

# Q1

## Interim Report January – March 2015



Doro AB  
Corporate Identity Number 556161-9429

### 46.0%

Net sales growth

### -6.6%

EBIT margin

### Sharp increase in demand for full product range and across all regions

#### Quarterly loss due to insufficient currency hedge

#### January – March 2015

- Net sales amounted to SEK 340.1m (233.0), an increase of 46.0 percent.
- Net sales growth excluding Caretech was 34.5 percent.
- Order intake amounted to SEK 423.3 (238.0), an increase of 77.9 percent.
- Growth in order intake excluding Caretech was 66.4 percent.
- Order stock at the end of the period amounted to SEK 140.3 m (66.3) excluding Caretech, an increase of 111.6 percent.
- Operating profit (EBIT) was SEK -22.5m (3.6).
- Full currency impact on EBIT is SEK -27.1m, of which main part is non-recurring and due to insufficient hedging.
- Profit after tax for the period amounted to SEK -21.7m (2.0).
- Earnings per share after tax amounted to SEK -0.99 (0.10).
- Cash flow from current activities amounted to SEK -44.6m (-28.8).

#### Outlook

2015 sales and profit for the group are expected to increase with the main part generated in the second half of the year.

#### DORO GROUP\*)

(SEK m)	2015 Jan-March	2014 Jan-March	2014 Full Year
Net sales	340.1	233.0	1,276.2
Net sales growth, %	46.0	27.2	10.5
EBITDA	-11.7	14.9	122.6
EBITDA margin, %	-3.4	6.4	9.6
EBIT	-22.5	3.6	79.7
EBIT margin, %	-6.6	1.5	6.2
Profit after tax	-21.7	2.0	58.2
Earnings per share after tax, SEK	-0.99	0.10	2.76
Equity/assets ratio, %	38.2	48.4	39.3

\*) Note 3



**Remarkable increase in demand**

**Insufficient hedging resulted in currency loss**

**Actions taken to address negative currency effects**

**Caretech progressing well**

**Social alarm transformation trends support Doro**

**2015 outlook reiterated**

## CEO comment

In the first quarter we saw a remarkable increase in demand for a broad range of our products, as well as in our acquisition Caretech. Our expanded smartphone range for seniors has been well established with the larger operators and partners across most of our markets. This is visible in both sales and order intake.

I am perhaps most positively surprised about the swift return of high growth in our high margin Nordic region where sales increased by 2.4 times compared to the same quarter last year. This growth was triggered by our smart phones ramp-up.

Sales in EMEA also increased sharply or by 78.1 percent, and sales in the UK increased by 35.5 percent – growth rates that confirm the solid demand for our products and our new design, strengthening the growth trend of our niche senior phones market. Sales in US & Canada declined compared to the same quarter last year, but the order intake was up 60.5 percent compared to previous year. Sales have been negatively affected by phasing between different phone models.

I am sorry to report a currency loss due to insufficient hedging during a period of sharp and rapid appreciation of the USD, which of course reduces our short term earnings. The total negative currency impact on the first quarter result was SEK 27.1m, as explained in the “Currency impact” section on page 3. We have reviewed our currency hedging routines and consider the main part of the loss as of non-recurring character.

Going forward, and in view of the continued strong USD, we do continue to take measures for reviewed pricing and product costs as well as operating expenses. Our organization has achieved a critical size for continued growth. Consequent positive effects on our profit margins will be seen primarily in the second half of 2015.

Our accelerated expansion with larger operators and partners in Europe means that also our working capital grows. This has affected cash flow in the quarter. We expect cash flow generation to improve gradually.

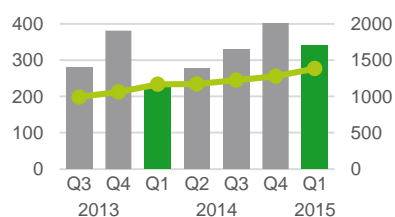
Caretech, which was consolidated in February, has developed according to plan and is a key part of our strategy for the coming years. A synergy program is in place and our next focus will be on developing the care service offering in order to expand our recurring subscription based revenues.

