

-3.7%Net sales
development**3.4%**

EBIT margin

Fourth quarter burdened by previously announced restructuring costs. Looking ahead, strong order book and gross margin provides confidence.

October – December 2016

- Net sales amounted to SEK 599.4m (622.6), a decrease of 3.7 percent.
- Operating profit (EBIT), including restructuring costs of SEK 20.6m, was SEK 20.3m (58.7), corresponding to an operating margin of 3.4 percent (9.4).
- Order intake amounted to SEK 572.3 m (527.5), an increase of 8.5 percent.
- Order book at the end of the period amounted to SEK 307.8m (193.7).
- Profit after tax for the period amounted to SEK 11.4m (42.4).
- Earnings per share after tax amounted to SEK 0.49 (1.82).
- Cash flow from current activities amounted to SEK 50.2m (32.1).

January – December 2016

- Net sales amounted to SEK 1,959.1m (1,828.9), an increase of 7.1 percent.
- Operating profit (EBIT), including restructuring costs of SEK 29.8m, was SEK 47.7m (95.2), corresponding to an operating margin of 2.4 percent (5.2).
- Profit after tax for the period amounted to SEK 31.0m (63.8).
- Earnings per share after tax amounted to SEK 1.33 (2.78).
- Cash flow from current activities amounted to SEK 61.7m (85.7).
- The Board of Directors proposes a dividend for 2016 of SEK 1.00 (-) per share to the annual general meeting.

Outlook

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

DORO GROUP (SEKm)	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Net sales	599.4	622.6	1,959.1	1,828.9
Net sales growth, %	-3.7	42.4	7.1	44.0
EBITDA	45.2	71.8	121.4	139.2
EBITDA margin, %	7.5	11.5	6.2	7.6
EBITA	21.4	61.2	55.1	105.1
EBITA margin, %	3.6	9.8	2.8	5.7
EBIT	20.3	58.7	47.7	95.2
EBIT margin, %	3.4	9.4	2.4	5.2
Profit after tax	11.4	42.4	31.0	63.8
Earnings per share after tax, SEK	0.49	1.82	1.33	2.78
Equity/assets ratio, %	40.4	40.2	40.4	40.2



First focus will be: Doro Care, group efficiency and further developing Doro's growth strategy

12 month forward looking recurring revenues increased 138%

Increased gross margin, 42.1%

Order book increased 58.9%

Outlook 2017: sales and EBIT expected to increase

CEO comment

During my first weeks at Doro, after meeting with Doro employees and customers, I am convinced that the organization has the competence needed to move forward in order to continue delivering on customer expectations and strengthen its position further in this growing niche market. My first tasks will be to get the Care business back on track and to focus on group efficiency and improving time to market, while in parallel developing the company's growth strategy further.

Sales in Doro Care have been negatively impacted by the delayed new framework agreement with SKL, however, 12 month forward looking recurring revenues increased by 138 percent. In Consumer Devices sales were good but compare unfavourably to the exceptionally strong fourth quarter 2015. For the full year 2016, sales increased by 7.1 percent while it in the fourth quarter declined by 3.7 percent.

The acquisition of Trygghetscentralen and committed efforts to strengthen our product portfolio resulted in an increased gross margin of 42.1 percent in the fourth quarter (38.5 in Q4 2015). The strength of our current product portfolio is seen in our order book, which amounted to SEK 307.8m by the end of 2016, 58.9 percent higher than a year ago.

EBIT in the fourth quarter was negatively affected by restructuring costs mainly related to consolidation of management and R&D functions to our head office in Lund, but also by lower share of new Doro Care contracts and increased depreciations due to product rationalisations. EBIT margin reached 2.4 percent for the year and 3.4 percent in the fourth quarter.

Cash flow from current activities in the fourth quarter was SEK 50.2m (32.1). This improvement is due to intensified focus on cash management and renegotiated supplier contracts.

Going forward, our expectation for 2017 is that both sales and EBIT will increase compared to 2016.

Robert Puskaric, President & CEO

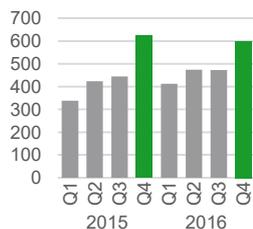
Net sales per quarter and R12m, SEKm



EBIT per quarter and R12m, SEKm



Net sales per quarter, SEKm



EBIT and EBIT margin per quarter, SEKm and %



Financial overview group, fourth quarter 2016

Sales

Doro's net sales in the fourth quarter amounted to SEK 599.4m (622.6), a decrease of 3.7 percent compared to the fourth quarter 2015. Excluding Trygghetscentralen the decrease was 6.5 percent. Currency adjusted growth for the fourth quarter was -4.1 percent including Trygghetscentralen.

