

Fourth quarter 2022 in summary

- Doro's net sales amounted to SEK 265.4 million (311.2), a decrease of 14.7 percent.
- Gross margin was 34.2 percent (38.9).
- EBITDA amounted to SEK 32.2 (66.0), a decrease of 51.2 percent.
- Operating profit (EBIT) amounted to SEK 20.2 million (50.5), corresponding to an operating margin of 7.6 percent (16.2).
- Profit after tax for the period was SEK 16.0 million (29.7) and earnings per share was SEK 0.66 (1.23).
- Free cashflow was SEK 32.5 million (27.3).

-14.7 %

Net sales

7.6 %

EBIT-margin

January – December 2022 in summary

- Doro's net sales amounted to SEK 909.5 million (1 039.6), a decrease of 12.5 percent.
- Gross margin was 34.9 percent (36.5).
- EBITDA amounted to SEK 100.4 million (184.2), a decrease of 45.5 percent.
- Operating profit (EBIT) amounted to SEK 55.4 million (118.7), corresponding to an operating margin of 6.1 percent (11.4).
- Profit after tax was SEK 40.9 million (83.1) and earnings per share was SEK 1.68 (3.46).
- Free cashflow was SEK 35.1 million (-49.2).

-12.5 %

Net sales

6.1 %

EBIT-margin

The Board's proposal to the 2023 Annual General Meeting is that no dividend be paid for the 2022 financial year.

KEY FIGURES	2022	2021		2022	2021	
SEK million	Quarter 4	Quarter 4	%	Jan-Dec	Jan-Dec	%
Net sales	265.4	311.2	-14.7%	909.5	1 039.6	-12.5%
Net sales growth, %	-14.7	-9.8		-12.5	-10.8	
Gross result	90.7	121.2	-25.2%	317.6	379.3	-16.3%
Gross margin, %	34.2	38.9		34.9	36.5	
EBITDA	32.2	66.0	-51.2%	100.4	184.2	-45.5%
EBITDA margin, %	12.1	21.2		11.0	17.7	
EBIT	20.2	50.5	-60.0%	55.4	118.7	-53.3%
EBIT margin, %	7.6	16.2		6.1	11.4	
Adjusted EBIT*	20.2	53.1	-62.0%	57.0	129.3	-55.9%
Adjusted EBIT margin*, %	7.6	17.1		6.3	12.4	
Earnings per share, SEK	0.66	1.23		1.68	3.46	
Equity/assets ratio, %	52.6	42.7		52.6	42.7	

*EBIT excluding restructuring costs and costs mainly in connection with the separation and listing of business area Doro Care

Message from the CEO

A challenging quarter but Doro sustains the pressure and launches new category

The prevailing economic uncertainty continued during the fourth quarter of 2022. Consumers continued to hold onto their wallets tightly as purchasing power remained weak and they adopted a cautious wait-and-see behaviour, postponing upgrades or even putting off new device purchases altogether.

The pattern was reflected in Doro's fourth quarter where demand from our end customers dropped considerably compared to the previous year. Not even the traditional end-of-year shopping milestones Black Friday and Christmas presented any major uplift. In addition, the earlier post-pandemic inventory shortages, turned into surpluses as retail and distribution customers deemed their inventories larger than required and spent most of the second half of the year consolidating and emptying their warehouses without repurchasing.

As a result, Doro net sales declined by -14.7% compared to the same quarter last year, and particularly Nordic had a tough quarter. However, the picture was not uniform across the group as other regions experienced strong demand during the last quarter largely from retail customers.

Gross margin during the fourth quarter was lower than last year, mainly due to the strong USD which negatively impacted production costs. In addition, a weakening USD during the quarter this also caused a hedging loss in the period.

As in the previous quarter, the positive development from decreasing royalty costs continued and we will pursue this also in the quarters to come. Likewise, our sustained product quality continued to secure low warranty costs. Furthermore, the international transport situation stabilized during the latter part of the year with freight rates in general, and sea rates in particular, trending toward more normal levels.

In summary, our operating profit for the fourth quarter declined compared to the previous year, mainly as a result of lower sales and the previously mentioned currency challenges. However, it is also worth mentioning that Q4 2021 was a transition period after the spinoff of Careium with Doro at a below-normal level of operating expenses.

In the face of several challenges, we are satisfied to report positive operating profit and positive free cash flow.