The transition from analogue to digital social alarm technology is of high priority among our customers and creates business opportunities for us through the development and launch of new services. Caretech can benefit from the Doro organization and we see that synergies can be extracted in several markets. It is a unique combination addressing the international telecare market – a market which we see as an important platform for growth for the coming years.

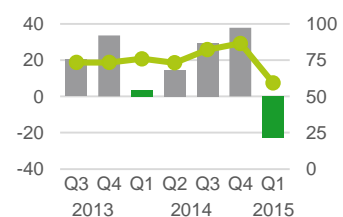
We reiterate our previously communicated outlook for the year: 2015 sales and profit for the group are expected to increase with the main part generated in the second half of the year.

**Jérôme Arnaud, President & CEO**

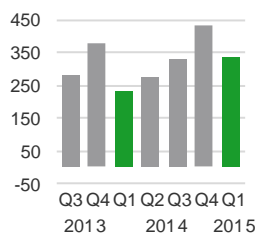
**Net sales per quarter and R12m, SEKm**



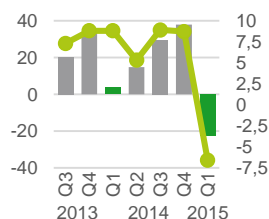
**EBIT per quarter and R12m, SEKm**



### Net sales per quarter, SEKm



### EBIT and EBIT margin per quarter, SEKm and in %



## Financial overview, Group first quarter 2015

### Sales

Doro's net sales for the first quarter amounted to SEK 340.1m (233.0), an increase of 46.0 percent compared with the first quarter 2014. The increase in net sales was a result of good progress in the ramp-up of smartphone volumes for several large customers in the Nordics and EMEA, good demand for more mature products and the consolidation of Caretech, which took place end of January. Growth was also positively affected by some customer pre-orders in view of our announced price adjustments for the second quarter. Adjusted for Caretech, net sales growth was 34.5 percent (25.5 percent including currency effects), as compared to the same quarter last year.

Order intake for the first quarter increased by 77.9 percent during the first quarter, with the Nordic region and EMEA as the strongest regions. Excluding Caretech, the order intake increased by 66.4 percent.

### Currency impact

The total impact of currency in the first quarter was SEK -27.1m, whereof SEK -22.9m affected operating costs, and SEK -4.2m affected gross margin. This is higher than the SEK -20m communicated March 17 as extra cost for insufficient currency hedging. The reasons for this deviation are: i) sales growth has been stronger-than-anticipated, ii) actual figures are now based on finally consolidated balance sheet, and iii) hedging would not cover 100 percent of flows.

Hedging of currency for second quarter trade is at a level which reflects our current trade volumes inside the limit of Doro's policy.

### Result

The gross margin decreased to 36.3 percent (40.4) as an effect of higher direct cost related to technologies, and the currency effect described above. EBITDA for the quarter decreased to SEK -11.7m (14.9), resulting in a negative EBITDA margin of 3.4 percent (positive 11.8). The result also includes non-recurring costs related to the acquisition of Caretech of SEK 0.2m.

EBIT in the first quarter was SEK -22.5m (3.6), with a negative EBIT margin of 6.6 percent (positive 8.8). EBIT adjusted for total impact of currency, of which insufficient hedging is the main part, was SEK 4.6m.

Net financial items for the quarter were SEK -5.5m (-0.5), which includes approximately SEK -1.3m related to revaluation of deferred consideration in conjunction with final payment for our acquisition of IVS. Revaluation of financial instruments in foreign currencies is included in the financial net in the amount of SEK -2.7m.

Group tax for the quarter amounted to SEK 6.3m (-1.1). Loss for the period amounted to SEK -21.7m (2.0).

### Cash flow, investments and financial position

Cash flow from current activities in the quarter was SEK -44.6m (-28.8), mainly as an effect of increased working capital, where stock and accounts receivables continued to expand as a result of strategic listings with new operators, higher sales volumes and value increases for inventory in foreign currency. Cash flow related to change in working capital amounted to SEK -34.0m (-38.0). Cash and cash equivalents at the end of the quarter amounted to SEK 52.2m (70.2).