There are three main reasons to the weaker sales in the fourth quarter 2016 compared to 2015. Firstly, sales in the US and Canada have very tough comparable figures as sales in the corresponding quarter 2015 was extraordinary high due to a product replacement campaign at one of our customers in the region. Secondly, sales in Doro Care continued to be negatively affected by the delayed new framework agreement with SKL. As indicated before, sales from new contracts are expected to return early 2017. From what we have seen so far in 2017, this seems to be correct. Thirdly, sales were very strong in the fourth quarter last year, as sales were boosted by the launch of the new 4G smartphone Doro 825. However, although decreasing sales, the fourth quarter 2016 is still the second strongest quarter in terms of sales in the company's history.

At the same time as we have seen weaker sales, we are seeing increasing gross margins supported by a more profitable product portfolio as well as increasing smartphone sales with higher average sales price than a year ago.

Due to weak sales in October and low sales in US, smart phones portion of total mobile phones sales only reached 16.9 percent in the fourth quarter. However, in December our smart phone sales reached record high levels for two weeks in a row.

By the end of the fourth quarter, Doro Care's number of subscribers reached 118,000 (90,000 excluding Trygghetscentralen). Forward looking 12 months recurring revenues continued to grow and were SEK 144.7m (SEK 101.3m excluding Trygghetscentralen) by the end of the fourth quarter, which can be compared to SEK 60.8m reported at year-end 2015.

Order intake during the fourth quarter increased by 8.5 percent to SEK 572.3 m (527.5), mainly driven by higher order activity in the Nordics and the DACH region.

Result

The acquisition of Trygghetscentralen and committed efforts to strengthen our product portfolio resulted in an increased gross margin of 42.1 percent in the fourth quarter (38.5 in Q4 2015).

Higher operating costs are mainly attributable to higher expenses in general as well as adding Trygghetscentralen to the group. EBITDA for the fourth quarter decreased compared to last year, to SEK 45.2m (71.8), corresponding to an EBITDA margin of 7.5 percent (11.5). For the full year EBITDA decreased to SEK 121.4m vs. SEK 139.2m for 2015.

EBITA for the fourth quarter decreased to SEK 21.4m (61.2). Depreciation according to plan of intangible assets related to company acquisitions amounted to SEK -1.1m (-2.5) in the fourth quarter, resulting in an EBIT of SEK 20.3m (58.7), which corresponds to an EBIT-margin of 3.4 percent (9.4). Restructuring costs in the fourth quarter amounted to SEK 20.6m.

Higher depreciation due to increased investments and product rationalisations, of which the latter ones had a minor effect on cash flow, also had an impact on the results.

Net financial items in the fourth quarter were SEK -4.0m (-2.1), including revaluation of financial instruments in foreign currencies.

Group tax in the quarter amounted to SEK -4.9m (-14.2).

Profit after tax for the period amounted to SEK 11.4m (42.4).

Cash flow, investments and financial position

Cash flow from current activities in the fourth quarter was SEK 50.2m (32.1). This improvement is due to intensified focus on cash management and renegotiated supplier contracts. Efforts to further improve cash flow will continue in 2017.

Cash and cash equivalents at the end of the fourth quarter amounted to SEK 61.0m (43.9).

The equity/asset ratio was 40.4 percent (40.2) at the end of the fourth quarter.

Net debt was SEK 149.5m at the end of the fourth quarter, compared to SEK 178.6m at the end of the previous quarter.

Dividend

The Board of Directors proposes a dividend for 2016 of SEK 1.00 (-) per share to the annual general meeting.

Significant events during the period

New CEO and new guidance

In a press release on December 8, 2016, Doro announced:

- Top management team including CEO will be centered at Doro headquarters in Lund, Sweden.
- Jérôme Arnaud will leave Doro but continue as CEO until an already-initiated recruitment process is completed.
- Non-recurring restructuring costs of circa SEK 21m will be booked in Q4 for the planned CEO change, the closure of one R&D site in France and some staff optimization in Sweden.
- Operating profit (EBIT), including the non-recurring restructuring costs for the full year 2016, is expected to be in the range of SEK 40m to 50m, revising the previous forecast of an EBIT somewhat below the outcome for 2015.