Building for the Future

Doro's regional market shares were largely unchanged during the year with Doro products listed at all the major operators, wholesalers and retailers in our target markets. Additionally, our new smartphone, launched a few months ago outside the Nordics, also took off in the French market during the fourth quarter, and our e-commerce showed satisfactory performance after a few slower quarters. Perhaps more importantly, we delivered our first new products outside the phone family: the **Doro Watch** and the **Doro Tablet**.

The Doro Watch can be connected to any smartphone of any brand, but works optimally when connected to Doro's own smartphones, with, among other things, the Response by Doro alarm function. With that in mind, we also developed various bundle propositions to emphasize the benefits of connected devices. The Doro Tablet was delayed but supplied to the market before the end of the quarter



“Demand from our end customers dropped considerably compared to the previous year and gross margin during the fourth quarter was lower than last year”

“As in previous quarter, positive development from decreasing royalty costs continued”

“Likewise, our sustained product quality continued to secure low warranty costs”

“In the face of several challenges, we are satisfied to report positive operating profit, and positive free cash flow.”

“We look forward to the future and our exciting journey towards expanding our strong senior offering.”

and offers just about everything seniors love about Doro smartphones, but in a larger format and with a bright, high-contrast display with excellent speakers and clear sound.

In addition, we worked diligently with new generations of phones while also pursuing our strategy of innovation and developing a complete Doro ecosystem. Within feature phones, the technological shift from 2G and 3G to 4G networks accelerated during the quarter and Doro is well-positioned in the 4G market with the launch of a new generation of “back-to-basics” 4G models.

We look forward to the future and to an improved economic environment now when we can showcase our exciting journey towards expanding our strong senior offering. Our ambitions for 2023 are high and we expect to benefit from low customer inventories, a more stable supply chain and lower costs for freight and royalties. As a result we can focus even more on developing, launching, and selling exciting products that help seniors live better lives.

Jörgen Nilsson, President and CEO

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Quarter highlights

Net sales for the fourth quarter amounted to SEK 265.4 million (311.2), a decrease of 14.7 percent compared to the same period in 2021. The quarter was a challenge for most regions, with a combination of reduced consumer purchasing power, at the same time as our operator, retailer and distribution customers slowly emptied their inventories and put repurchases on hold.

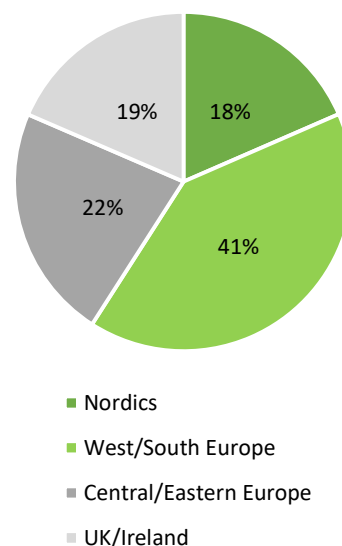
Despite the macro economic and consumer sentiment challenges, Doro retained listings with mobile operators and retailers while also upholding good momentum in our e-commerce during the quarter. Likewise, we managed to maintain our market shares despite the declining market.

Sales in the **Nordics** amounted to SEK 49.0 million (81.6), a decrease of 40.0 percent. The drop year on year is large but does not give a fair picture of the business in the region. The steep decline was due to our customers emptying their well-stocked inventories after a number of slower quarters. On the upside, our products continued to sell well to end consumers and our market share remained high, more than 98 percent of the value in Sweden¹.

Sales in **Western and South Europe** reached SEK 107.7 million (106.4), an increase of 1.2 percent. These positive sales figures come from strong retail demand, but also from large volumes of our new 4G feature phone at France's largest operator. Our e-commerce, mainly via Amazon, has also contributed to the positive development in the region this quarter, with continued high sales even after the Black Friday period. Sales of our new smartphone launched earlier this year picked up during the quarter. Also, with regards to our competition, there have been some changes in the phone market in France with new players entering but we are satisfied to have maintained our strong market shares in the region also during the quarter¹.

Sales in **Central and Eastern Europe** amounted to SEK 59.5 million (65.1), a decrease of 8.6 percent. The situation in the German market continued to be divided, with a substantial increase in retail sales - driven by the largest home electronics chain - while demand from distributors remained low. E-commerce was good this quarter and, among other measures, we developed product bundles including the new Doro Watch with a Doro Smartphone, which worked especially well for on-line sales. At the same time, the portfolio optimization in the region continued with the aim of increasing the focus on our key products. Business in Austria also gained momentum with the establishment of new sales channels during Q4, and we plan to increase our presence in Switzerland in 2023.

