



ANNUAL REPORT 2021 WITH
SUSTAINABILITY REPORT

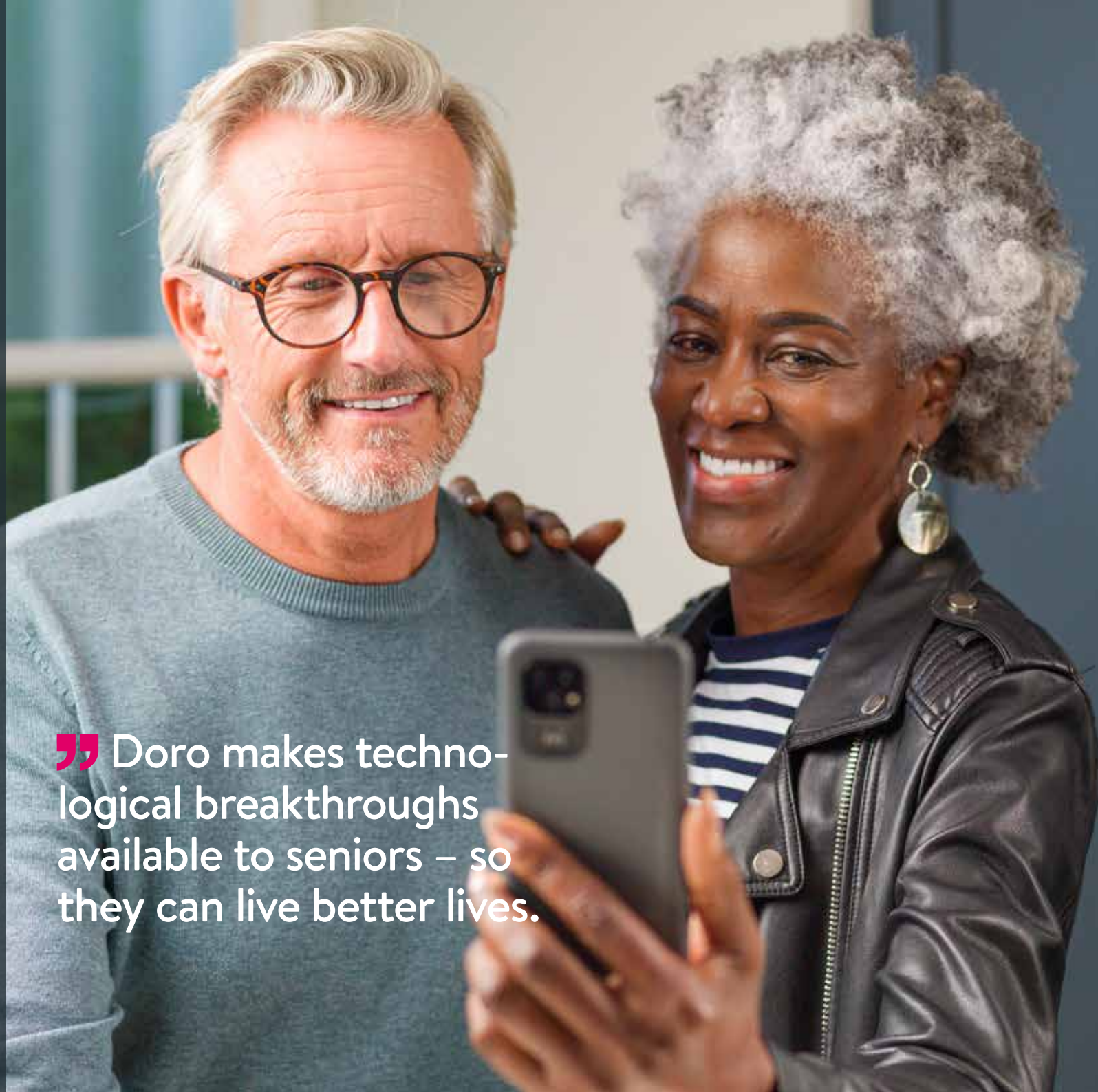
A photograph of a smiling senior couple sitting outdoors in a lush garden. The man, with grey hair and a beard, is holding a black Doro flip phone. The woman, with short grey hair, is leaning in and looking at the phone. They are both smiling and appear to be enjoying the moment. The background is filled with green foliage and flowers.

Europe's leading technology
brand for seniors

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The formal annual accounts can be found on pages 29–39, 43–76 and page sidan 83.



“Doro makes technological breakthroughs available to seniors – so they can live better lives.”

A leading brand for senior-friendly technology

Founded in 1974 in Sweden, Doro has a strong heritage of Swedish innovation and customer focus as part of our offering. Helping seniors is at the heart of our business. By adapting today's and tomorrow's technology, we ensure that seniors can live active and independent lives. Our customers' trust in the Doro brand is our most important asset. Seniors and their families know that when they buy Doro, they are getting a high-quality product specifically tailored to their needs.

1.0

billion SEK intturnover 2021

>2

million sold units

4

strong regions – the Nordics, FraBel, UK and DACH

300

telecom operators, distributors, specialists and resellers in Doro's own network in 27 countries

EUROPEAN MARKET LEADER IN MOBILE PHONES FOR SENIORS

Doro's proprietary senior-friendly phones, mobile phones and applications are sold through a network of over 300 telecom operators, distributors, specialists and retailers, mainly in Europe. More than 2 million phones were sold in 2021.

» Read more about Doro's wide offer on pages 16–17.



THE FUTURE OF SENIOR-FRIENDLY TECHNOLOGY COMES FROM DORO

Products and services based on senior-friendly technology are an underdeveloped market with huge potential. Doro will leverage its strong brand and intends to broaden its offering beyond telephony to a number of defined segments where seniors' needs for customised technology are greatest.

» Read more about the adapted technology of the future on pages 18–19.



2021: Strengthened profitability, positioned for growth

Doro reported increased profitability during the year with strengthened margins and a good operating result. The strong gross margin was mainly driven by an improved product and customer mix as well as a favourable currency impact.

The decline in net sales was an anticipated consequence of the strategic decision to phase out less profitable markets. The continued impact of the pandemic, where our customers' stores were kept closed for much of the year due to lock-downs in various regions, also negatively impacted sales.

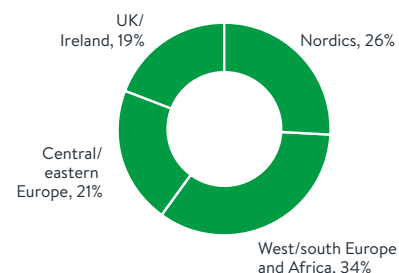
In 2021, the market for telephony products was characterised by a shortage of components and logistics. However, thanks to

established, good relationships and an experienced procurement team, our delivery capability remained intact, clearly strengthening our position as market leader.

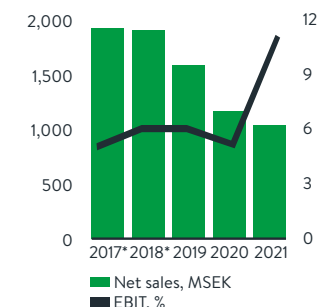
With strengthened profitability, an experienced organisation, well-defined strategies and the strongest brand in the market for senior technology, Doro is now positioned for growth.



NET SALES PER COUNTRY



NET SALES AND EBIT



* Prior to 2019, there was no independent income statement for Phones; thus 2017 and 2018 figures cover the entire Doro business.

ANNUAL COMPARISON KEY FIGURES

	2021	2020
Net sales, MSEK	1,039.6	1,165.2
Gross margin, %	36.5	30.3
EBITDA, MSEK	184.2	127.0
EBITDA margin, %	17.7	10.9
EBIT	118.7	57.3
EBIT margin, %	11.4	4.9
Equity/assets ratio, %*	42.7	48.7
Number of employees*	116	1,081
Free cash flow, MSEK*	-49.1	180.4

* 2020 figures include the now divested Care business.

THIS YEAR'S HIGHLIGHTS

- **SEPARATE LISTING OF CAREIUM, FORMERLY THE DORO CARE BUSINESS**

Doro's strategy in recent years has been to strengthen the two business areas Doro Phones and Doro Care separately in order to create the best conditions for the continued growth of the businesses. An Extraordinary General Meeting of Doro resolved on 22 November 2021 to distribute all shares in the wholly owned subsidiary Careium, formerly the Doro Care business area, to Doro's shareholders. The shares of Careium are now traded on Nasdaq First North Growth Market. This annual report presents the continuing operations of Doro unless otherwise stated.

» Read more about the separate listing in note 30 on page 86.

- **RATIONALISATION PROGRAMME COMPLETED, HISTORICALLY HIGH MARGIN**

In 2020, a significant restructuring programme was initiated within Doro with the aim of ensuring long-term profitability and stable cash flow. The programme included both cost savings in the business and a review of our market positions where less profitable markets were phased out. In the second half of 2021, the final parts of the programme were completed, which then reduced annual variable costs by approximately SEK 97 million compared to 2019 levels. The margin for the full year 2021 was clearly positively impacted and reached a historic level.

» Read more about our markets on pages 14–15.

- **DORO ESTABLISHES NEW STRATEGY, EXPANDS TO OTHER SEGMENTS**

Following a few years of restructuring, Doro is now entering a new phase with a strategy focused on strengthening our leading position in senior phones with a focus on senior feature phones and senior smartphones as well as accessible security services such as Response by Doro. In parallel, we will also leverage our strong brand and intend to broaden our offering beyond telephony to a number of defined segments where seniors' needs for customised technology are greatest. This range will include proprietary products and services, but may also include other players' products under the Doro name and third-party products.

» Read more about our strategies on pages 12–13.

- **DORO'S NEW SMARTPHONE 8110 LAUNCHED DURING THE YEAR**

In 2021, Doro launched its latest and most feature-packed smartphone, the Doro 8110. With optimised sound quality, intuitive interface, three camera lenses and a simplified camera menu, the Doro 8110 is easy to use and easy to love. In addition, the Response by Doro app allows users to send alerts and get in touch with family and friends with a simple press of the security button.

» Read more about our wide range of products on page 17.



A brand worth investing in

Doro has been listed on Nasdaq Stockholm Small Cap (DORO) since 1993. Over time, we have built one of Europe's leading brands for senior-friendly technology. There are four strong factors that help create value and point the way forward.