The equity/asset ratio was 38.2 percent (48.4) at the end of the period. Net debt was SEK 194.0m compared with a net cash position of SEK 24.8m at the end of the corresponding period last year. During the quarter, Doro completed the acquisition of Caretech AB for a total consideration, net of cash and cash equivalents in Caretech AB, of SEK 229.1m, financed by a combination of existing cash, bank loans and a non-cash share issue directed towards the sellers of Caretech AB.

### **Dividend**

As announced March 19 this year, the Board proposes no payment of dividend for 2014. The proposal is based on the company's intention to retain a strong equity base in order to exploit further expansion opportunities in the Care area, and maintain continued good organic growth in the company's segment for senior mobile phones.

### **Significant events during the period**

#### **Completion of the acquisition of Caretech AB**

January 30, Doro completed the closing of the previously announced acquisition of Caretech AB whereby 63.7 percent of shares in Caretech AB were transferred to Doro against cash payment.

February 18, Doro completed the acquisition of Caretech AB with a non-cash issue of 2,033,772 shares as payment to the sellers of Caretech AB for the remaining 36.3 percent of Caretech AB. The value of the non-cash consideration amounted to SEK 84.4m. As a result of the new share issue, the total number of outstanding shares and votes in Doro AB (publ) increased to 23,238,255, resulting in dilution of approximately 8.7 percent for existing shareholders.

#### **Product launches at the GSMA Mobile World Congress in Barcelona in March**

Doro participated at the Mobile World Congress in Barcelona. The company received a Global Mobile Award for "Best Mobile Device for Accessibility & Inclusion" and released two new mobile phones and a new service:

##### *Doro Liberto® 820 Mini*

A pocket version of the Doro Liberto® 820.

##### *Doro 820 Claria*

The Doro 820 Claria is an adaptation of the Doro smartphone to make it suitable for the blind user.

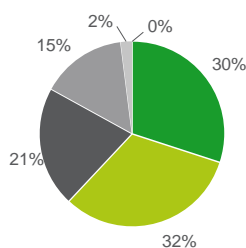
##### *Doro Connect & Care®*

Doro Connect & Care® is an innovative mobile social networking tool applied to real life. The service facilitates the delivery of help and assistance – whether in an emergency situation such as a fall accident, or for a basic everyday household task, such as closing a window. The service allows family members to create their own network of people willing to help provide daily care and offer assistance to their senior relative.

#### **Divestment of Service & Sales GmbH**

During the first quarter IVS GmbH divested its small subsidiary Service & Sales GmbH. The divestment has not had any cash flow impact and it will not have any impact on future results.

### Total sales per region



- Nordic
- Europe, Middle East and Africa
- Dach (Germany, Austria, Switzerland)
- United Kingdom
- USA and Canada
- Other regions

### Sales per region January – March 2014

#### SALES PER REGION\*

Doro Group (SEK m)	2015 Jan-March	Net sales Growth, %	2014 Jan-March	2014 Full Year
Nordic	101.8	143.5	41.8	270.8
Europe, Middle East and Africa	110.4	78.1	62.0	309.7
Dach (Germany, Austria, Switzerland)	71.6	11.0	64.5	348.0
United Kingdom	52.3	35.5	38.6	206.4
USA and Canada	8.3	-66.4	24.7	137.3
Other regions	0.0	NM	2.4	9.4
Central overhead	-4.3	NM	-1.0	-5.4
<b>Totalt</b>	<b>340.1</b>	<b>46.0</b>	<b>233.0</b>	<b>1,276.2</b>

\*) Note 3

#### The Nordic region

Net sales in the Nordic region continued to develop favorably based on continued progress for Doro Liberto® 820, continued sales growth for feature phones and as a result of customer restocking after solid Christmas holiday sales. Doro Liberto® 820 Mini started to get listings at both operators and retailers.