Sales in **Great Britain and Ireland** amounted to SEK 49.1 million (58.1), a decrease of 15.5 percent. The region had another tough quarter in terms of sales and consumer purchases were affected by the overall economic sentiment. On-line sales continued at a good level during the quarter, primarily via Amazon. We also saw good continued sales of 3G feature phones in the region during the quarter, although the 3G portfolio is entering into its final months as our customers are now switching over to 4G.



¹⁾ GfK 2022 EU4

NET SALES PER MARKET	2022	2021		2022	2021	
SEK million	Quarter 4	Quarter 4	%	Jan-Dec	Jan-Dec	%
Nordics	49.0	81.6	-40.0	187.1	267.1	-30.0
West and South Europe and Africa	107.7	106.4	1.2	348.4	379.6	-8.2
Central and Eastern Europe	59.5	65.1	-8.6	212.5	224.7	-5.4
UK and Ireland	49.1	58.1	-15.5	161.6	169.0	-4.4
North America	0.0	0.0	n/a	0.0	1.5	-100.0
Other	0.1	0.1	0.0	-0.2	-2.2	-90.9
Total	265.4	311.2	-14.7	909.5	1 039.6	-12.5

Order backlog at the end of the fourth quarter was SEK 67.0 million, a decrease of 10.1 percent compared to the same quarter last year. Western and South Europe has a better order book than at the end of 2021, but the other regions are lagging behind. During the period we experienced a change in customer behaviour with regards to placing of new orders particularly in the Nordics and UK and Ireland. Customers have worked during the year to reduce their inventories and were re-ordering restrictively.

Gross margin during the fourth quarter landed at 34.2 percent compared to 38.9 percent last year. The strong USD negatively impacted the gross margin during the quarter. In addition, USD weakened during the quarter which caused us a hedging loss in the period. On the positive side, we are satisfied with the good development of royalty costs, which continue to decrease. Our continued good quality of products secured low warranty costs. Shipping costs, outside Europe, have stabilized, and sea freight prices are now almost back to pre-covid levels.

EBIT amounted to SEK 20.2 million (50.5) during the fourth quarter, corresponding to an EBIT margin of 7.6 percent (16.2). Lower sales and a currency hedging loss were the main reasons for the lower result.

The result for the period amounted to SEK 16.0 million (29.7) during the fourth quarter. Net financial items were SEK -9.5 million (-7.3) including a down-writing by SEK 15 million of the hybrid loan that Doro AB signed with Careium AB in connection with the listing of the company in December 2021. Effective tax rate for the year was 26.6 percent (30.1). The lower tax rate is explained, among other things, by an adjustment of previous years' tax for the German subsidiaries.

KEY FIGURES	2022	2021		2022	2021	
SEK million	Quarter 4	Quarter 4	%	Jan-Dec	Jan-Dec	%
Net sales	265.4	311.2	-14.7%	909.5	1 039.6	-12.5%
Cost of goods and services sold	-174.7	-190.0	-8.1%	-591.9	-660.3	-10.4%
Gross profit	90.7	121.2	-25.2%	317.6	379.3	-16.3%
<i>Gross margin, %</i>	<i>34.2</i>	<i>38.9</i>		<i>34.9</i>	<i>36.5</i>	
Other operating expenses	-70.5	-70.7	-0.3%	-262.2	-260.6	0.6%
Operating profit (EBIT)	20.2	50.5	-60.0%	55.4	118.7	-53.3%
<i>Operating margin (EBIT margin), %</i>	<i>7.6</i>	<i>16.2</i>		<i>6.1</i>	<i>11.4</i>	
Order book	67.0	74.5	-10.1%	67.0	74.5	-10.1%
Order intake	231.8	263.5	-12.0%	902.0	1 043.3	-13.5%
Investment product development	9.8	8.4	16.7%	37.8	27.6	37.0%