In a press release on December 16, 2016, Doro announced:

- Doro's Board of Directors has appointed Robert Puskaric as new CEO and President, with stationing at Doro's head office in Lund and effective from February 1, 2017.

Changes in Group Management

Further changes has been made to the Group Management Team. Caroline Noublanche, Vice President Portfolio & Marketing, has left the company. As mentioned in the interim report for the second quarter 2016, Henric Ungh has been recruited as new Vice President Sales & Marketing with effect November 1.

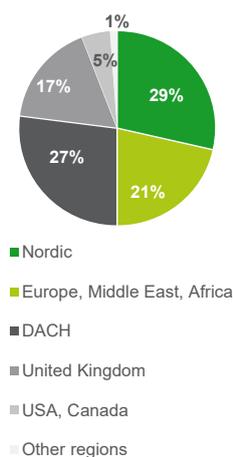
Doro Care has signed a new framework agreement with SKL

Doro Care was by the end of 2015 chosen as one of three parties that SKL Kommentus Inköpscentral AB (SKI) would sign a new framework agreement with, regarding social alarm devices and services. The procurement process was appealed and the new framework agreement could never come into effect. The Administrative court (Förvaltningsrätten) has now delivered their judgement. The appeal was rejected. SKI has thereby been able to proceed and on October 17 signed the new framework agreement with Doro Care and two other suppliers.

New Chairman of the Board

Doro's Chairman Magnus Mandersson resigned due to time constraints as of October 17. Johan Andsjö was appointed acting Chairman and Henri Österlund was appointed acting Vice-Chairman.

Total sales per region



Sales per region October – December 2016

SALES PER REGION^{*)}

Doro Group (SEK m)	2016 Oct-Dec	Net sales growth, %	2015 Oct-Dec recalc.	2016 Jan-Dec	2015 Jan-Dec recalc.
Nordic	171.5	23.7%	138.6	536.9	463.9
Europe, Middle East and Africa	128.8	-3.2%	133.1	467.0	468.5
DACH (Germany, Austria, Switzerland, CE)	162.3	-6.9%	174.3	475.1	444.7
United Kingdom	102.8	2.4%	100.4	274.0	278.8
USA and Canada	28.2	-51.9%	58.6	189.8	149.5
Other regions	7.0	-	6.3	19.9	13.0
Central	-1.2	-	11.3	-3.6	10.5
Total	599.4	-3.7%	622.6	1,959.1	1,828.9

^{*)} Note 1, 2

The Nordic region

With support from Trygghetssentralen, acquired in the second quarter 2016, sales have been strong in the Nordic region in the fourth quarter and increased by 23.7 percent. Excluding Trygghetssentralen sales were still strong, up 11.3 percent. In the past quarter particularly bar type 3G feature phones have sold well in B2B channels. In consumer channels we have seen good sales through of the new 3G feature phones launched in the second quarter 2016.

DACH (Germany, Austria, Switzerland and Central Europe)

Sales in the DACH region have been weaker than last year, a decrease of 6.9 percent, however fourth quarter last year was exceptionally strong due to the launch of the 4G smartphone. Although a decrease this year, both feature phones and smartphones have shown satisfying sales figures in the past quarter. Doro's much appreciated Swisstone feature phones are gaining market share within its segment.

EMEA (Europe, Middle East and Africa)

In the fourth quarter in the EMEA region we have seen a modest sales decrease of 3.2 percent. The decrease is mainly explained by decreasing feature phones sales that has not in full been compensated by a strong increase in smartphone sales. A new listing and focused sales efforts has contributed to the strong smartphone sales. The new 3G feature phones range is showing promising results providing confidence in returning feature phone sales going forward.

United Kingdom

Sales in the UK have been descent in the fourth quarter, up 2.4 percent, which corresponds to double digit growth in local currency. The shift to the new 3G feature phones range has been successful and increased the average selling price. A price increase during the quarter has partly offset the negative consequences of the devaluation of the GBP. Smartphone sales remain stable.

USA and Canada

Sales in the region have decreased by 51.9 percent during the fourth quarter. Last year, one of our customers initiated a 2G device replacement campaign, generating high demand in 3G feature phone. This is now over and they do not need as much intake this year, despite a consistent sales performance of the new product.

Other regions

Net sales of other regions amounted to SEK 7.0m (6.3).

Central overhead

For the fourth quarter, income and income adjustments not related to any specific region amounted to SEK -1.2m (11.3).