1 CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT OF SOCIETY

The core of our business is based on the needs of senior citizens. Reducing the exclusion of older people is an important contribution to the sustainable development of society. In addition, we take our responsibility to reduce our environmental footprint by, for example, extending the lifetime of products and making greener material and logistics choices, as well as ensuring high business ethics.

3 LEADING POSITION IN EUROPE, STRONGEST BRAND

With more than two million phones sold per year, Doro is the market leader in Europe in senior-friendly phones. Surveys in our key markets show that more than 40 million customers recognise the value of our brand. Doro stands for quality and reliability and belongs to the premium segment of the market.

2 OPERATING IN A MARKET WITH ATTRACTIVE LONG-TERM GROWTH

By 2030, 23 percent of the EU population will be 65+, approximately 123 million seniors (2015: 96 million). Seniors (born 1945-1964) control 70 percent of disposable income but 89 percent of them feel that brands are not interested in seniors. As the strongest senior brand in Europe, Doro can take advantage of these trends.

4 GREAT POTENTIAL AHEAD – DORO IS WELL POSITIONED FOR GROWTH

Doro's business is characterised by a long history of innovation, technology development and a deep understanding of the needs of seniors. With our position and strong brand, we will continue to strengthen our phone share while expanding our offering into other areas where senior-friendly technology can make a difference.

The Doro shares

PRICE DEVELOPMENT AND MARKET VALUE

The Doro share is listed on Nasdaq Stockholm and is part of the small cap segment for companies with a market value of up to EUR 150 million. In December, the Care business (Careium) was distributed to shareholders and listed on Nasdaq Stockholm First North. For each share in Doro, a new share was obtained in Careium. Since 6 December 2021, the Doro share has been traded based on the company's operations without the Doro Care (Careium) business area.

On 3 December, the last day for trading in the Doro share with the right to a dividend of shares in Careium, the Doro share closed at SEK 63.60. As of 6 December, the Doro share was traded without the right to the dividend from Careium. On the first trading day, the Doro share closed at SEK 31.50. The Careium share began trading on 10 December and on the first trading day, the Careium share closed at SEK 32.10. Up to the issue of Careium, the Doro share rose by 38.3 percent. From the issue of Careium until the end of the year, the Doro share fell slightly and the closing price on 30 December was SEK 30.90.

Doro's market capitalisation at the end of 2021 amounted to SEK 752 million (1,121).

In total in 2021, approximately 9.9 million shares (6.1) were traded with an average daily turnover of 39,302 shares (24,225).

The Stockholm Stock Exchange's industry index OMX technology, which includes the Doro share, rose a total of 25.3 percent in 2021. The Stockholm Stock Exchange as a whole rose 23.3 percent.

SHARE CAPITAL

At the Annual General Meeting in April 2021, it was decided, in accordance with the Board's proposal, to authorise the Board on one or more occasions and before the next Annual General Meeting to decide on a new issue of shares to a number not exceeding 10 percent of the total number of outstanding shares in the Company.

At the same Annual General Meeting, it was resolved, in accordance with the Board's proposal, to authorise the Board to make decisions on the acquisition of own shares to a number that at any given time does not exceed 10 percent of all shares in the Company.

The authorisation to carry out a new share issue was exercised in 2021 in connection with the employees' exercise of warrants. A new issue of 327,932 shares was made as of 29 November 2021. The authorisation to acquire own shares was not exercised in 2021.

On 31 December 2021, the share capital amounted to 24,532,500 (24,204,568). All shares have equal voting rights.

INVESTOR RELATIONS

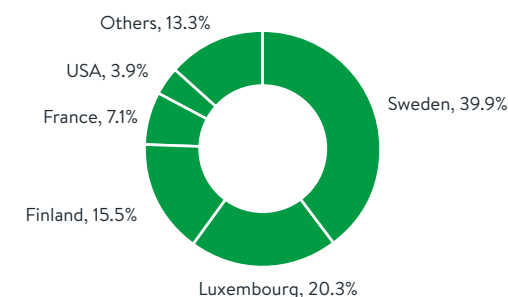
The Doro share is regularly monitored by analysts at ABGSC and Redeye, for current analyses see www.introduce.se/foretag/doro and www.redeye.se/bolag/doro.

In connection with the Company publishing quarterly reports, the CEO chairs a webcast presentation of the report. The webcast, which is normally run at 9:00 a.m. on the reporting day, can be accessed via the Company's website <https://doro.com/corporate>. For those who so wish, it is also possible in connection with these presentations to ask questions to the CEO. In addition to the quarterly report presentations, the CEO is also available for meetings and telephone conferences with investors, analysts and owners throughout the year.

DIVIDEND

Dividends to shareholders shall constitute 33 percent of the net profit (however, taking into account the capital structure and share repurchases). The Board proposes that no dividend be paid for 2021.

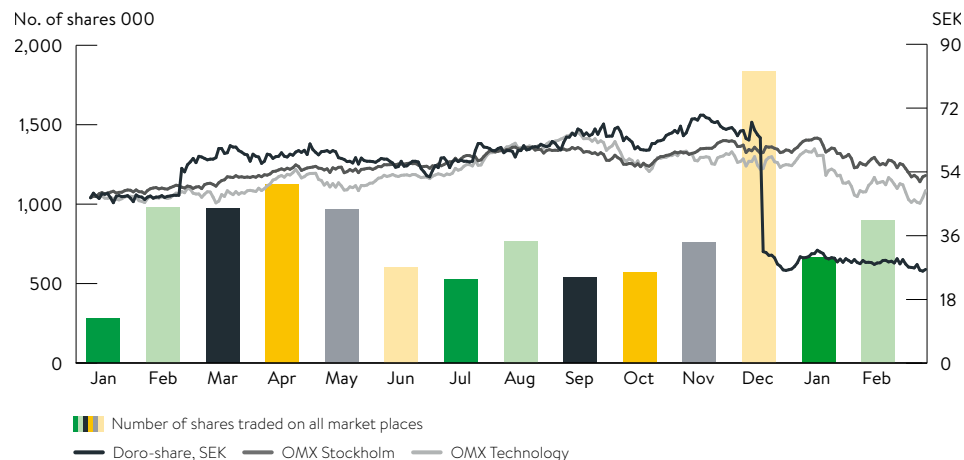
INVESTORS BY COUNTRY



SHARE DISTRIBUTION IN SIZE CLASSES

Shareholding	Number of shareholders	% of all owners
1-500	4,358 (4,876)	78.4 (77.4)
501-1,000	568 (674)	10.2 (10.8)
1,001-5,000	482 (550)	8.6 (8.9)
5,001-10,000	59 (65)	1.1 (1.1)
10,001-15,000	25 (25)	0.4 (0.4)
15,000-20,000	3 (6)	0.1 (0.1)
Over 20,001	65 (71)	1.2 (1.2)
Total	5,560 (6,267)	100.0

SHARE PRICE DEVELOPMENT TURNOVER



LARGEST SHAREHOLDERS

31 December 2021		
Ten largest owners	Number of shares	Share of capital and votes, %
RBCB LUX UCITS EX-MIG	4,226,098	17.2
NORDEA NORDIC SMALL CAP FUND	2,785,552	11.4
RITE INTERNET VENTURES HOLDING AB	2,486,572	10.1
LAZARD FRERES BANQUE, W8IMY	1,694,000	6.9
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	1,347,962	5.5
NORDEA BANK ABP, NORDEA BANK AB (PUBL)	588,715	2.4
ORIGINAT AB	530,000	2.2
CBLDN-EQ NORDIC SMALL CAP FUND	527,000	2.2
CLEARSTREAM BANKING S.A., W8IMY	468,347	1.9
EKLUND, THOMAS	379,460	1.6
Total	15,033,706	61.3
Total number of shares	24,532,500	100.0

SHARE CAPITAL DEVELOPMENT

Year	Transaction	Change in number of shares	Issue price, SEK	Increase in share capital, SEK million	Paid-in amount, SEK million	Total number of shares
2001	Directed new issue	11,764,705	8.50	11.8	100.0	21,467,859
2005	New share issue	7,141	1.00	0	0.0	21,475,000
2005	Reverse split, 5:1	-17,180,000	0.00	0	0.0	4,295,000
2006	New share issue, 3:1	12,885,000	6.00	64.4	71.2	17,180,000
2006	Offset issue	227,631	7.66	1.1	1.5	17,407,631
2009	Directed new issue	1,700,000	9.50	1.7	16.2	19,107,631
2011	Directed new issue	241,543	25.56	0.2	6.3	19,349,174
2013	Directed new issue	1,457,000	27.89	1.5	40.6	20,806,174
2014	Option programme	398,309	35.30	0.4	14.1	21,204,483
2015	Directed new issue	2,033,772	41.50	2	84.4	23,238,255
2017	Option programme	517,000	42.00	0.5	21.7	23,755,255
2018	Directed new issue	449,313	42.60	0.4	19.2	24,204,568
2021	Option programme	327,932	63.8	0.4	20.9	24,532,500

DATA PER SHARE

Transaction	2021	2020	2019	2018	2017	2016
Number of shares at year-end, thousands ¹⁾	24,326	23,998	23,766	23,766	23,755	23,238
Share price at year end, SEK	30.90	46.70	50.50	34.15	43.70	53.00
Highest paid	70.00	51.20	52.20	48.55	60.75	78.00
Lowest paid	26.20	25.60	32.20	33.35	42.10	45.10
Market value at year-end, SEK million	752	1,121	1,200	812	1,038	1,232
Quota value, SEK	1.00	1.00	1.00	1.00	1.00	1.00
Profit for the year, SEK*	3.46	2.06	3.28	3.86	2.83	1.33
Cash flow per share ²⁾ *	1.27	10.16	10.20	9.33	5.03	2.66
Visible equity, SEK	17.38	33.52	32.89	28.77	24.57	22.38
Dividend, SEK	-	-	-	-	-	1.00
Dividend, share of net profit, %	-	-	-	-	-	75
P/E-figure ³⁾ *	8.9	22.7	15.4	8.85	15.44	39.73
Direct return, % ⁴⁾ *	-	-	-	-	-	1.9

1) Share excl. treasury shares.

