operating profit/loss after depreciation and write-downs, EBIT	21.2	24.9	122.3
Depreciation according to plan	22.4	13.6	72.0
Net paid financial items	-1.5	-1.0	-4.5
Unrealized exchange rate differences in cash flow hedges	2.5	-0.5	-5.7
Taxes paid	-9.6	-1.3	-15.1
Changes in working capital (incl changes in provisions)	5.8	18.8	52.8
Cash flow from current activities	40.8	54.5	221.8
Investments in intangible and tangible fixed assets	-21.6	-22.3	-99.3
Total Free Cash flow before acquisitions	19.2	32.2	122.5
Acquisitions	0.0	0.0	-110.7
Cash flow from investment activities	-21.6	-22.3	-210.0
Amortisation of debt	-4.2	-50.0	-185.0
New loans	0.0	0.0	265.0
Dividend/buy-back shares	0.0	-12.6	-18.9
New share issue	0.0	0.0	0.0
Warrant program, new/buy back	0.0	0.0	2.3
Cash flow from financial activities	-4.2	-62.6	63.4
Exchange rate differences in cash and cash equivalents	1.5	2.2	1.9
Change in liquid funds	16.5	-28.2	77.2
Net debt*	156.7	81.1	105.8

*) The introduction of IFRS 16 increases net liabilities by SEK 67.6 million as of 31 March 2019

EQUITY

Doro Group (SEK million)

	2019 31 Mar	2018 31 Mar	2018 31 Dec
Opening balance	683.7	583.7	583.7
Total Result related to Parent company's shareholders	34.4	30.6	97.4
Dividend/buy-back shares	0.0	-12.6	-18.9
Warrants	0.0	0.0	2.3
New share issue	0.0	0.0	19.2
Closing balance	718.1	601.7	683.7

OTHER KEY FIGURES

Doro Group	2019 31 Mar	2018 31 Mar	2018 31 Dec
Order book at the end of period, SEK million	416.0	294.6	396.1
Order intake Q, SEK million	486.0	399.2	-
Gross margin, %	31.1	33.8	33.4
EBITA, SEK million	24.0	26.0	130.8
Equity/assets ratio, %	46.1	54.8	46.7
Number of shares at end of period, 000s	23,766	23,755	23,766
Number of shares at end of period after dilution effect, 000s*	23,766	23,755	23,766
Equity per share, SEK	30.22	25.33	28.77
Equity per share after dilution, SEK*	30.22	25.33	28.77
Return on average share holders' equity, %	13.4	12.7	14.4
Return on average capital employed, %	14.9	14.6	16.1
Share price at end of period, SEK	35.10	43.55	34.15
Market value, SEK million	834.2	1,034.5	811.6

* 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)	2019 Jan-Mar	2018 Jan-Mar	2018 Jan-Dec
Nordics	129.6	130.2	546.5
Western and Southern Europe and Africa	108.8	105.1	433.3
Central and Eastern Europe	88.6	102.4	475.8
United Kingdom and Ireland	91.7	53.2	300.3
North America	53.4	32.6	152.9
Rest of the world	0.4	2.1	7.5
Other	-6.3	-6.0	-9.9
Total	466.2	419.6	1,906.4

NET SALES BY CATEGORY

Doro Group (SEK million)	2019 Jan-Mar	2018 Jan-Mar	2018 Jan-Dec
Products	380.7	366.8	1,621.0
Gross margin, %	27.4	32.2	31.0
Services	85.5	52.7	285.4
Gross margin, %	47.8	44.5	47.4
Total	466.2	419.6	1,906.4
Gross margin, %	31.1	33.8	33.4

INCOME STATEMENT

Parent company (SEK million)	2019 Jan-Mar	2018 Jan-Mar	2018 Jan-Dec
Net sales	360.6	332.7	1,483.9
Cost of goods and services sold	-256.1	-214.2	-999.5
Gross profit	104.4	118.5	484.4
Operating expenses	-98.8	-99.1	-413.8
Operating profit/loss (EBIT)	5.6	19.4	70.6
Net financial items	-0.2	1.4	5.6
Profit/loss after financial items	5.4	20.8	76.2
Group contribution	0.0	0.0	0.0
Taxes	-2.3	-5.2	-19.2
Profit/loss for the period	3.1	15.6	57.0

STATEMENT OF COMPREHENSIVE INCOME

Parent company (SEK million)

	2019 Jan-Mar	2018 Jan-Mar	2018 Jan-Dec
Profit/loss for the period	3.1	15.6	57.0
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Effects from cash flow hedges	1.9	-0.3	1.0
Deferred tax	-0.4	0.1	-0.2
Total Result related to Parent company's shareholders	4.6	15.4	57.8