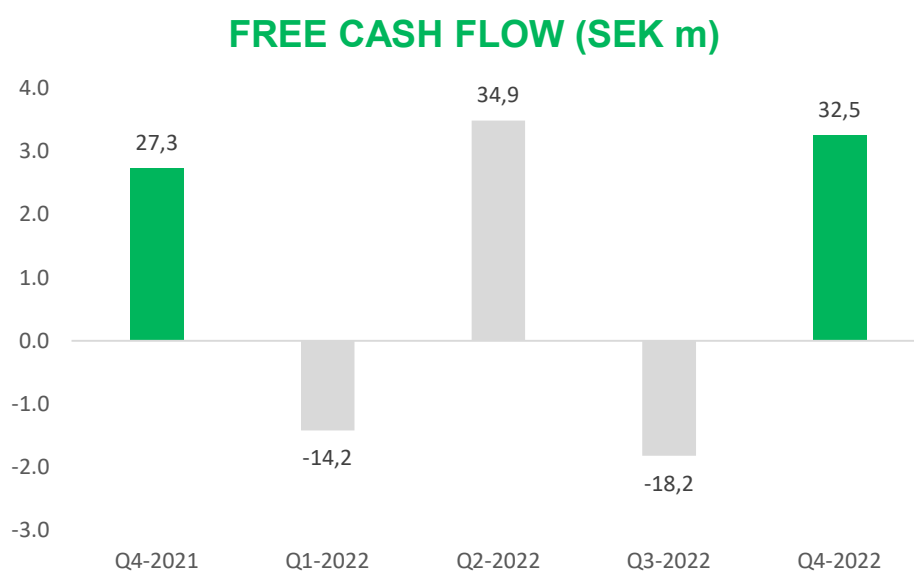
FINANCIAL DEVELOPMENT

Cash flow, investments, and financial position

Cash flow from operating activities during the fourth quarter was SEK 42.1 million (46.0). A favourable development of working capital, with lower stock and lower accounts receivable, had a positive effect on the cash flow without entirely balancing out the lower operational result in comparison with same quarter previous year. Free cash flow after investments amounted to SEK 32.5 million (27.3). Investments during the period amounted to SEK 9.6 million (18.7).

Cash and cash equivalents totalled SEK 154.4 million (179.1) at the end of the fourth quarter. At the same time, the equity ratio was 52.6 percent (42.7)

Net cash amounted to SEK 63.6 million at the end of the fourth quarter, compared with a net cash of SEK 27.2 million at the end of the previous quarter, and a net debt of SEK -10.7 million at the end of the fourth quarter of 2021.



Significant events during the period

- No significant events during the period

Significant events after the period

- No significant events after the period

OTHER INFORMATION

Equity and the Doro share

Doro's share is listed on Nasdaq Stockholm, Small Cap, in the segment Telecom/IT. On 31 December 2022, the number of issued shares was 24.532.500, of which Doro AB holds 206.286 Doro shares. Total equity amounted to SEK 475.0 million (422.9).

Employees

On 31 December 2022, Doro had 110 (116) employees, corresponding to 106 (109) full-time equivalents. Of these employees, 55 (53) were based in the Nordic region, 23 (31) in Central and Eastern Europe, 13 (13) in Western and Southern Europe and Africa, 8 (8) in the United Kingdom and Ireland and 11 (11) in the rest of the world.

Risks

Currently, the most significant risks are those related to the international economic situation. Uncertainty surrounding the war in Ukraine, high inflation, increased interest rates and energy prices negatively affect consumers' purchasing power for consumer goods. Commercially, the main risks are related to the development of the telecom industry with the upcoming closure of 2G and 3G networks. Other risks are from increased technical requirements in connection with sustainability focus, of which increased requirements for circularity (repair and reuse/recycling).

Other risks are described on pages 32–33 of the Annual Report 2021.

Parent company

The parent company's net sales during the third quarter totalled SEK 234.9 million (290.1). Profit after tax amounted to SEK -9.0 million (27.1).

Accounting principles

This interim report has been prepared for the group in accordance with IAS 34. "Interim Financial Reporting." and for the parent company in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2. "Accounting for legal entities." Government assistance received is reported as other income. The accounting principles and calculation methods applied correspond to those that were used to prepare the most recent annual report.