2) Cash flow from operating activities divided by the number of shares before dilution at year-end.

3) Share price at year-end divided by profit per share for the year.

4) Dividend per share divided by share price at year-end.

*For the remaining activities for 2021.

Strong performance in 2021, ready for a new strategy

Despite slightly lower sales due mainly to pandemic effects and increasing component and manufacturing costs in the production chain, Doro delivered a strong operating result with a very good margin. With a completed rationalisation programme and a good profitability trend behind us, we are now ready to develop Doro in line with our vision – to become Europe's leading technology brand for seniors.

STRONG RESULT DESPITE COVID IMPACT

2021 was another year of Covid with lockdowns of varying duration and at times a total lack of customers in the stores. We achieved satisfactory sales, although turnover was down 11 percent compared to the previous year including the markets Doro exited for profitability reasons. Compared to the remaining markets, the decrease was only 3 percent compared to last year. The decline is partly due to a decrease in sales of feature phones but mainly to markets again shutting down as a result of the Covid pandemic.

In addition, the whole industry was hit at the production stage by rising component and manufacturing costs, as well as much more difficult transport options and sharply increased logistics costs. For Doro, however, we successfully countered component and product price increases

” Despite lower sales and increased logistics and manufacturing costs, Doro delivers a strong operating result.

in particular through better forecasting and planning, as well as early warning and sourcing of materials. In addition, the price adjustment successfully implemented in the third quarter contributed to Doro achieving a very good gross margin for the year.

Overall, despite lower sales and increased logistics and manufacturing costs, we delivered a strong and improved operating result (+107 percent YoY; SEK 118.8m 2021 vs. SEK 57.3m 2020) with a very strong margin of 11.4 percent (vs. 4.9 percent last year).



The high EBIT margin was an effect of several factors; high gross margin due to early component procurement, price adjustment towards customers in Q3, favourable currency effects and the outcome of the restructuring programme initiated in 2020 and mostly completed in 2021. In addition, a number of reversals of previous reserves were made during the year.

SPECIAL LISTING OF CAREIUM AB

The past year has been characterised by a strong internal focus as Doro implemented a split of the company into two separate companies. Doro AB, which remains a consumer-oriented senior company, and the former Doro Care business, which was distributed to Doro's shareholders and separately listed under the name Careium AB.

With the separation, Doro AB is now in a better position to develop more advantageously and to achieve its full potential, not least by regaining a clear consumer focus.

Doro has a long history of innovation with a very clear focus on customer satisfaction. We have developed products for seniors and to make ageing independent, empowering and fulfilling for a longer. Our broad portfolio of senior products helps connect generations digitally and create a safe and independent life both inside and

” Our ambition is to become Europe's leading brand in technology products for seniors.

outside the home. With one of the strongest brands in the market for seniors, we will now capitalize on our experience and position.

BROADENED PORTFOLIO IN NEW PRODUCT SEGMENT

We are passionate about helping seniors live better, more meaningful lives. Through continuous product improvement and invention, Doro has continued to make modern technology accessible to seniors over the decades. Doro's focus in recent years has been primarily on phone products and related accessories, and we will continue to strengthen the market leadership position we have built (in phones) through targeted marketing efforts and smart launches. But we are more ambitious than that; we now also intend to apply all our knowledge, all our long experience, our strong brand and our very good networks and relationships in the market to related product segments.

The senior market is growing and well-funded, and we know from surveys that seniors demand technology tailored to their own needs and capabilities.

There are many angles and product areas where Doro's extensive experience and knowledge of seniors and their challenges can make a big difference.

We also want to make future technology shifts accessible to all generations, in the same way that we were once the first to adapt mobile phones for seniors. In order to resume our focus on senior phones, while broadening our focus to related consumer product segments, we need to move forward and invest in people as well as new products and services. This journey will start already in 2022 and we intend to launch new product segments before the end of the year.

Our ambition is to become Europe's leading brand in technology products for seniors.

Malmö, April 2022

Jörgen Nilsson,
Chair and CEO

PROOF THAT WE ARE DOING THE RIGHT THING

” I got tired of getting out the user manual to perform a simple task on my smart phone. After all, it's not a smart phone if your head is always buried in a manual about how it works.

Enter Doro. It's like a breath of fresh air, easy to use, intuitive and you don't need a degree in IT to use it.

Thank you for saving us older people by designing a phone we can use. I congratulate you!

Yours sincerely,
Kevin I.



Doro – The brand that stands for a more fulfilling life and a more inclusive society

Doro is the market leader in the European seniors' phone market and has more than 45 years of experience in introducing new technological solutions tailored to seniors. With a new strategy, Doro will develop its position of strength and create further growth by broadening its offering of technology solutions for seniors.

OUR BUSINESS IS BASED ON THE NEEDS OF SENIORS

Doro's vision and mission are clear and reflect both the current strengths and the future strategy of the company

The goal of Doro's products and services is to adapt today's and tomorrow's technology into safe, easy-to-use and secure solutions. Solutions that make life easier for seniors and include them in society so that they can continue to lead active and fulfilling lives despite the challenges that can arise from ageing.

With a new strategy, we will not only build on our strength as a European market leader, but also create further growth by broadening our offering of technology solutions for seniors. The goal is to become the obvious choice for all seniors' customised technology needs. At home and when out and about

” OUR VISION

We will become Europe's leading technology brand for seniors, at home and when out and about.

” OUR MISSION

We make technological breakthroughs available to seniors – so they can live better lives.





Doro's three well-established core values:

”EASE

Simplicity in our own work and in what we do to simplify everyday life.

”TRUST

We build trust by always delivering what we promise.

”CARE

Care and compassion for the needs of others.

MARKET LEADER IN EUROPE, STRONGEST BRAND FOR SENIORS

In 2021, Doro sold more than two million senior phones mainly in Europe. In Europe's largest markets, Doro's market share of senior mobile phones is more than half in terms of volume (55.6 percent) and even higher in terms of value (60.3 percent). Our leading position provides a valuable platform for gaining further market share.

Annual surveys also show the value of our brand. More than 40 million customers across Europe know our brand and its key values. Customers know that Doro stands for senior products that are easy to use, accessible, affordable and reliable.

Our strong brand, the only one in the market that caters exclusively to seniors, is of great benefit to us as we accelerate our capabilities and broaden our offering beyond telephony. Read more on pages 18–19.

A CLEAR STRATEGY WITH TWO DEFINED ELEMENTS

In late autumn 2019, we launched a comprehensive strategy and restructuring programme, phasing out less profitable markets and cleaning up our portfolio of products. The programmes had the desired effect and significantly strengthened Doro's margins and delivered a good op-

erating result for 2021. In total, operating costs of the business have been reduced by approximately SEK 97 million.

Doro is now entering a new phase with a strategy focused on strengthening our leadership position in senior phones with a focus on senior feature phones and senior smartphones as well as accessible security services such as Response by Doro.

In parallel with the strategy for senior phones, we have also decided to expand our offering to products and technology that can be made accessible to seniors in their homes and everyday lives. Categories covered in the strategy relate to technology adapted for seniors in home entertain-

ment, smart home solutions, digital health solutions and senior-adapted communication aids.

This range will include proprietary products and services, but may also include other players' products under the Doro name and third-party products.

AN IMPORTANT CONTRIBUTION TO SOCIETY

Functionality and sustainability go hand in hand and our customers should be able to rely on Doro products.

Doro's most important contribution to a sustainable society is to reduce the exclusion of the elderly. Our senior-friendly products and services help the elderly to live a more independent, safer and better life.

In addition, we take our responsibility to reduce our environmental footprint by, for example, increasing the lifetime of products, working with replaceable batteries and making greener material and logistics choices.

Our long-established core values permeate our business culture and are our guiding principles as we develop products and interact with employees, customers and end-users. Our Code of Ethics is the bridge to translate these principles into behaviour and action.

THREE STRATEGIC AMBITIONS FOR THE COMING YEARS:

- A return to growth
- A conservative balance sheet in the coming years
- A double-digit EBIT margin

The senior market is large, growing and undeveloped

We are living longer and the number of seniors is increasing. At the same time, today's seniors feel that many brands are not interested in them. As the strongest senior brand in Europe, Doro can take advantage of these trends.

A LARGE AND GROWING MARKET

Rising prosperity, medical advances and large cohorts of people in their 40s, 50s and 60s mean a sharp rise in the number of people who are, or in a few years will be, 65+. By 2030, 23 percent, or 123 million, of the EU population will be over 65. This is an increase from 2015 of almost 30 percent.¹

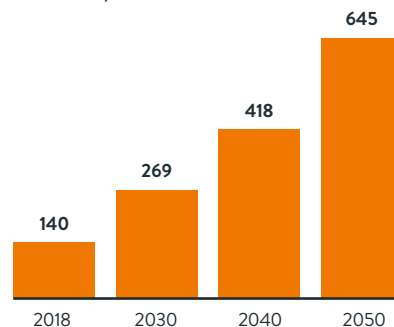
Seniors are a high-spending, brand-loyal group, controlling 70 percent of disposable income² and their appetite for technology in everyday life is growing. Studies in the US show that the market share of seniors 50+ today represents about 50 percent of all technology consumption and the value of their consumption is expected to grow from \$140 billion in 2018 to more than \$400 billion by 2040³. Europe is likely to experience a similar trend.

At the same time, no more than 5–10 percent of marketing is targeted at sen-

iors⁴ and 89 percent of them believe that brands are not interested in them, their conditions and needs.⁵

Doro is now a well-known senior brand with a platform that can meet the needs of seniors for customised technology. We should take advantage of this.

SPENDING ON TECHNOLOGY, AGE 50+, US MARKET, BILLION USD³



KEY MARKET EVENTS DURING THE YEAR

2021 - REFOCUSING OF STRATEGY AND STRENGTHENED PROFITABILITY

Strategy and restructuring programme
Restructuring programmes initiated earlier have continued in 2021 and have contributed to improved profitability. With the delisting of the Care business, we have created better conditions for re-developing in senior adaptive consumer electronics.

Covid and difficult logistical conditions
The pandemic and its consequences in the form of difficulties in production lines and transport have characterised 2021. Our strategy of securing component supply early on has proved to give us an important competitive advantage in a time of component shortages.