Shareholders' equity and the Doro share

Doro's shares are listed on Nasdaq Stockholm, Small Cap – Telecom/IT list. As per December 31, 2016, the total number of shares outstanding was 23,238,255. Shareholders' equity amounted to SEK 520.0m (482.0).

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 500 (358) employees as of December 31, 2016, equivalent to 379 (301) full-time employees. Of these, 256 (233) are based in Sweden, 37 (41) in France, 13 (13) in the UK, 9 (9) in Hong Kong, 124 (3) in Norway 2 (1) in Italy, and 59 (58) in Germany.

Risks

Risks and instability factors are mainly related to supplier disruption, product adaptation and certification, customer relations, exchange rate fluctuations and loan financing. Apart from these risks and the instability factors described on page 20 of the 2015 Annual Report, and the public tender process in Doro Care, no other risks of any significance have been identified during the period.

Parent Company

The Parent Company's net sales for the fourth quarter amounted to SEK 431.7m (471.5). The loss after tax amounted to SEK 22.5m (20.6).

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. In terms of normal seasonality, sales in the second and third quarter are normally sequentially higher than in Q1. Sales in the fourth quarter are normally the strongest in the year.

Outlook

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

The Q1 2017 report will be presented on April 27

This report will be presented via an audiocast on February 17, at 09:00 CET

Reporting dates

Q1 report January – March 2017:	April 27, 2017
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 on April 27, 2017.

For further information, please contact:

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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/yc92rix6> or by telephone at 09:00 CET on February 17, 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 market-leader in senior mobile phone, Doro offers easy-to-use mobile phones and smartphones, mobile applications, fixed line telephony with loud and clear sound. Within Doro Group, Doro Care offers social care and telecare solutions for elder and disabled persons for independent and safe living in their own homes. Doro AB is a Swedish public company and its shares are quoted on the Nasdaq OMX Stockholm exchange, Nordic List, Small Companies. Total revenue of SEK 1,959 million (EUR 205 million) was reported for 2016.

www.doro.com

Financial Reports

INCOME STATEMENT

Doro Group (SEKm)

	Note	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Net sales	1	599.4	622.6	1,959.1	1,828.9
Own work capitalized and other income	1	5.4	3.0	16.0	9.1
Operating cost		-559.6	-553.8	-1,853.7	-1,698.8
Operating profit/loss before depreciation and write-downs, EBITDA		45.2	71.8	121.4	139.2
Depreciation according to plan, excl. depreciation of intangible assets related to company acquisitions		-23.8	-10.6	-66.3	-34.1
Operating profit/loss after depreciation and write-downs, EBITA		21.4	61.2	55.1	105.1
Depreciation according to plan of intangible assets related to company acquisitions		-1.1	-2.5	-7.4	-9.9
Operating profit/loss after depreciation and write-downs, EBIT		20.3	58.7	47.7	95.2
Net financial items		-4.0	-2.1	-8.3	-10.8
Profit/loss after financial items		16.3	56.6	39.4	84.4
Taxes		-4.9	-14.2	-8.4	-20.6
Profit/loss for the period		11.4	42.4	31.0	63.8
Average number of shares, thousands		23,238	23,238	23,238	22,937
Average number of shares after dilution, thousands ^{*)}		23,380	23,374	23,411	22,995
Earnings per share before tax, SEK		0.70	2.44	1.70	3.68
Earnings per share before tax, after dilution, SEK ^{*)}		0.70	2.42	1.68	3.67
Earnings per share after tax, SEK		0.49	1.82	1.33	2.78
Earnings per share after tax, after dilution, SEK ^{*)}		0.49	1.81	1.32	2.77

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

STATEMENT OF COMPREHENSIVE INCOME

Doro Group (SEKm)

	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Profit/loss for the period	11.4	42.4	31.0	63.8
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Translation differences	-1.2	-3.5	5.0	-2.3
Effects from cash flow hedges	0.9	-6.6	4.9	1.7
Deferred tax	-0.2	1.4	-1.1	-0.4
Total Result related to Parent company's shareholders	10.9	33.7	39.8	62.8

STATEMENT OF FINANCIAL POSITION

Doro Group (SEKm)

	2016 31 Dec	2015 31 Dec
Non-current assets		
Intangible assets	464.1	443.1
Property, plant and equipment	13.0	7.7
Financial assets	7.3	15.2
Deferred tax asset	11.9	15.6
Current assets		
Inventories	217.9	188.5
Current receivables	512.7	484.9
Cash and cash equivalents	61.0	43.9
Total assets	1,287.9	1,198.9
Shareholders' equity attributable to Parent company's shareholders	520.0	482.0
Longterm liabilities	200.7	170.3
Current liabilities	567.2	546.6
Total shareholders equity and liabilities	1,287.9	1,198.9