FINANCIAL STATEMENTS

GROUP

INCOME STATEMENT SEK million Doro Group	2022 Quarter 4	2021 Quarter 4	2022 Jan-Dec	2021 Jan-Dec
Net Sales	265.4	311.2	909.5	1 039.6
Cost of goods and services sold	-174.7	-190.0	-591.9	-660.3
Gross profit	90.7	121.2	317.6	379.3
Selling, distribution and marketing expenses	-39.2	-42.3	-152.5	-134.3
Research and development expenses	-19.0	-15.5	-64.4	-76.4
Administrative expenses	-13.8	-12.9	-50.9	-54.1
Other income and expense	1.5	0.0	5.6	4.2
Total operating expenses	-70.5	-70.7	-262.2	-260.6
whereof depreciation and amortization of intangible and tangible fixed assets	-12.0	-15.5	-45.0	-65.5
Operating profit/loss before depreciation and amortization (EBITDA)	32.2	66.0	100.4	184.2
Operating profit/loss after depreciation and amortization (EBIT)	20.2	50.5	55.4	118.7
Net financial items	-9.5	-7.3	-10.9	-4.3
Profit/loss before taxes	10.7	43.2	44.5	114.4
Taxes	5.3	-13.6	-3.6	-31.4
Profit/loss for the period for continuing operations	16.0	29.7	40.9	83.1
Profit/loss for discontinued operations	0.0	280.5	0.0	286.1
Profit/loss for the period	16.0	310.2	40.9	369.2
Average number of shares, thousands	24 326	24 116	24 326	24 028
Average number of shares after dilution, thousands*	24 326	24 116	24 326	24 028
Earnings per share for continuing operations, SEK	0.66	1.23	1.68	3.46
Earnings per share for continuing operations after dilution, SEK*	0.66	1.23	1.68	3.46
Earnings per share, SEK	0.66	12.86	1.68	15.37
Earnings per share after dilution, SEK*	0.66	12.86	1.68	15.37

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

STATEMENT OF COMPREHENSIVE INCOME	2022	2021	2022	2021
SEK million Doro Group	Quarter 4	Quarter 4	Jan-Dec	Jan-Dec
Profit/loss for the period, remaining operations	16.0	29.7	40.9	83.1
Profit/loss for the period, discontinued operations	0.0	280.5	0.0	286.1
Profit/loss for the period, total	16.0	310.2	40.9	369.2
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Translation differences, remaining operations	2.4	0.8	13.5	8.4
Translation differences, discontinued operations	0.0	0.8	0.0	8.7
Effects from cash flow hedges	-0.9	-2.7	-2.8	5.0
Deferred tax	0.1	0.6	0.5	-1.0
Other comprehensive income, total	1.6	-0.5	11.2	21.1
Other comprehensive income related to Parent company's shareholders	17.6	309.7	52.1	390.3

STATEMENT OF FINANCIAL POSITION	2022	2021
SEK million Doro Group	31-Dec	31-Dec
Non-current assets		
Intangible assets	285.5	277.8
Property, plant and equipment	17.4	20.5
Financial assets	38.6	50.6
Deferred tax asset	14.2	14.0
Current assets		
Inventories	208.4	225.1
Current receivables	185.3	223.8
Cash and cash equivalents	154.4	179.1
Total assets	903.8	990.9
Shareholders' equity attributable to Parent company's shareholders		
Long term liabilities, interests-bearing	86.3	164.8
Long term liabilities, non-interests bearing	48.1	48.8
Current liabilities, interests-bearing	7.3	6.9
Current liabilities, non-interests bearing	287.1	347.5
Total shareholders' equity and liabilities	903.8	990.9

Financial instruments recognized at fair value in the Balance Sheet	2022	2021
SEK million Doro Group	31-Dec	31-Dec
Exchange rate contracts recorded as current liability	14.1	2.4
Exchange rate contracts recorded as current receivable	0.1	3.2
Financial instruments recognized at fair value consist of currency forward contracts and are used primarily for hedging purposes and are measured at level 2.		