MARKET LEADER WITH STRONG COVERAGE IN EUROPE

With approximately 2 million senior phones sold, Doro is the segment market leader. In Europe's largest markets,⁶ Doro's market share in senior mobile phones is more than half (in volume and even higher in value).⁷

Doro's proprietary senior-friendly phones and mobile phones are sold through a network of over 300 telecom operators, distributors, specialists and retailers in 27 countries.

Doro's marketing organisation is divided

into five areas: Nordics (Denmark, Finland, Iceland, Norway and Sweden), FraBel (France, Belgium, Netherlands), UK (including Ireland), DACH (Germany, Austria, Switzerland) and Other markets.

In the Nordics, Doro has its strongest position with close to 90 percent market share and is an iconic brand that almost everyone knows. In FraBel and the UK, Doro has a leading position and is a well-known brand among seniors and their families. DACH is Europe's largest market, but also the most competitive market with the greatest growth potential for Doro.

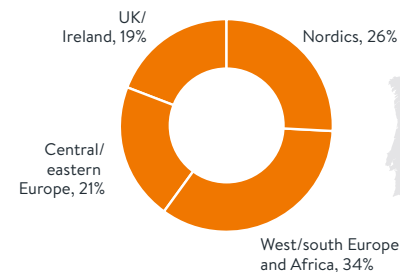
DORO IS THE PREMIUM OPTION WITH THE HIGHEST MARGINS

The market is clearly consolidated and the main competitors in Europe are Nokia, Alcatel and Emporia, which also offer feature phones and smart mobile phones for seniors. Doro is also seeing increased competition from traditional mobile phone manufacturers with applications suitable for seniors.

With a long experience in senior-friendly products and a clear focus on quality and functionality, Doro is the obvious premium option. Doro is also the strongest brand with a full focus on seniors. Over time, the strong brand and Doro's premium products have created barriers to entry for competitors and allowed Doro to develop strong margins.

DORO'S PRIMARY MARKETS

SHARE OF SALES PER GEOGRAPHICAL AREA



Sources:

- 1 Eurostat.
- 2 US News Baby Boomers Report (born 1945-1964).
- 3 AARP.
- 4 Venture Capital Review.
- 5 ConsumerCast.
- 6 United Kingdom, France, Germany and Sweden.
- 7 Based on market analysis of the mobile phone market for seniors, GfK EU6 2019 and GfK EU4 2020.

Products and services that make life easier

Here at Doro, we want seniors to be able to be part of the digital world as well. That's why we are developing easy-to-use services and products that make it easier for seniors to stay in touch with their family and friends and be part of society – despite the challenges that can arise with age.

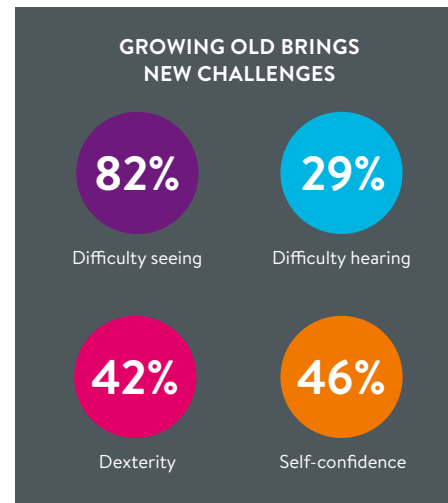
LONG EXPERIENCE OF SENIOR TECHNOLOGY

The digitalisation of society is now rapid and communication via mobile phones, the Internet and social media is constantly increasing in importance. This places many demands on new solutions. Therefore, the need for seniors to be able to take part in digitisation and to be able to communicate on their own terms is also increasing.

Doro's products and services aim to enable seniors to take part in the digital world and reduce exclusion for the elderly. We develop easy-to-use services and products that make it simpler for seniors to keep in touch with family and friends and be part of society – despite the challenges that often arise with age.

We have experienced development teams in Sweden, France and Asia with long experience of working with seniors and technology. We also conduct ongoing surveys with seniors to identify their needs and preferences.

Thanks to our insights, we can develop and offer a range that better meets the needs and makes everyday life easier and safer for seniors.



CHALLENGES REQUIRE SOLUTIONS

Doro's senior products are both smart and easy to use, and customers choose whether they want many or few functions.

All products are tailored to the needs and abilities of seniors – they should be easy to pick up, hold and operate and all are also equipped with large and clearly separated buttons, clear sound specifically adapted to seniors' hearing, easy-to-read screens and Doro's security button.

Doro Feature phones.

Doro's classic mobile phones are logical and developed to be very easy to use. The functions include sound that is adapted to how seniors' hearing changes over the years, a safety button on the back of the phone and clear and easy-to-read menus in several different colours. The mobile phones are easy to hold and use and make it easy to both make and receive calls and messages. All models are also equipped with a camera and several also have apps for, for example, Internet and social media.

Doro Smartphones.

Doro's smart mobile phones enable the user to take full advantage of the digital

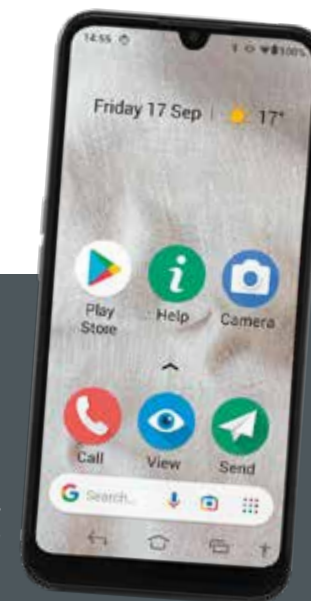
society as a senior. All smartphone products are equipped with the capability of digital bank IDs and payments and can be easily used to surf the Internet, listen to music, make video calls and watch films on the phone. It is also easy to adjust the number of functions in the phone and keep in touch with relatives via calls and text messages. Doro's smart mobile phones have a sleek and user-friendly design, and in the newer models, there is also the option for the user to control the phone with their voice via Google Assistant.

Response by Doro.

When you choose a Doro mobile, you also get access to valuable features and services at no extra cost. With our free Response by Doro service, friends and relatives the senior trusts can be there to help, no matter how far away they are. With the service, seniors can easily call for help in case of an accident with a simple press of the security button on the back of the phone. The senior's loved ones can also quickly help with important settings on the senior's phone, directly from their own smartphones.

DORO 8110 – A SMARTPHONE THAT'S EASY TO USE AND EASY TO LOVE

In 2021, Doro launched its latest and most feature-packed smartphone, the Doro 8110. Conversations are clearer thanks to Doro's optimised sound quality, and our intuitive interface simplifies everything seniors want to do. Three lenses and a simplified camera menu make it easy to take great pictures, including stunning portraits and low-light shots. Trusted contacts can help if needed via two pre-installed apps. Once configured, the Response by Doro app can send alerts and put the senior in touch with family or friends at the touch of a security button.



Customised technology for every senior's needs

Seniors have a growing need for new technology as digitalisation increases, and more seniors than ever are ready to embrace and invest in new technology. We will use the Doro brand to meet these needs.

A BROADENED OFFERING WITH GREAT POTENTIAL FOR GROWTH

Doro is now entering a new phase with a strategy that, in addition to a focus on strengthening its leadership position in senior phones, also includes expanding our offering to other products and technologies that can be made available to seniors in their homes and everyday lives.

Today's seniors are not only a strong buying group, they are increasingly embracing technology products to simplify their daily lives. The use of smartphones, tablets, various wearables such as headphones, smart watches and activity bracelets as well as smart home products has also received a further boost as a result of the covid pandemic.

But while 53 percent of seniors 70+ in the US own a tablet, half of them say they would like to understand the product better. More than a third say they lack the knowledge and confidence to use the product fully.

Few if any of the popular product groups have technology tailored for seniors. At Doro, we want to change that.

DORO – A FULL SERVICE COMPANY FOR SENIOR TECHNOLOGY

The long-term ambition is for Doro to be a full-service company for senior technology.

The categories covered in the strategy in the first stage are primarily technology for seniors in the areas of Smart Home and Smart Health.

For the Smart Home area, examples of products that can be adapted for seniors are tablets and smart TVs, but also various types of smart home products such as surveillance sensors and speakers.

Smart health customisable products include communication aids and wearables such as headphones, hearing aids and activity bracelets as well as various health monitoring products such as blood pressure monitors and thermometers.

This new range will include proprietary products and services as well as third-party and own-label products. We will also continuously monitor the potential to add products and expertise through acquisitions.