#### DACH (Germany, Austria and Switzerland)

Marketing activities for Doro Liberto® 820 continued in the quarter. Doro Liberto® 820 Mini was introduced in several markets towards the end of the quarter, also in important Eastern European markets. In Germany, Doro reinforced its position as the market leader of senior mobile phones, according to the market research provider GFK, with Primo by Doro 413 being the most sold senior mobile in Germany 2014.

#### EMEA (Europe, Middle East and Africa)

Growth in EMEA was based on continued ramp-up of smartphone sales with several large customers, primarily in France. Agreements with several new customers, both distributors and operators, were signed in Spain and Italy. We saw a good start for Doro Liberto® 820 Mini in terms of listings.

#### United Kingdom

UK reported double digit growth driven by positive mix effects with demand shifting from entry-level to mid-/ and high-end devices.

#### USA and Canada

While the sell-through remains unchanged in US, sales in Canada have been reduced due to lower demand for feature phones. However, our order intake in the quarter was 60.5 percent higher than previous year.

#### Other regions

Net sales for other regions amounted to SEK 0.0m (2.4).

#### Central overhead

For the quarter, income and income adjustments not related to any specific region amounted to -4.3m (-1.0). The amount is related to exchange rate fluctuations and capitalized development costs.

### **Shareholders' equity and the Doro share**

Doro's shares are listed on the Nasdaq OMX Nordic Exchange Stockholm, Small Cap – Telecom/IT list. As per March 31, 2015, the total number of undiluted and diluted shares outstanding were 23,238,255. Shareholders' equity amounted to SEK 408.5m (292.2).

### **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 311 (153) employees as of March 31 2015, equivalent to 265 (153) full-time employees. Of these, 196 (37) are based in Sweden, 39 (33) in France, 12 (10) in the UK, 9 (9) in Hong Kong, 3 (3) in Norway 1 (0) in Italy, and 51 (61) 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 pages 20-21 of the 2014 Annual Report, no other risks of any significance have been identified during the period.

### **Parent Company**

The Parent Company's net sales for the first quarter amounted to SEK 275.9m (176.2). The profit before tax amounted to SEK -34.0m (-1.7).

### **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. Deferred tax assets are considered to the extent the company believes that this can be utilized in the foreseeable future, which the Company considers to be 3-4 years. The accounting principles and calculation methods applied are consistent with those that were applied when drawing up the previous year's accounts, except for what is described in note 3 regarding accounting of exchange rate differences.

### **Seasonality**

Doro's sales are subject to seasonal changes. Sales in the first and second quarters are normally the lowest in the year. Sales in the third quarter is normally stronger than in the first two quarters of the year. Sales in the fourth quarter is normally the strongest in the year.

**Second quarter  
report will be  
presented on  
August 21, 2015**

**The report will be  
presented via  
an audiocast on  
April 27,  
at 14.00 CET**

### **Outlook**

2015 sales and profit for the group are expected to increase with the main part generated in the second half of the year.

### **Reporting dates**

The Board has set the following dates for the publication of Doro's Reports:

Q2 report April – June 2015: August 21, 2015

Q3 report July – September 2015: November 4, 2015

Q4 report October – December 2015: February 17, 2016

### **For further information, please contact:**

Jérôme Arnaud, President and CEO, +46 (0)46 280 50 05

Christian Lindholm, 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 [www.doro.com](http://www.doro.com) or by telephone from 14.00 CET on April 27, 2015. Doro's President and CEO Jérôme Arnaud will hold the presentation and answer questions. Before the start of the presentation, the material will be made available on [www.doro.com](http://www.doro.com).

Please call about five minutes before the advertised starting time to access the telephone conference.