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

	2016 31 Dec	2015 31 Dec
Exchange rate contracts recorded as current liability	3.2	7.3
Exchange rate contracts recorded as current receivable	12.4	10.8

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 OF CASH FLOWS Doro Group (SEKm)

	Note	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Operating profit/loss after depreciation and write-downs, EBIT		20.3	58.7	47.7	95.2
Depreciation according to plan		24.9	13.1	73.7	44.0
Net Financial items		-4.1	-3.1	-8.3	-10.8
Unrealized exchange rate differences in cash flow hedges		-4.9	-6.5	-0.6	6.3
Revaluation deferred consideration		0.0	-0.5	0.0	-0.5
Taxes paid		0.5	1.4	-26.3	-17.4
Changes in working capital (including changes in provisions)		13.5	-31.0	-24.5	-31.1
Cash flow from current activities		50.2	32.1	61.7	85.7
Acquisitions	3	-1.1	0.0	-29.0	-162.0
Investments		-18.5	-22.8	-67.4	-58.7
Cash flow from investment activities		-19.6	-22.8	-96.4	-220.7
Amortisation of debt		-25.4	-9.8	-85.0	-52.9
New loans/change in bank overdraft facility		34.4	4.1	135.0	154.7
Dividend		0.0	0.0	0.0	0.0
New share issue		0.0	0.0	0.0	0.0
Warrant program, new/buy back		-0.9	-0.6	-0.6	0.0
Cash flow from financial activities		8.1	-6.3	49.4	101.8
Exchange rate differences in cash and cash equivalents		-0.5	-1.7	2.4	-1.1
Change in liquid funds		38.2	1.3	17.1	-34.3
Net debt		149.5	116.6	149.5	116.6

STATEMENT OF CHANGES IN EQUITY

Doro Group (SEKm)

	2016 31 Dec	2015 31 Dec
Opening balance	482.0	334.8
Total Result related to Parent company's shareholders	39.8	62.8
Dividend	0.0	0.0
Warrants	-1.8	0.0
New share issue	0.0	84.4
Closing balance	520.0	482.0

OTHER KEY FIGURES

Doro Group

	2016 31 Dec	2015 31 Dec
Orderbook at the end of the period, SEK m	307.8	193.7
Order intake Q, SEKm	572.3	527.5
Gross margin, %	38.5	37.2
Gross margin Q, %	42.1	38.5
Equity/assets ratio, %	40.4	40.2
Number of shares at the end of the period, thousands	23,238	23,238
Number of shares at the end of the period after dilution, thousands*	23,357	23,464
Equity per share, SEK	22.38	20.74
Equity per share, after dilution SEK*	22.26	20.54
Earnings per share after taxes paid, SEK	0.56	2.92
Earnings per share after taxes paid, after dilution, SEK*	0.56	2.91
Return on average share holders' equity, %	6.2	15.6
Return on average capital employed, %	6.8	17.1
Share price at period's end, SEK	53.00	62.00
Market value, SEKm	1,231.6	1,440.8

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

SALES PER REGION*)

Doro Group (SEKm)

	2016 Oct-Dec	2015 Oct-Dec recalc	2016 Jan-Dec	2015 Jan-Dec recalc
Nordic	171.5	138.6	536.9	463.9
Europe, Middle East and Africa	128.8	133.1	467.0	468.5
DACH (Germany, Austria, Switzerland and Central Europe)	162.3	174.3	475.1	444.7
United Kingdom	102.8	100.4	274.0	278.8
USA and Canada	28.2	58.6	189.8	149.5
Other regions	7.0	6.3	19.9	13.0
Central	-1.2	11.3	-3.6	10.5
Total	599.4	622.6	1,959.1	1,828.9

*) Note 1, 2

INCOME STATEMENT

Parent company (SEKm)

	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Net sales	431.7	471.5	1,439.5	1,393.4
Own work capitalized and other income	1.9	1.3	7.2	1.3
Operating cost	-440.4	-435.8	-1,386.1	-1,332.2
Operating profit/loss before depreciation and write-downs, EBITDA	-6.8	37.0	60.6	62.5
Depreciation	-18.5	-9.1	-58.2	-31.0
Operating profit/loss after depreciation and write-downs, EBIT	-25.3	27.9	2.4	31.5
Net financial items	-2.9	-1.0	-3.7	-5.1
Profit/loss after financial items	-28.2	26.9	-1.3	26.4
Taxes	5.7	-6.3	-0.2	-6.1
Profit/loss for the period	-28.2	20.6	-1.5	20.3