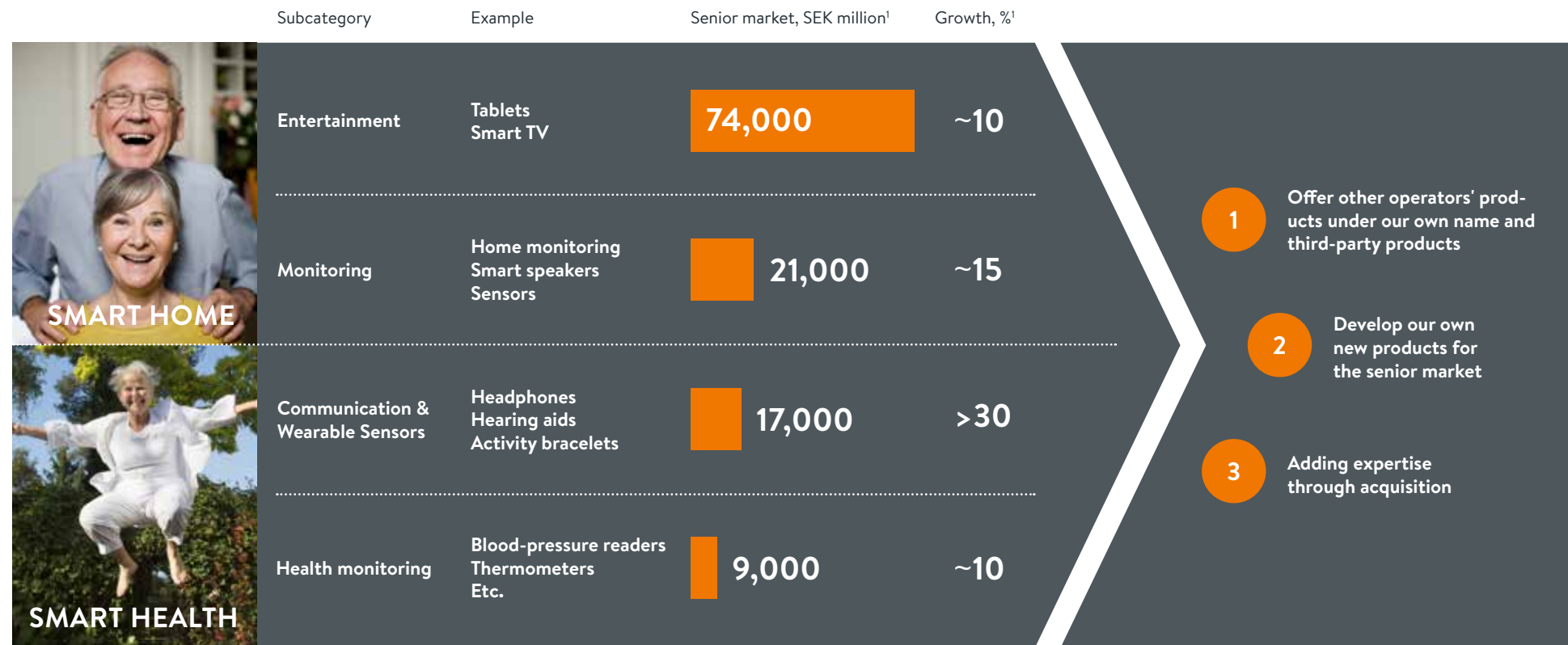
Seniors are a strong and brand loyal group controlling 70 percent of disposable income¹ and their appetite for technology in everyday life is increasing. Studies in the US show that the market share of seniors 50+ today represents about 50 percent of all technology consumption.

¹ US News Baby Boomers Report (born 1945-1964).



Seniors have a growing need
for adaptive technology ...

... we will use the Doro
brand to meet these needs



¹ Total technology spending by seniors, globally. Based on internal estimates. Growth rate of the total market, i.e. all ages included. Based on internal estimates.

TELEPHONES FOR VULNERABLE AND DEPENDENT ELDERLY

” My 94-year-old father has had his Doro for a year now. He has tried several mobile phones in the past but “technology” has always defeated him. This is the only phone he has been able to use. I have recommended this phone to a friend whose father has a similar technology phobia and he has now also got one. Problem solved!

64 years old. Review, Bazaarvoice.

” I got my dad a Doro phone and charger to help him switch to a mobile instead of a landline as he has moved into a retirement home at the age of 96! He found the phone and charger very easy to use.

69 years old. Review, Bazaarvoice.



A sustainable and inclusive society

Doro's most important contribution to a sustainable society is to reduce the exclusion of the elderly. Our senior-friendly products and services help seniors live more independent, safer and better lives. We contribute to a sustainable and inclusive society. Every day.

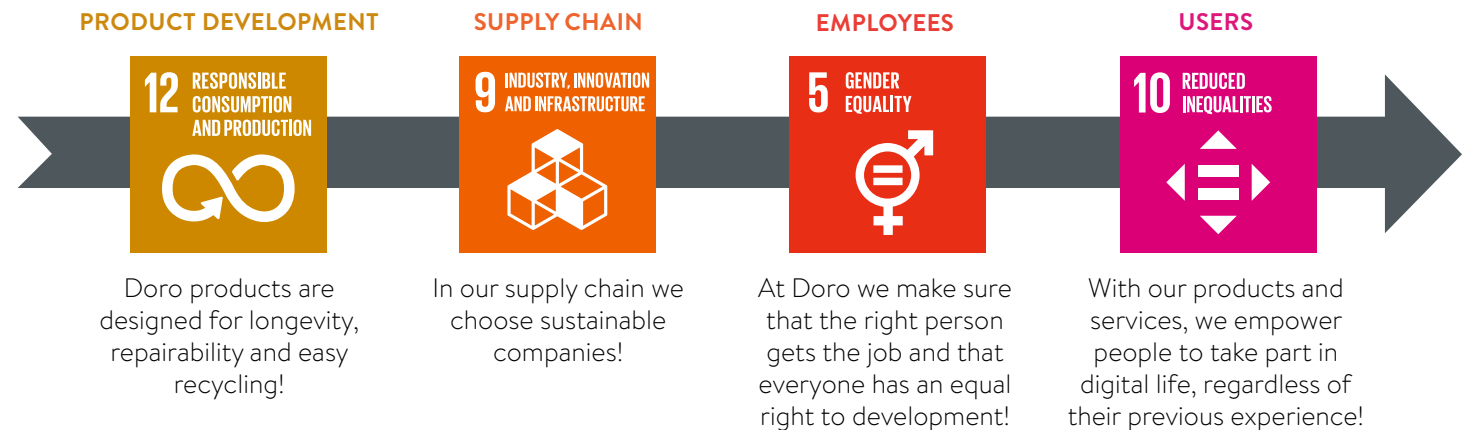
Our sustainability work is an integral part of our business, which we see as a prerequisite for future value creation and a way to mitigate the risks associated with sustainability issues. Active sustainability work also gives us a competitive advantage as the leading technology brand for seniors.

The Board is responsible for the sustainability report. This year's sustainability report relates to the remaining Doro operations. EU taxonomy: Doro is subject to the EU taxonomy accounting rules, but no part of the business is considered environmentally sustainable using current technical granularity criteria. Low impact sectors are not yet included in the criteria.

A HOLISTIC APPROACH BASED ON THE 2030 AGENDA

Doro has signed up to the 17 UN Sustainable Development Goals under Agenda 2030 and focuses on the economic, social and environmental issues that are most relevant to Doro and to which our business contributes directly or indirectly.

Functionality and sustainability go hand in hand and our customers should be able to rely on Doro products. Our sustainability work therefore runs through the entire business. From product development and the supply chain to employees and our customers.



Doro creates sustainable values. Every day.

In 2021, Doro sold over 2 million units to seniors and disabled persons, facilitating their ability to continue living an active and safe life. Doro's services, products, expertise and

people create sustainable value by promoting safety and well-being.

Responsible business practices create long-term value for our owners and partners.

HOW DORO CREATES VALUE FOR ITS STAKEHOLDERS

Stakeholder	Dialogue	How Doro creates value
Users	Needs assessments and field tests with seniors in the development of new products. Complaints handling.	Ease-of-use for millions of users of Doro phones. Social inclusion through products that work for older and disabled people.
Direct customers (mobile operators, electronics chains, individuals)	Quotes. Sales meetings and trade fairs. Sustainability assessments. Complaints handling.	A flexible partner for direct customers. Quality and function correspond to the price of the product. Product offering for well-defined target group.
Employees	Daily contacts. Employee reviews, annually. Annual employee satisfaction survey and other surveys.	Employee work opportunity. Good working environment without harassment or any injustice. Opportunity for personal and professional development.
Society	Doro monitors social issues, especially in respect of the elderly. Annual checks of legal requirements.	Stable Company that complies with legal requirements and works in an ethical manner, including the prevention of corruption. Contributing to the achievement of the UN Sustainable Development Goals.
Suppliers	Follow-ups at least annually. Audits, risk-based frequency. Calls. Complaints handling.	Financial compensation for services and products that contribute to provision in the supply chain. Workplaces in the supply chain that take human rights and environmental requirements into account.
Owners	Board meetings. Annual general meeting. Dialogue with investors.	Long-term financial sustainability. Balanced risks, which require good governance of both finances and sustainability issues.



Products and services you can trust



PRODUCT DEVELOPMENT

Doro products are designed for longevity, reparability and easy recycling!

Goal 12.2

By 2030, achieve sustainable management and efficient use of natural resources.

Goal 12.4

By 2020, achieve environmentally sound management of chemicals and all types of wastes throughout their life cycle, in accordance with the agreed international framework, and significantly reduce their release into air, water and soil in order to minimise their negative impacts on human health and the environment.

Goal 12.5

By 2030, significantly reduce the amount of waste through measures to prevent, reduce, reuse and recycle waste.

Goal 12.6

Encourage companies, especially large and multinational ones, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

DORO PRODUCTS AND PRODUCT DEVELOPMENT

ISO 9001 certification supports safe processes and improves working practices so that products and services meet promised standards.

Doro's product development is quality certified according to ISO 9001, and has clear processes and structures for the development of products and services that meet customer requirements and comply with the legislation.

Important elements relate to which materials may be used, how the requirements for waste management and recycling are met and how the design should be carried out to ensure that the products are safe and user-friendly.

For all deliveries from the product suppliers, a quality check is performed by one of Doro's quality controllers. In 2021, 1,310 quality inspections were carried out.

In 2020, a project was launched to reduce the environmental impact of mobile phone packaging. The implementation process is being carried out gradually on different phone models.

LIFE EXPECTANCY A DECISIVE FACTOR

Life cycle analyses carried out by Doro show that extending the life of a product is the most important contribution we can make to the environment.

Doro therefore develops phones and products that not only make life easier for the company's customers, but also make it easy to use and keep them for a long time. 70 percent of Doro's feature phone



customers use their phones for more than three years, 40 percent keep them for more than five years. 30 percent of Doro's smartphone customers use their products for more than three years.¹

One clear process change in 2021 was that reparability is now considered earlier in the product development process. The new Doro 8100 smartphone is easy to open to improve reparability, for example when replacing batteries.

LESS ENVIRONMENTAL IMPACT FROM PRODUCT PACKAGING

Doro is actively working to reduce its environmental impact also from the packaging of its products. One of the improvements implemented in recent years is that prod-



ucts are shipped from Asia but are packed individually in the Czech Republic. This results in lower transport volumes from Asia and greater logistical flexibility within Europe.

Product packaging is also continuously adapted. Unnecessary plastic in packaging is removed. FSC materials are used for boxes and printed materials such as labels and manuals. To further reduce waste and carbon footprint, items in product packaging are removed where we deem the customer does not need them, such as USB cables and charging cords for different countries.

¹ Customer survey, 2020.