SUMMARY BALANCE SHEET

Parent company (SEK million)

	Note	2019 31 Mar	2018 31 Mar	2018 31 Dec
Non-current assets				
Intangible assets		295.6	287.6	296.9
Property, plant and equipment		18.0	15.7	17.3
Financial assets		271.8	119.6	272.0
Current assets				
Inventories		216.0	161.5	195.5
Current receivables		506.2	459.3	538.9
Cash and cash equivalents		108.7	7.5	98.3
Total assets		1,416.2	1,051.2	1,418.9
Shareholders' equity attributable to Parent company's shareholders		476.5	414.2	471.8
Provisions		74.5	44.4	78.0
Long-term liabilities		240.0	50.0	240.0
Current liabilities		625.2	542.6	629.1
Total shareholders' equity and liabilities		1,416.2	1,051.2	1,418.9

Notes

Note 1 – IFRS 16 Leasing

The group leases office premises, vehicles, furniture and office equipment. Leasing contracts are normally written for fixed periods, but there may be opportunities for extension. The terms are negotiated separately for each agreement and contain a large number of contractual conditions. The leasing agreements are reported as rights of use and an equivalent liability on the date on which the leased asset is available for use by the group. Each leasing payment is divided between amortisation of the liability and the financial cost. The financial cost shall be distributed over the term of the lease so that each accounting period is charged with an amount corresponding to a fixed interest rate for the liability recognised in each period. The right of use is depreciated on a straight line basis over the shorter of the asset's useful life and the duration of the leasing contract. Assets and liabilities arising from leasing contracts are initially reported at present value. Leasing payments are discounted by the implied interest rate of the lease if this interest rate can be easily determined, otherwise the company's marginal borrowing rate is used. Payments for short-term contracts and leasing contracts of lesser value are expensed on a straight line basis in the income statement. Short-term contracts are contracts with a leasing period of 12 months or less.

Effect of implementation of IFRS 16

BALANCE SHEET

Doro Group (SEK million)

	2019 1 Jan Before	2019 1 Jan After	2019 31 Mar Before	2019 31 Mar After
Non-current assets				
Intangible assets	612.4	612.4	623.0	623.0
Property, plant and equipment	41.1	110.7	46.6	114.2
Financial assets	7.5	7.5	6.3	6.3
Deferred tax assets	6.5	6.5	5.8	5.8
Current assets				
Inventories	264.0	264.0	289.4	289.4
Current receivables	398.6	398.6	369.5	369.5
Cash and cash equivalents	134.2	134.2	150.8	150.8
Total assets	1,464.3	1,534.0	1,491.4	1,559.0
Equity attributable to parent company's owners	683.7	683.7	718.1	718.1
Long-term liabilities	284.2	337.2	272.7	323.7
Current liabilities	496.4	513.0	500.6	517.2
Total equity and liabilities	1,464.3	1,534.0	1,491.4	1,559.0

INCOME STATEMENT

Doro Group (SEK million)

	2019 Jan-Mar Before	2019 Jan-Mar After
Net sales	466.2	466.2
Costs for sales of goods and services	-321.1	-321.1
Gross profit	145.1	145.1
Total operating costs	-123.4	-123.9
whereof depreciation and amortisation of intangible and tangible fixed assets	-18.2	-22.4
Operating profit before depreciation and amortisations (EBITDA)	39.4	43.6
Operating profit after depreciation and amortisations (EBIT)	20.8	21.2
Net financial income/expense	-0.5	-0.9
Profit before tax	20.3	20.3
Taxes	-4.9	-4.9
Profit for the period	15.4	15.4

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.
Earnings per share	Profit after tax divided by the average number of shares for the period.
Earnings 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 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.

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

	2019 Jan-Mar	2018 Jan-Mar	2019 Jan-Mar	2018 Jan-Mar
Currency adjusted sales growth (SEK million)				
Currency adjusted sales growth	23.9	-35.7		
Currency effect	22.7	3.0		
Reported sales growth	46.6	-32.7		
Capital employed				
Total assets			1,559.0	1,097.3
-non interest bearing liabilities			533.5	385.6
-cash and cash equivalents			150.8	28.9
Reported capital employed			874.7	682.8

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 interim report has not been subject to review by the company's auditors.

Malmö, 3 May 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 of the type that Doro AB is obliged to publish according to the EU Market Abuse Regulation. This information is given by the contact persons on page 8 for publication on Friday 3 May 2019 at 08.00 CET.