Call-in details:

Sweden: + 46 (0)8 505 564 74

France: 0805980143

United Kingdom: +44 (0)20336 453 74

United States: + 1 855 7532 230

#### **About Doro**

Doro AB is a Swedish public company formed in 1974. It released its pioneering 'easy-to-use' mobile phone in 2007 and today is the global market-leader within the category. Doro products and solutions are available in more than thirty countries spanning five continents. These include; mobile phones and smart devices, applications and software, fixed line telephony, telecare and mobile health solutions. Doro removes barriers to adoption of new technologies and holds numerous international awards in recognition of its product designs and innovations. Doro shares are quoted on the Nasdaq OMX Stockholm exchange, Nordic List, Small Companies. Net sales of SEK 1,277 million (EUR 135 million) were reported for 2014. [www.doro.com](http://www.doro.com)

## Financial Reports

### INCOME STATEMENT\*

Doro Group (SEKm)	Note	2015 Jan-March	2014 Jan-March	2014 Full Year
Income/Net sales		340.1	233.0	1,276.2
Operating cost	1, 2	-351.8	-218.1	-1,153.6
Operating profit/loss before depreciation and write-downs, EBITDA		-11.7	14.9	122.6
Depreciation according to plan		-10.8	-11.3	-42.9
Operating profit/loss after depreciation and write-downs, EBIT		-22.5	3.6	79.7
Net financial items	1	-5.5	-0.5	-0.4
Profit/loss after financial items		-28.0	3.1	79.3
Taxes		6.3	-1.1	-21.1
<b>Profit/loss for the period</b>		<b>-21.7</b>	<b>2.0</b>	<b>58.2</b>
Average number of shares, thousands		22,018	20,806	21,059
Average number of shares after dilution, thousands*		22,066	20,971	21,059
Earnings per share before tax, SEK		-1.27	0.15	3.77
Earnings per share before tax, after dilution, SEK*		-1.27	0.15	3.77
Earnings per share after tax, SEK		-0.99	0.10	2.76
Earnings per share after tax, after dilution, SEK*		-0.98	0.10	2.76

\*) Note 3

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

### STATEMENT OF COMPREHENSIVE INCOME

Doro Group (SEKm)	2015 Jan-March	2014 Jan-March	2014 Full Year
Profit/loss for the period	-21.7	2.0	58.2
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>			
Translation differences	0.5	1.2	8.7
Effects from cash flow hedges	13.4	2.6	-2.8
Deferred tax	-2.9	-0.6	0.6
<b>Total Result</b>	<b>-10.7</b>	<b>5.2</b>	<b>64.7</b>

(Related to Parent Company's shareholders)

### STATEMENT OF FINANCIAL POSITION

Doro Group (SEKm)	Note (Please see Note 2 for impact of Caretech AB)	2015 31-Mar	2014 31-Mar	2014 31-Dec
Intangible assets		427.7	197.2	201.2
Tangible assets		9.8	6.1	4.8
Financial assets		0.9	0.5	0.7
Deferred tax asset		19.2	20.3	15.6
Inventories		237.2	115.8	204.6
Current receivables		321.9	193.2	347.6
Cash and cash equivalents		52.2	70.2	78.2
<b>Total assets</b>		<b>1,068.9</b>	<b>603.3</b>	<b>852.7</b>
Shareholders' equity		408.5	292.2	334.8
Long term liabilities	1	225.4	107.5	59.6
Current liabilities	1	435.0	203.6	458.3
<b>Total shareholders' equity and liabilities</b>		<b>1,068.9</b>	<b>603.3</b>	<b>852.7</b>

### Financial instruments recognized at fair value in the Balance Sheet

	2015 31-Mar	2014 31-Mar	2014 31-Dec
Exchange rate contracts recorded as current liability	2.5	0.4	7.4
Exchange rate contracts recorded as current receivable	9.6	1.9	15.8