A well-functioning supply chain

9 INDUSTRIAL INFRASTRUCTURE
 **SUPPLY CHAIN**

In our supply chain we choose sustainable companies!

Goal 9.4
 By 2030, upgrade infrastructure and adapt industry to make them sustainable, with more efficient use of resources and more clean and environmentally friendly technologies and industrial processes
 Each country will take action according to its own circumstances.

LONG-TERM COLLABORATION WITH SUPPLIERS

Doro has long-term partnerships with its suppliers. Suppliers are regularly audited to ensure compliance. Suppliers are expected to sign and comply with Doro's CSR policy for suppliers, which is based on Doro's business ethics policy and the UN Global Compact's ten principles on human rights, labour, the environment and anti-corruption.

If a supplier violates the Code or any other requirement, we make it clear that this will not be accepted. For continued cooperation, demands are stipulated that the supplier develops an action plan for improvement. Should the supplier still not meet the requirements, we have the right

to terminate the cooperation. Risk assessment of the suppliers has led Doro to focus on the eight major suppliers used in China for production.

- All have ISO 9001 quality certificates.
- Six have environmental certificates, ISO 14001.
- Five have health and safety certificate, ISO 45001.
- CSR audits have been carried out on six suppliers. Identified deviations have been rectified or measures have been planned.
- All have policies on conflict free minerals, 6 of them have been audited on conflict minerals and one more new supplier will start audits in 2022.

ETHICAL BUSINESS CONDUCT BASED ON THE GLOBAL COMPACT

All operations have been risk assessed according to the UN Global Compact "Guide for Anti-Corruption Risk Assessment". The highest rated risk is that when dealing with Asian suppliers, buyers cross company boundaries when representing the company.

All managers, sales staff and purchasing decision makers have received a digital course on anti-corruption in 2021. No cases of corruption have been detected in 2021.

Motivated employees, equal organisation

5 GENDER EQUALITY
 **EMPLOYEES**

At Doro we make sure that the right person gets the job and that everyone has an equal right to development!

Goal 5.5
 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

KNOWLEDGEABLE AND MOTIVATED STAFF

Doro shall be an attractive and stimulating place to work for the diversity of professional groups represented by its employees, including engineers, developers, economists and marketers.

Two employee surveys were conducted over the past year. Respect and trust, together with confidence in our managers, is what stands out in the Doro employee survey. In the latest 2021 employee survey, in which Careium and Doro presented separate figures for the first time, the response rate was 92 percent. Ongoing work is being carried out to maintain a good level with positive results, as well as measures to improve those areas that need to be strengthened.

2021 was partly characterised by organisational changes and measures to ensure a strong and future-oriented organisation in Doro's operations following the separate listing of Careium. This work has been carried out responsibly in dialogue with

the trade unions and in accordance with the law. 2022 is launched with the right conditions, a focused organisation with expertise to strengthen its position as a market leader in Europe and enable growth in new technology segments.

STRONG CULTURE, NEW VISION AND MISSION

In conjunction with the decision to delist Careium, a well-anchored effort has been undertaken to identify and establish a new vision and mission that better reflects the remaining Doro businesses and our defined strategies.



We see it as our mission to make technological breakthroughs available to seniors – so they can live better lives.

Our vision is to be Europe's leading technology brand for seniors, in and out of the home.

Our values form the basis of all our activities, both internally and externally. Since the beginning of the year, Doro has returned to its classic values of Ease, Trust and Care.

In addition to working with the core values on a daily basis, they form a basis for employee reviews. They are also incorporated in leadership programmes and employee surveys.

FOCUS ON DIVERSITY

Doro is an international group with a strong belief in the responsibility of the individual employee. Diversity is a focus area that is monitored annually and reflected in our values.

Diversity is good in terms of gender, age and background. At year-end 2021, women made up 39 percent of the total workforce and 41 percent of people in management roles are women. In the management team, 31 percent are women.

DEVELOPMENT

Doro's organisation is flat with the aim of creating good conditions for knowledge transfer, high ceilings and creative ideas.

All employees have an annual appraisal interview with their immediate supervisor. At the last check, the percentage of completed interviews was only 66 percent of the Group's employees, affected by re-pri-



oritisation due to the pandemic but also a number of new employees who started after the annual employee interviews which are conducted in the period January to March.

To promote Doro as an employer, we have a careers page that includes information on values, the link to the UN Sustainable Development Goals and references

from employees. Doro wants to give new employees a good first impression and an early introduction to the values, which is done through pre- and onBoarding. Here you will learn about our policies and guidelines, and mission, vision and values.

Doro has further developed its business ethics policy, which applies to employees, suppliers, customers and the Board

of Directors. This should provide clear advice and guidance in the event of ethical dilemmas in working life, as well as making it easier to maintain good contact with stakeholders. To involve all employees and ensure that they are aware of and understand Doro's business ethics, a digital course has been sent to all employees.

A meaningful everyday life for seniors



USERS

With our products and services, we empower people to take part in digital life, regardless of their previous experience!

Goal 10.2

By 2030, enable and promote the inclusion of all people, regardless of age, gender, disability, race, ethnicity, origin, religion or economic or other status, in social, economic and political life.

At Doro, we make technology accessible to seniors so they can live a better life. Our products and services empower seniors to lead active and independent lives and ensure peace of mind when it matters most.

We use smart innovations and technology specifically tailored to the needs of seniors to ensure that everyone – regardless of age – can connect digitally, both at home and on the go. Our technology-led solutions enable seniors to belong, feel safe and be a natural part of society – just like everyone else.

Offering seniors participation and inclusion on their terms is our single biggest contribution to a sustainable society.



THE LONELINESS COMMISSION: NOBODY SHOULD NOT HAVE ANYONE.

The Covid pandemic has hit the elderly particularly hard, but even before the pandemic, 300,000 people in Sweden reported feeling lonely. In fact, more than one in ten of people aged 75 and over are socially isolated, meaning that they live alone and do not see family, friends or acquaintances more than once a month.

The Loneliness Commission is a non-political initiative that works broadly against loneliness among older people in Sweden. The Commission is chaired by Amelia Adamo, a fearless and well-known person who is able to raise the

issues to a level where, together, we can make a difference. Ingmar Skoog is one of Sweden's most distinguished researchers on the elderly. Lasse Stjernkvist is an experienced politician at a national level. Eva Eriksson is the chair of SPF (the Swedish Association for Senior Citizens), backed by a quarter of a million seniors. Jörgen Nilsson and Carl-Johan Zetterberg Boudrie represent Doro and Careium respectively as initiators and founders of the Loneliness Commission.

In a six-point manifesto, the Commission has mapped loneliness, established an initiative

bank with key actions and is actively working to create opinion, develop policies and make suggestions for improvement. The goal is to reduce loneliness among Sweden's elderly in the long term, through tangible campaigns and initiatives.

» Read more at www.ensamhetskommisionen.se about how, together, we can make Sweden a little less lonely.





AUDITOR'S STATEMENT ON THE STATUTORY SUSTAINABILITY REPORT

For the Annual General Meeting of Doro AB (publ), company no. 556161-9429.

Mission and responsibilities

The Board of Directors is responsible for the Sustainability Report for the year 2021 on pages 21–26 and 77–82 and for its preparation in accordance with the Annual Accounts Act.

The direction and scope of the investigation

Our investigation has been performed according to FAR's recommendation RevR 12 Auditor's statement on the statutory sustainability report. This means that our investigation of the sustainability report has a different approach from and a much smaller scope than an audit in accordance with International Standards on Auditing and generally accepted auditing practice in Sweden. We believe that this investigation provides us with a sufficient basis for our statement.

Statement

A sustainability report has been prepared.

Malmö, 7 April 2022
PricewaterhouseCoopers AB

Tomas Hilmarsson
Authorised Public Accountant
Chief Auditor

ACTIVE SENIORS APPRECIATE DORO SMART PHONES

” Hi. I have had my Doro smartphone for almost a year now. What a blessing. So easy to use and help available when needed. Excellent interface and the design is top notch ... Thank you Doro.

58 years old. Review, Bazaarvoice.

” A well-designed product with clear and easy-to-understand commands. I love everything about it, the simplicity and clarity suits me perfectly.

76 years old. Review, Bazaarvoice.



Directors' Report 2021

The Board of Directors and the CEO of Doro AB (publ), with postal address: Jörgen Kocksgatan 1B, 211 20 Malmö and corporate identity number 556161-9429 hereby present the annual report for the group and the parent company for the year 2021. Comparisons in brackets refer to the previous year.

INFORMATION

Doro AB ("Doro", the "Company" or the "Group") develops telecom products and services for seniors so that they can lead independent, empowering and fulfilling lives.

Doro is the European market leader in mobile phones for seniors. Doro's broad portfolio of products and services helps connect generations digitally and creates a secure and independent life for seniors in and outside the home.

THE MARKET

Doro is the European market leader in senior phones with more than 2 million phones sold by 2021 in around 27 countries. Proprietary senior-friendly phones and mobile phones are sold through a network of over 300 telecom operators, distributors, specialists and retailers.

In Europe's largest markets (UK, France, Germany and Sweden), the market share of senior mobile phones is close to half. With a new strategy, Doro will defend its

position as European market leader while broadening its offering to products and technology that can be made available to seniors in their homes and daily lives.

THE SHARE

Information on the Doro share can be found on pages 7–8.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR:

Separate listing of Careium (formerly Doro Care). Doro's strategy in recent years has been to strengthen the two business areas Doro Phones and Doro Care separately in order to create the best conditions for the continued growth of the businesses. An Extraordinary General Meeting of Doro resolved on 22 November 2021 to distribute all shares in the wholly owned subsidiary Careium, formerly the Doro Care business area, to Doro's shareholders. The shares in Careium are now listed on First North.

Rationalisation programme completed, historically high margin. In the autumn of 2019, a significant restructuring programme was initiated within Doro with the aim of ensuring long-term profitability and stable cash flow. The programme included both cost savings in the business and a review of our market positions where less profitable markets were phased out. In the second half of 2021, the final elements of

the programme were completed, reducing annual variable costs by approximately SEK 97 million compared to 2019 levels. The margin for the full year 2021 was clearly positively impacted and reached a historic level.

Doro establishes new strategy, expands to other segments.