STATEMENT CASH FLOWS
SEK million Doro Group

	2022 Quarter 4	2021 Quarter 4	2022 Jan-Dec	2021 Jan-Dec
EBIT	20.2	39.9	55.4	117.2
Depreciation according to plan	12.0	25.1	45.0	114.2
Net paid financial items	-0.4	-1.2	-2.2	-4.7
Unrealized exchange rate differences in cash flow hedges	18.6	5.0	11.9	-5.2
Income tax paid	-1.3	-0.9	-25.6	-27.7
Change in working capital (incl. changes in provision)	-7.0	-21.9	-11.4	-172.2
CASH FLOW FROM CURRENT ACTIVITIES	42.1	46.0	73.1	21.6
Investments in intangible and tangible assets	-9.6	-18.7	-38.0	-70.8
FREE CASH FLOW BEFORE ACQUISITIONS	32.5	27.3	35.1	-49.2
Acquisitions	0.0	0.0	0.0	-112.5
Divestment of subsidiaries	0.0	92.1	0.0	92.1
Cash flow from investing activities	-9.6	73.4	-38.0	-91.2
Amortization of debt	-1.8	-88.7	-82.4	-105.4
New loans	0.0	50.0	0.0	150.0
Proceeds from new share issue	0.0	20.9	0.0	20.9
Cash flow from financing activities	-1.8	-17.8	-82.4	65.5
Exchange rate diff in cash and cash equivalents	6.3	4.4	22.6	12.6
Change in liquid funds	37.0	106.0	-24.7	8.5
Net cash	63.6	10.7	63.6	10.7
Net debt	-	-	-	-

STATEMENT OF CHANGES IN EQUITY
SEK million Doro Group

	2022 31-Dec	2021 31-Dec
Opening balance	422.9	804.5
Total Comprehensive income related to Parent company's shareholders	52.1	390.3
Dividend Careium	0.0	-780.9
Transaction costs dividend of Careium	0.0	-11.9
New share issue	0.0	20.9
Closing balance	475.0	422.9

OTHER KEY FIGURES	2022	2021
SEK million Doro Group	31-Dec	31-Dec
EBITDA	100.4	184.2
Equity/assets ratio, %	52.6	42.7
Number of shares at the end of the period, thousands	24 326	24 326
Number of shares at the end of the period after dilution, thousands*	24 326	24 326
Equity per share, SEK	19.53	17.38
Equity per share, after dilution SEK*	19.53	17.38
Return on average share holders' equity, % (continuing operations)	9.1	13.5
Return on average capital employed, % (continuing operations)	13.1	13.2
Share price at period's end, SEK	14.86	30.9
Market value, SEKm	361.5	751.7
<i>*The effect of dilution is considered only when the effect on earnings per share is negative.</i>		

PARENT COMPANY

INCOME STATEMENT

	2022	2021	2022	2021
SEK million Parent company	Quarter 4	Quarter 4	Jan-Dec	Jan-Dec
Net Sales	234.9	290.1	808.0	1069.3
Cost of goods and services sold	-164.6	-175.7	-543.5	-690.5
Gross profit	70.3	114.4	264.5	378.8
Operating expenses	-68.0	-67.4	-245.3	-463.3
Operating profit/loss (EBIT)	2.3	47.0	19.2	-84.5
Net financial items	-9.0	-9.0	-7.0	129.0
Profit/loss after financial items	-6.7	38.0	12.2	44.5
Taxes	-2.3	-10.9	-6.6	-16.9
Profit/loss for the period	-9.0	27.1	5.6	27.6

STATEMENT OF COMPREHENSIVE INCOME

	2022	2021	2022	2021
SEK million Parent company	Quarter 4	Quarter 4	Jan-Dec	Jan-Dec
Profit/loss for the period	-9.0	27.1	5.6	27.6
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Effects from cash flow hedges	-0.9	-2.7	-2.8	5.0
Deferred tax	0.1	0.6	0.5	-1.0
Total Result related to Parent company's shareholders	-9.8	25.0	3.3	31.6

STATEMENT OF FINANCIAL POSITION

	2022	2021
SEK million Parent company	31-Dec	31-Dec
Non-current assets		
Intangible assets	54.6	54.8
Property, plant and equipment	0.9	0.6
Financial assets	110.2	122.7
Current assets		
Inventories	171.5	178.7
Current receivables	370.7	558.3
Cash and cash equivalents	142.4	164.7
Total assets	850.3	1 079.8
Shareholders' equity attributable to Parent company's shareholders	225.3	222.0
Provisions	72.2	76.6
Long-term liabilities	75.0	150.0
Current liabilities	477.8	631.2
Total shareholders' equity and liabilities	850.3	1 079.8

NOTES

Note 1 – Discontinued operations

On November 22, 2021, an Extraordinary General Meeting of Doro, in accordance with the Board's proposal, resolved to distribute all shares in the wholly owned subsidiary Careium to the shareholders of Doro. The record date for the share dividend was December 7, 2021. The tables below show discontinued operations regarding the previously wholly owned subsidiary Careium AB. For further information, see the annual report for 2021 and the quarterly report for Q4 2021.