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	2015 Jan-March	2014 Jan-March	2014 Full Year
Operating profit/loss after depreciation and write-downs, EBIT	Note 3	-22.5	3.6	79.7
Depreciation according to plan		10.8	11.3	42.9
Net Financial items	Note 3	-4.2	-0.1	-0.1
Unrealized exchange rate differences in cash flow hedges		14.8	-2.8	-14.6
Revaluation deferred consideration	Note 1	0.0	0.8	-8.7
Taxes paid		-9.5	-3.6	-18.3
Changes in working capital		-34.0	-38.0	-58.4
Cash flow from current activities		-44.6	-28.8	22.5
Acquisitions	Note 1,2	-244.0	-17.9	-21.9
Investments		-7.4	-6.5	-29.3
Cash flow from investment activities		-251.4	-24.4	-51.2
Amortisation of debt		-4.4	-0.2	-45.0
Raised loans		190.1	0.0	41.5
Dividend		0.0	0.0	-31.7
New share issue		84.4	0.0	14.1
Warrant program, buy back		0.0	0.0	0.7
Cash flow from financial activities		270.1	-0.2	-20.4
Exchange rate differences in cash and cash equivalents		-0.1	-0.3	3.4
<b>Change in liquid funds</b>		<b>-26.0</b>	<b>-53.7</b>	<b>-45.7</b>
<b>Net debt</b>		<b>194.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Net cash</b>		<b>0.0</b>	<b>24.8</b>	<b>36.5</b>

## STATEMENT OF CHANGES IN EQUITY

Doro Group (SEKm)	2015 31-Mar	2014 31-Mar	2014 31-Dec
<b>Opening balance</b>	<b>334.8</b>	<b>287.0</b>	<b>287.0</b>
Total result for the period	-10.7	5.2	64.7
Dividend	0.0	0.0	-31.7
Warrants	0.0	0.0	0.7
New share issue	84.4	0.0	14.1
Share issue in kind	0.0	0.0	0.0
<b>Closing balance</b>	<b>408.5</b>	<b>292.2</b>	<b>334.8</b>

## OTHER KEY FIGURES

Doro Group	2015 31-Mar	2014 31-Mar	2014 31-Dec
Orderbook at the end of the period, SEKm, excluding Caretech	140.3	66.3	65.2
Order intake Q , SEKm	423.3	238.0	366.9
Gross margin %	36.3	40.4	41.0
Equity/assets ratio, %	38.2	48.4	39.3
Number of shares at the end of the period, thousands	23 238	20,806	21,204
Number of shares at the end of the period after dilution, thousands *	23 302	20,911	21,204
Equity per share, SEK	17.58	14.04	15.79
Equity per share, after dilution SEK *	17.53	13.97	15.79
Earnings per share after taxes paid, SEK	-1.6	-0.02	2.90
Earnings per share after taxes paid, after dilution, SEK *	-1.6	-0.02	2.90
Return on average share holders' equity, %	9.8	0.8	18.7
Return on average capital employed, %	17.2	38.2	32.8
Share price at period's end, SEK	46.20	42.10	38.80
Market value, SEKm	1073.6	875.9	822.7

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

## SALES PER REGION\*)

Doro Group (SEKm)	2015 Jan-March	2014 Jan-March	2014 Full Year
Nordic	101.8	41.8	270.8
Europe, Middle East and Africa	110.4	62.0	309.7
Dach (Germany, Austria, Switzerland)	71.6	64.5	348.0
United Kingdom	52.3	38.6	206.4
USA and Canada	8.3	24.7	137.3
Other regions	0.0	2.4	9.4
Central overhead	-4.3	-1.0	-5.4
<b>Total</b>	<b>340.1</b>	<b>233.0</b>	<b>1,276.2</b>

\*) Note 3

## OPERATING PROFIT AFTER DEPRECIATION, EBIT, PER GEOGRAPHICAL REGION\*)

Doro Group (SEKm)	2015 Jan-March	2014 Jan-March	2014 Full Year
Nordic	23.3	10.6	76.7
Operating Margin %	22.9	25.4	28.3
Europe, Middle East and Africa	14.9	14.4	70.7
Operating Margin %	13.5	23.2	22.8
Dach (Germany, Austria and Switzerland)	4.2	6.7	32.4
Operating Margin %	5.9	10.4	9.3
United Kingdom	13.3	11.2	46.0
Operating Margin %	25.4	29.0	22.3
USA och Canada	1.3	5.6	27.8
Operating Margin %	15.7	22.7	20.2
Other regions	0.6	-0.1	0.4
Operating Margin %	-	-4.2	4.3
Central overhead	-80.1	-44.8	-174.3
Operating Margin %	-	-	-
<b>Operating profit/loss after depreciation</b>	<b>-22.5</b>	<b>3.6</b>	<b>79.7</b>
<b>Operating Margin %</b>	<b>-6.6</b>	<b>1.5</b>	<b>6.2</b>