Following a few years of restructuring, Doro is now entering a new phase with a strategy focused on strengthening our leading position in senior phones with a focus on senior feature phones and senior smartphones as well as accessible security services such as Response by Doro. At the same time, we will also leverage our strong brand and intend to broaden our offering beyond telephony to a number of defined segments where seniors' needs for customised technology are greatest. This range will include proprietary products and services, but may also include other players' products under the Doro name and third-party products.

Doro's new 8110 smartphone was launched during the year.

In 2021, Doro launched its newest and most feature-packed smartphone, the Doro 8110. With optimised sound quality, our intuitive interface, three lenses and a simplified camera menu, the Doro 8110 is easy to use and easy to love. Doro's Response app can send alerts and

put seniors in touch with family or friends at the touch of a security button.

NET SALES AND PROFIT

Doro's revenue in 2021 amounted to SEK 1,039.6 million (1,165.2), a decrease of 10.8 percent compared to 2020. The decline in net sales was an anticipated consequence of the strategic decision to phase out less profitable markets. The continued impact of the pandemic, where our customers' stores were kept closed for much of the year due to lock-downs in various regions, also negatively impacted sales.

EBIT rose to SEK 118.7 million (57.3), corresponding to an operating margin of 11.4 percent (4.9).

The margin improvement is the result of a number of factors. The year's gross margin was high thanks to early component ramp-up, price adjustment towards customers to counteract rising logistics and manufacturing costs, favourable currency effects and the outcome of the restructuring programme initiated in 2020 and mostly completed in 2021. In addition, a number of reversals of previous reserves were made during the year.

Profit after tax for the year was SEK 83.1 million (30.3) and earnings per share were SEK 3.46 (1.27). Financial net was SEK -4.3 million (-15.0).

CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

Cash flow from operating activities amounted to SEK 21.6 million (243.9). The Group's net cash flow, which amounted to SEK 8.5 million (-27.9) during the year, was affected by acquisitions of SEK -112.5 million (-38.2) and investments of SEK -70.8 million (-63.5). The investments are primarily related to product development. No dividends were paid out. At year-end, Doro had interest-bearing debt of SEK 171.7 million (201.5) and cash and cash equivalents of SEK 179.1 million (170.6). The equity ratio decreased to 42.7 percent (50.9) at the end of the period.

THE BOARD

Since the Extraordinary General Meeting in November 2021, the Board of Directors consists of Henri Österlund, Chair, Victor Saeijs, Juha Mört and Fredrik Löthgren (employee representative). CEO Jörgen Nilsson also attends Board meetings. The company's CFO Isabelle Senges has been co-opted to the Board as secretary.

REMUNERATION TO SENIOR EXECUTIVES

These guidelines cover the company's Chief Executive Officer, the members of the Group Management Team and the remuneration of Board members in addition to Board fees (such as consultancy fees). The guidelines shall apply to remuneration agreed upon, as well as changes made to already agreed remuneration, after the guidelines have been adopted by the 2021 annual general meeting. The guidelines do not cover remuneration decided on by the annual general meeting.

A successful implementation of the company's business strategy and the

exploitation of the company's long-term interests, including its sustainability, require that the company can recruit and retain qualified employees. This requires that the company is able to offer competitive remuneration. These guidelines allow senior executives to be offered a competitive total remuneration. A long-term share-based incentive program has been established in the company. It has been decided by the annual general meeting and is therefore not covered by the guidelines. The Board's proposal for guidelines for remuneration to senior executives in 2021 mainly means that salaries and other remuneration conditions for the management shall be at market levels.

In addition to fixed base salaries, management may also receive variable re-

muneration and bonuses, which must have a predetermined ceiling and be based on the achievement of performance targets (and in some cases other key performance indicators). Maximum cost including social security contributions for variable remuneration may not exceed the fixed remuneration to the company's senior executives. The total cost of fixed and variable remuneration shall be determined annually at an amount that includes all of the company's remuneration costs.

At the end of the measurement period for compliance with variable cash remuneration criteria, the extent to which the criteria have been met shall be assessed. The Remuneration Committee is responsible for the assessment of remuneration to the CEO. In the case of variable cash remuneration to other executives, the CEO is

responsible for the assessment.

In addition, and independently of these guidelines, the annual general meeting may decide on, for example, share and share price-related remuneration. The Company's senior executives have the option to allocate part of their fixed and variable remuneration to other benefits, such as pension benefits. The management's pension plans will mainly be defined contribution. In the event of termination by the company, senior executives may be entitled to severance pay, which in such case shall have a predetermined ceiling. Upon termination of employment by the employee, no severance pay shall be given. The Board has established a Remuneration Committee. The committee's tasks include preparing



the Board's decision on proposed guidelines for remuneration to senior executives. The Board shall draw up proposals for new guidelines at least every four years and submit the proposal for decision by the annual general meeting. The guidelines shall apply until new guidelines are adopted by the general meeting. The Remuneration Committee shall also follow and evaluate programmes for variable remuneration for the management team, the application of guidelines for remuneration to senior executives and applicable remuneration structures and remuneration levels within the company. The Board's discussion of and decisions on remuneration-related matters do not include the CEO or other members of the management team, to the extent that they are affected by the issues. The Board may decide to suspend the guidelines in whole or in part if, in an individual case, there are special reasons for doing so and a deviation is necessary to satisfy the long-term interests of the company, including its sustainability, or to ensure the company's financial viability. As stated above, it is part of the Remuneration Committee's task to prepare the Board's decisions on remuneration issues, which includes decisions on deviations from the guidelines.

PRODUCT DEVELOPMENT AND DEVELOPMENT EXPENSES

Doro performs product development and design projects together with various external partners. In addition to the company's own development costs, there are significant development costs at the

manufacturing partners. Doro employs design companies from different countries and the costs are either fixed or variable. Doro sometimes also buys technology from various external companies.

Doro also invests in various mould tools and pattern protection to protect the products' designs. These costs are capitalised until the product is ready for delivery when depreciation begins.

For 2021, the Group's development costs amounted to SEK 21.9 million (28.0).

INVESTMENTS

Investments are made in design, mould tools, certification processes, control equipment, inventory, leased alarm units, computers and software systems. Investments amounted to SEK 70.8 million (63.5). See also under Accounting principles.

LEGAL PROCESSES

Doro has not, during the year, been involved in any disputes that have affected or will affect the company's position in any significant way.

QUALITY

Doro's product development is quality certified according to ISO 9001 and has clear processes and structures for how to develop products that meet customer requirements.

Regular, quarterly monitoring of supplier quality is carried out using a so-called "Doro score card". The follow-up focuses on suppliers' manufacturing processes and sets escalation points for reported quality deficiencies and response to these. The

product quality of individual shipments is checked.

REGULATIONS

Doro's procedures and division of responsibilities ensure that the company's products at least comply with applicable legal and regulatory requirements in current markets, technical specifications and environmental requirements.

RISKS

Doro is exposed to a variety of risks that the company continuously monitors, analyses and acts upon to mitigate potential risks. The most significant risks are described on pages 32–33.

SUSTAINABILITY

Doro's Sustainability Report, in accordance with the requirements of the Annual Accounts Act, can be found on pages 21–27.

DIVIDEND AND FINANCIAL GOALS

The Board has decided not to propose any dividend for 2021.

PARENT COMPANY

In addition to group management and financial functions, the parent company Doro AB also has a number of support functions for the rest of the group. Marketing, product development, purchasing and logistics are coordinated by the parent company. Doro AB had a turnover of SEK 1,069.3 million (1,266.8). Profit after financial items amounted to SEK 44.5 million (34.8). Doro AB is responsible for the financing of subsidiary companies. The

Parent Company's net cash as at 2021-12-31 was SEK 2.0 million (-3.6). Equity amounted to SEK 222.0 million (542.3).

ANNUAL GENERAL MEETING

The Annual General Meeting will be conducted by postal voting in order to reduce the spread of Covid-19. The meeting will be held on 29 April 2022.

PROPOSAL FOR THE APPROPRIATION OF THE COMPANY'S PROFIT

The following unrestricted funds of the parent company are at the disposal of the Annual General Meeting:

Share premium fund	221,463,170
Fair value fund	-608,061
Balance sheet profit	-128,920,995
Profit for the year	27,660,051
	119,594,165

The Board of Directors proposes that funds at the disposal of the annual general meeting are carried forward.