INCOME STATEMENT	2022	2021	2022	2021
SEK million	Quarter 4	Quarter 4	Jan-Dec	Jan-Dec
Net sales	-	105.3	-	530.4
Cost of goods and services sold	-	-116.1	-	-533.7
Profit/loss before taxes	-	-10.8	-	-3.3
Taxes	-	2.5	-	0.6
Profit/loss for the period	-	-8.3	-	-2.7
Profit on dividends after sales	-	-288.8	-	288.8
Profit for the period, discontinued operations	-	280.5	-	286.1

CASH FLOW STATEMENT DISCONTINUED OPERATIONS	2022	2021	2022	2021
SEK million	Quarter 4	Quarter 4	Jan-Dec	Jan-Dec
Cash flow from operating activities	-	61.4	-	8.0
Cash flow from investing activities	-	11.6	-	-133.4
Cash flow from financing activities	-	-1.9	-	-11.7
Cash flow for the period, discontinued operations	-	71.1	-	-137.1

Reported values of assets and liabilities at the time of the dividend

SEK million	2021 Full Year
Non-current assets	
Intangible assets	541.0
Property, plant and equipment	93.9
Financial assets	7.1
Deferred tax asset	3.7
Current assets	
Inventories	38.5
Current receivables	181.0
Cash and cash equivalents	63.9
Total assets	929.2
Shareholders' equity attributable to Parent company's shareholders	494.7
Long term liabilities	73.8
Current liabilities	360.6
Total shareholders' equity and liabilities	929.2

FINANCIAL DEFINITIONS

Average number of shares after dilution	Average number of shares adjusted with the dilution effect from warrants is calculated as the difference between the assumed number of shares issued at the exercise price and the assumed number of shares issued at average market price for the period.
Earnings per share	Profit/loss after financial items minus tax divided by average number of shares for the period.
Earnings per share, after dilution	Profit/loss after financial items minus tax divided by the average number of shares for the period after dilution.
Number of shares at the end of the period, 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.
Net Debt/Net Cash	Cash and bank balances reduced with interest bearing liabilities.
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
Gross Margin %	Net Sales minus Cost of goods and services sold in percentage of Net Sales.	Gross Margin is an important measure for showing the margin before Other operating 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 minus Net Sales for the corresponding period last year recalculated using this year's currency exchange rates 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.

recalculated using this year's currency exchange rates.

Equity/assets ratio	Equity expressed as a percentage of total assets.	A traditional measure for showing financial risk, expressing the amount of restricted equity 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.

Calculation of financial performance measures that are not defined in IFRS

	2022 Quarter 4	2021 Quarter 4	2022 Jan-Dec	2021 Jan-Dec
Currency adjusted sales growth (MSEK)				
Currency adjusted sales growth	-62.7	-32.7		
Currency effect	16.9	-1.0	0	0
Reported sales growth	-45.9	-33.7		
Capital employed				
Total assets			903.8	990.9
Non-interest-bearing liabilities			335.2	399.6
Cash and bank			154.4	179.1
Reported capital employed			414.2	412.2

CONFIRMATION BY THE BOARD

The board and CEO affirm that this year-end report provides an accurate overview of the operations, position and earnings of the company and group and that it also describes the principal risks and uncertainty factors faced by the company and its subsidiaries.

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

Malmö, 16 February 2023

Henri Österlund
Chairman of the board

Juha Mört
Board member

Victor Saeijs
Board member

Noora Jayasekara
Board member

Fredrik Löthgren
Board member

Jörgen Nilsson
President and CEO

REPORT DATES

Q1-report, January-March 2023 28 April 2023
Q2 report, January-June 2023 18 July 2023

The annual general meeting will be held in Malmö on 28 April 2023.

CONTACT

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WEBCAST

A video conference call will be held on Thursday, 16 February at 9.00 am (CEST) when President and CEO Jörgen Nilsson and CFO Isabelle Sengès will present the report. The videoconference is accessed at Quarterly report meeting (doro.com). The presentation material is available on Doro's financial website Presentations (doro.com).

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This information is such information that Doro AB is obliged to publish in accordance with the EU Market Abuse Regulation. The information was submitted, through the care of the above contact person, for publication on Thursday, February 16, 2023, 8.00 (CEST).