\*) Note 3

## INCOME STATEMENT

Parent company (SEKm)	2015 Jan-March	2014 Jan-March	2014 Full Year
Income/Net sales	275.9	176.2	1,012.4
Operating cost	-298.4	-168.8	-945.8
Operating profit/loss before depreciation and write-downs, EBITDA	-22.5	7.4	66.6
Depreciation according to plan	-8.3	-10.3	-38.8
Operating profit/loss after depreciation and write-downs, EBIT	-30.8	-2.9	27.8
Net financial items	-3.2	1.2	4.1
Profit/loss after financial items	-34.0	-1.7	31.9
Taxes	7.5	-0.1	-7.3
<b>Profit/loss for the period</b>	<b>-26.5</b>	<b>-1.8</b>	<b>24.6</b>

## STATEMENT OF COMPREHENSIVE INCOME

Parent company (SEKm)	2015 Jan-March	2014 Jan-March	2014 Full Year
Profit/loss for the period	-26.5	-1.8	24.6
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>			
Effects from cash flow hedges	13.4	2.6	-2.8
Deferred tax	-2.9	-0.6	0.6
<b>Total Result</b>	<b>-16.0</b>	<b>0.2</b>	<b>22.4</b>

(Related to Parent Company's shareholders)

## SUMMARY OF BALANCE SHEET

Parent company (SEKm)	Note	2015 31-Mar	2014 31-Mar	2014 31-Dec
Intangible assets		35.5	43.8	39.1
Tangible assets		1.9	3.5	2.1
Financial assets	2	325.8	82.2	85.4
Inventories		164.1	77.9	156.9
Current receivables		407.0	266.5	443.9
Cash and cash equivalents		4.4	37.4	9.9
<b>Total assets</b>		<b>938.7</b>	<b>511.3</b>	<b>737.3</b>
Shareholders' equity		333.3	259.7	264.9
Provisions		73.7	79.3	73.5
Longterm liabilities		160.0	46.3	0.0
Current liabilities		371.7	126.0	398.9
<b>Total shareholders equity and liabilities</b>		<b>938.7</b>	<b>511.3</b>	<b>737.3</b>

## Notes

### Note 1 – Contingent and deferred consideration for acquisitions 2013

#### *IVS GmbH*

During Q1 deferred consideration of EUR 1.6m (SEK 14.9m) has been paid. This deferred consideration was discounted to present value of EUR 1.458 m in the purchase price analysis. The difference of EUR 0.142m has been accounted for as a financial cost in the consolidated accounts. The acquisition of IVS is now fully paid.

#### *Isidor SAS*

On December 31, 2014, the contingent consideration was estimated to SEK 11.7m, whereof SEK 0.7m was accounted for as a current liability and SEK 11.0m as a long-term liability. The current contingent consideration for 2013, SEK 0.3m, was paid in Q2 2014. The contingent consideration for 2014 and 2015 was revised December 31, 2014, and was estimated to SEK 3.6m, whereof SEK 2.6m was accounted for as a long-term liability and SEK 1.0m was accounted for as a current liability. This estimate and accounting remains at March 31, 2015.

### Note 2 – Acquisitions 2015

#### *Acquisition of Caretech AB*

On January 30, 2015, Doro AB acquired 63.7 percent of the shares in Caretech AB in Kalix. The remaining 36.3 percent was acquired on February 18, 2015, through a share issue in kind. Costs for the acquisition was charged to the operating result in 2014 of SEK 3.0m. Additional acquisition costs of SEK 0.2m has been accounted for in the operating result of 2015. The purchase price was paid in cash with SEK 148.1m and SEK 84.4m as a share issue in kind. Goodwill is linked to the enhanced position in the Care segment that Caretech's new sales channels provide, as well as increased expertise in the care segment for the senior population. On the acquisition date, the headcount was 154. Net sales for 2014 amounted to SEK 130.1m with an EBIT of SEK 7.5m.