STATEMENT OF COMPREHENSIVE INCOME

Parent company (SEKm)

	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Profit/loss for the period	-22.5	20.6	-1.5	20.3
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Effects from cash flow hedges	0.9	-6.6	4.9	1.7
Deferred tax	-0.2	1.4	-1.1	-0.4
Total Result related to Parent company's shareholders	-21.8	15.4	2.3	21.6

STATEMENT OF FINANCIAL POSITION

Parent company (SEKm)

	Note	2016 31 Dec	2015 31 Dec
Non-current assets			
Intangible assets		52.0	59.0
Property, plant and equipment		0.8	1.4
Financial assets		347.5	319.3
Current assets			
Inventories		130.5	120.8
Current receivables		574.1	525.2
Cash and cash equivalents		43.4	7.1
Total assets		1,148.3	1,032.8
Shareholders' equity attributable to Parent company's shareholders		373.2	370.9
Provisions		77.9	73.0
Longterm liabilities		160.0	120.0
Current liabilities		537.2	468.9
Total shareholders equity and liabilities		1,148.3	1032.8

Notes

Note 1 – Revenue

As from 2016, Net sales and Own work capitalized and Other income are reported separately, as in the Annual report. Previously, these items were reported together.

Note 2 – Sales per region

At the acquisition of Doro Care it was decided to report all sales of the acquired business as Nordic. As from 2016 Doro Care reports sales per region in the same way as the rest of Doro Group. Comparable figures for 2015 have been recalculated in accordance with the 2016 principle.

Note 3 – Aquisitions 2016

Acquisition of Trygghetssentralen AS 2016

On April 15, 2016, DORO AB acquired all shares of Trygghetssentralen AS in Norway. Costs for the acquisition of SEK 1.2m was charged to the operating result for the first half year. The purchase price was paid in cash with SEK 29.4m, whereof 8.8m referred to settlement of Trygghetssentralen's loans from its previous owner. In Q4 a final cash settlement of SEK 1.1m was paid. Goodwill is linked to the enhanced position in the Care area in Norway that Trygghetssentralen's sales channel provide, as well as increased expertise in the Care area. On the acquisition date, the headcount was 68 permanent employees and approximately 60 temporary employees. Trygghetssentralen has annual sales of NOK 68m.

The preliminary figures for the acquired net assets and goodwill are presented below:

	Fair value (SEKm)
Intangible assets	7.4
Property, plant and equipment	2.2
Deferred tax assets	0.5
Inventories	2.2
Accounts receivables	6.1
Other receivables, Prepaid expenses and accrued income	2.0
Cash and bank balances	1.5
Deferred tax liability	-1.9
Accounts payable	-1.2
Other liabilities, Accrued expenses and prepaid income	-5.1
Acquired Net Assets	13.7
Goodwill	16.8
Total purchase consideration	30.5
Cash in acquired company	1.5
Change in the Group's cash flow resulting from the acquisition	29.0

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 before tax	Profit/loss after financial items divided by the average number of shares for the period.
Earnings per share before tax, after dilution	Profit/loss after financial items divided by the average number of shares for the period after dilution.
Earnings per share after tax	Profit/loss after financial items minus tax divided by average number of shares for the period.
Earnings per share after tax, 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.
Earnings per share after taxes paid	Profit/loss after taxes paid divided by average number of shares for the period.
Earnings per share after taxes paid, after dilution	Profit/loss after taxes paid divided by the average number of shares for the period after dilution.
Net Debt/Net Cash	Cash and bank balances reduced with interest bearing liabilities.
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 next 12 months coming from existing subscription agreements.	The measure shows already agreed revenues for the coming twelve months-period.
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

	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Currency adjusted Sales growth (MSEK)				
Currency adjusted Sales growth	-25.5	165.7		
Currency effect	2.3	19.8		
Reported Sales growth	-23.2	185.5		
Capital employed				
Total assets			1287.9	1198.9
Non interest-bearing liabilities			533.5	522.3
Cash and bank			61.0	43.9
Reported Capital employed			693.4	632.7

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, February 17, 2017

Johan Andsjö
Acting Chairman of the Board

Henri Österlund
Acting Vice-Chairman of the Board

Jérôme Arnaud
Board Member

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 7, at 08:00 CET on 17 February 2017.