The preliminary figures for the acquired net assets and goodwill are presented below:	Fair value SEKm
Intangible assets	29.9
Fixed assets	4.1
Deferred tax receivables	1.9
Other financial assets	0.3
Stock	9.9
Accounts receivables	20.2
Other receivables, Prepaid expenses and accrued income	10.7
Cash and bank balances	3.4
Interest bearing debt	-17.5
Accounts payable	-11.9
Deferred tax liability	-3.1
Other liabilities, Accrued expenses and prepaid income	-18.4
Acquired Net Assets	29.5
Goodwill	203.0
<b>Total purchase consideration</b>	<b>232.5</b>
Cash in acquired company	3.4
<b>Change in the Group's cash flow resulting from the acquisition</b>	<b>229.1</b>

**Note 3 – Changed reporting principle for exchange rate differences**

Doro has changed its reporting of exchange rate differences regarding revaluation of bank account balances and intra group loans in foreign currency. Previously this kind of exchange rate differences were not separated and reported in the operating result. As of January 1<sup>st</sup> 2015 the reporting principles have been changed and these kind of exchange rate differences are reported in the financial result. Hence the figures for previous periods have been recalculated for comparison.

## Definitions

<b>Gross Margin</b>	Net sales - Merchandise costs
<b>Gross Margin, %</b>	Gross Margin in percentage of Net sales
<b>Average number of shares</b>	Number of shares at the end of each period divided with number of periods.
<b>Average number of shares after dilution</b>	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.
<b>Earnings per share before tax</b>	Profit/loss after financial items divided by the average number of shares for the period.
<b>Earnings per share before tax, after dilution</b>	Profit/loss after financial items divided by the average number of shares for the period after dilution.
<b>Earnings per share after tax</b>	Profit/loss after financial items minus tax divided by average number of shares for the period.
<b>Earnings per share after tax, after dilution</b>	Profit/loss after financial items minus tax divided by the average number of shares for the period after dilution.
<b>Number of shares at the end of the period</b>	Actual number of shares at the end of the period.
<b>Number of shares at the end of the period, after dilution</b>	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.
<b>Equity per share</b>	Shareholders' equity at the end of the period divided by the number of shares at the end of the period.
<b>Equity per share, after dilution</b>	Shareholders' equity at the end of the period divided by the number of shares at the end of the period, after dilution.
<b>Earnings per share after taxes paid</b>	Profit/loss after taxes paid divided by average number of shares for the period.
<b>Earnings per share after taxes paid, after dilution</b>	Profit/loss after taxes paid divided by the average number of shares for the period after dilution.
<b>Net Debt/Net Cash</b>	Cash and bank balances reduced with interest bearing liabilities.
<b>Equity/assets ratio, %</b>	Shareholders' equity as a percentage of the balance sheet total.
<b>Return on average shareholders' equity, %</b>	Profit/Loss rolling twelve months after financial items and tax divided by average shareholders' equity.
<b>Capital employed</b>	Total assets reduced with non-interest bearing debt and cash and bank balances.
<b>Return on average capital employed, %</b>	Operating profit/loss rolling twelve months, divided by the quarterly average capital employed excluding cash and bank balances.
<b>Share price at period's end</b>	Closing market price at the end of the period.
<b>Market value, SEK m</b>	Share price at period's end times the number of shares at the end of the period.

### **Board Assurance**

The Board of Directors and CEO confirm that this Quarterly 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.

Stockholm, Sweden, April 27, 2015

Bo Kastensson  
Chairman of the Board

Jérôme Arnaud  
President and CEO

Charlotta Falvin  
Board Member

Fredrik Hedlund  
Board Member

Karin Moberg  
Board Member

Jonas Mårtensson  
Board Member

Doro AB discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for public release on Monday, April 27, 2015, at 13:30 CET.