EVENTS AFTER THE END OF THE YEAR

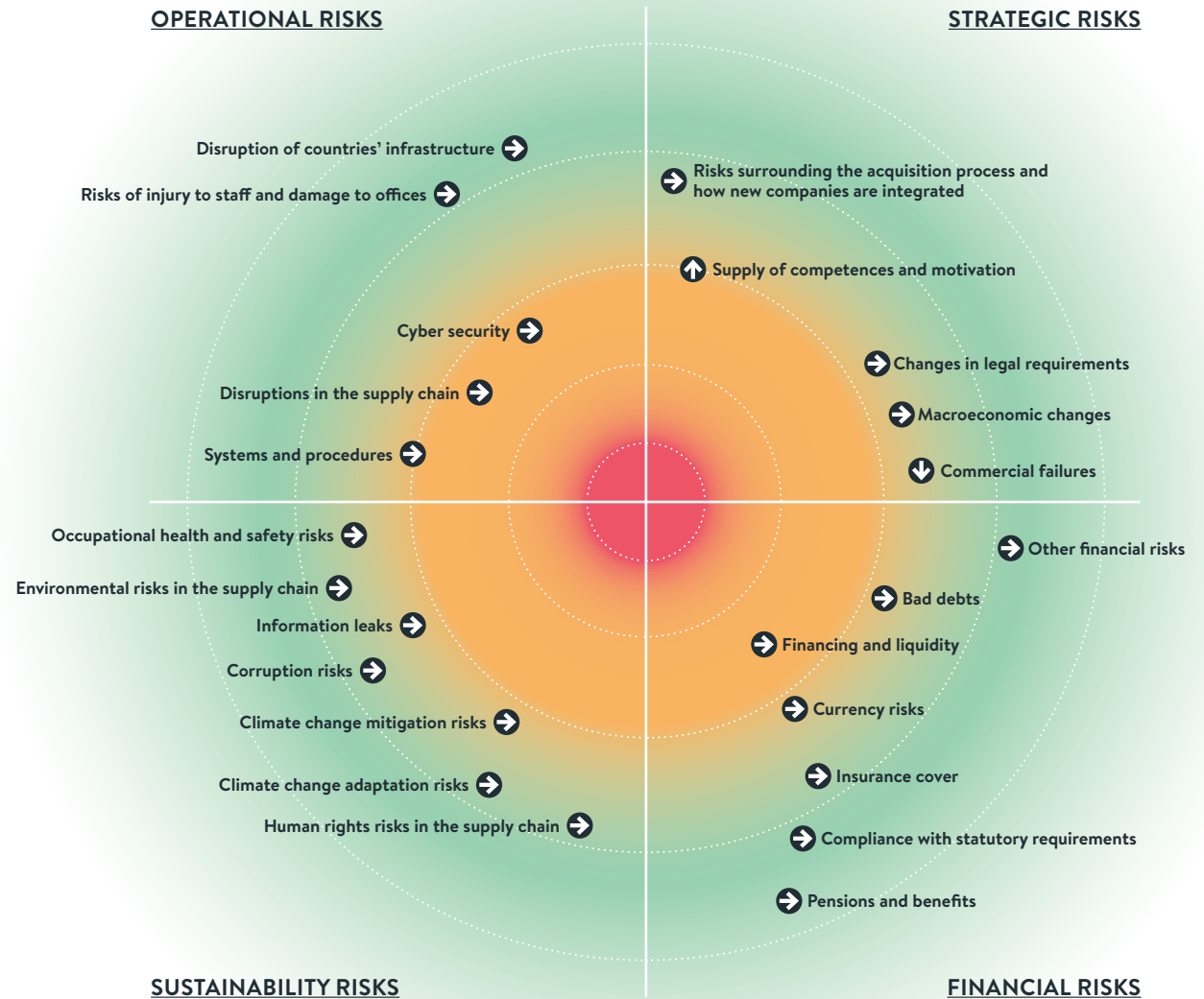
No significant event have taken place after the end of the year.

Overview of risks

Doro has a general risk assessment model that is adapted for the current risk assessment, through clear criteria for assessing probability and consequence. Risks are assessed at several levels, by different groups. Risks are marked in colour according to their severity and addressed progressively. Risks in red should normally be short-term, green risks do not need to be addressed and for yellow risks, it is up to the risk owner to decide whether action should be taken. All risks have an owner. The owner of the risk is the party that has the financial responsibility for the area to which the risk relates. Risk reduction is planned and implemented on the basis of the severity of the risk. Doro's top risks have been assessed and followed up by the Group management and have the following distribution.

Risk level compared to 2020
(only risk linked to Doro's activities):

↑ Up → Unchanged ↓ Down



Risk management 2021

STRATEGIC RISKS

Commercial failures include failure to bring profitable services and products to market and to meet customer requirements for products and services. These risks are handled by the management and the Board of Directors, and adjustments are continually being made to meet changing requirements. Project risks are assessed at the start of each product development project and topped up with new risks over time during the course of project. The risks are managed and reduced during the project, and are taken into account to a great extent when deciding whether to allow the project to proceed to the next stage.

Risks relating to the acquisition process and the way new companies are integrated into Doro are handled by the senior management and the Board of Directors.

Supply of competences and motivation includes attracting and retaining staff and keeping them motivated. This is described in the staff section on pages 24–25. It is increasingly challenging to find staff with the right skills, especially in software development. However, we have a low staff turnover with loyal employees.

Compliance with statutory requirements includes risks associated with missing legal requirements for products and services. New laws are continually being added on the company's markets.

Macroeconomic changes occur naturally and are dealt with gradually, and this has been particularly evident in the context of the pandemic.

OPERATIONAL RISKS

Cyber security is managed by the IT function and management. Risks are assessed and relevant risks have action plans that are monitored regularly.

The infrastructure of each country, such as electricity, internet and national telecom networks, is needed for the functioning of the products at the customer's site. If the national infrastructure is damaged, there is a risk that the products sold will not work.

Supply chain disruptions are a regular occurrence. This is managed by using a number of different suppliers and through good communication and planning to deal with component shortages. Losing a supplier, or instances where components are no longer available, are risks that have increased slightly during the pandemic. Control and communication have been strengthened during the pandemic to counter the risk.

Risks of harm to staff and offices include illness, road accidents, fire and emergencies affecting offices. Procedures are in place to minimise risks and raise awareness of them. In 2021, specific procedures have been in place to manage the pandemic and its consequences.

FINANCIAL RISKS

Other financial risks, see note 23.

Supply chain problems have been kept down by higher inventories, which had a negative impact on working capital. With less favourable working capital, liquidity risk increases. Cash flow, including working capital, is analysed each period and action is taken as necessary.

SUSTAINABILITY RISKS

Occupational health and safety risks are assessed on a site-by-site basis, in accordance with local legislation and in line with Doro's guidelines. An annual summary is prepared that is reported to the group management. A good introduction and clear procedures support the employees in their day-to-day work.

Human rights and environmental risks in the supply chain are managed through supplier assessments and contract requirements. CSR policy is used for supplier requirements. Audits and other checks are carried out on relevant suppliers, with a focus on those where the risks are deemed to be the greatest.

Corruption risks have been assessed, based on the Global Compact "Guide for Anti-Corruption Risk Assessment" and Transparency International's country risk figures. A digital training is held annually for Doro employees involved in purchasing

decisions and sales. Doro's whistleblowing policy can be found on the company's website; no instances of corruption have been received in 2021.

Information leaks could lead to, among other things, loss of important information, disclosure of personal data or breach of market rules for listed companies. Staff are annually briefed in training courses. Requirements are set out in contracts and policies.

Climate change mitigation risks mainly relate to Doro's products being manufactured in Asia and shipped to the market in Europe, with climate impact both in production and transport. A society with a greater focus on climate issues could be an opportunity for Doro as demand for digital services is likely to increase if travel has to be reduced. Increased product lifetime reduces climate impact, see sustainability note Environmental performance of products.

Climate risks regarding adaptation to climate change lie mainly in risks of supply chain disruptions. Doro's offices in Europe are not located in places with a high impact of extreme weather. The Hong Kong office is exposed to tropical storms, but they are used to dealing with this and there are clear procedures for staff safety and continued operation of the business.

Corporate governance report

This report describes Doro's corporate governance principles. Doro AB is a Swedish public limited company listed on OMX Nasdaq Stockholm (Stockholm Stock Exchange). The company has corporate registration number 556161-9429 and has its registered office and head office in Malmö.

This Corporate Governance Report has been prepared by the Board of Directors of Doro AB in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Governance Code (the "Code") and forms part of the Company's formal annual report and is reviewed by the Company's auditors.

EXTERNAL AND INTERNAL CONTROL INSTRUMENTS

Doro's corporate governance is based on Swedish legislation, mainly the Companies Act, but also the Stockholm Stock Exchange regulations, the Code and other applicable rules and regulations. In addition to these, the company is governed by its

articles of association, internal instructions and policies, as well as recommendations issued by relevant organisations and authorities.

SHAREHOLDERS

According to Euroclear Sweden AB's shareholder register as of 31 December 2021, Doro AB had 5,560 shareholders. Of the total number of shares, foreign shareholders accounted for 60.1 percent. The number of shares in Doro AB as at 31 December 2021 was 24,532,500 and on the same date Doro's market capitalisation was SEK 752 million. Doro's largest shareholder is Accendo capital (RBCB LUX UCITS EX-MIG) who owns 17.2 percent of the company's shares.

GENERAL MEETING

The general meeting is the company's highest decision-making body. At the annual general meeting, Doro AB's Board of Directors and the chair of the Board are elected. The company's auditors are also

appointed. The annual general meeting establishes the income statement and balance sheet and the allocation of profit for the year. Other matters follow from the Swedish Companies Act.

The annual general meeting shall be held within six months after the end of the financial year.

Shareholders who are registered in Euroclear Sweden's share register as of the record date and have registered have the right to participate at the general meeting.

Extraordinary General Meeting on the distribution of all shares in Careium AB (publ)

On 22 November 2021, an Extraordinary General Meeting was held to resolve on the distribution of all shares in Careium AB (publ). It was subsequently decided that the Board of Directors shall consist of three members elected by the General Meeting. Fees for the Board of Directors were determined in accordance with the resolution at Doro's Annual General Meeting 2021. The Extraordinary General Meeting sub-

sequently elected a new Board of Directors (see below, Board members).

NOMINATION COMMITTEE

The nomination committee's tasks consist of:

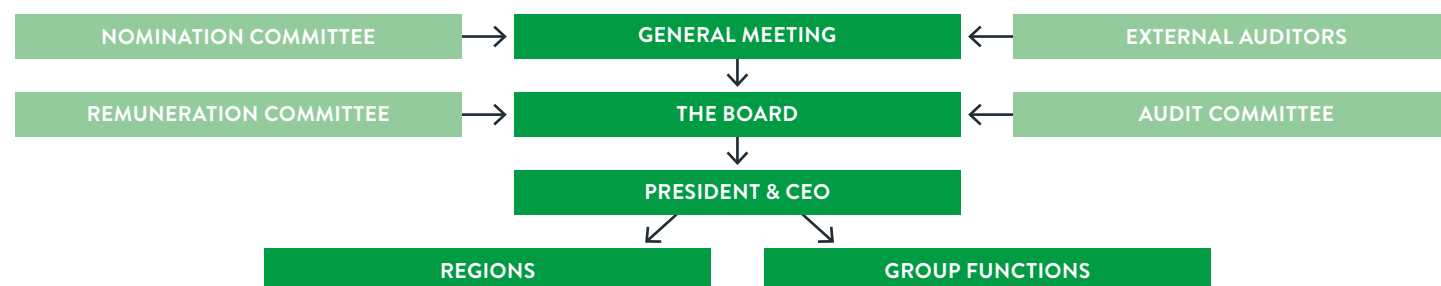
- Evaluating the composition and work of the Board
- Submitting proposals to the meeting regarding the election of the Board and the chair of the Board
- Submitting proposals, where applicable, for the selection of auditors
- Proposing remuneration for work within the Board and its committees
- Submitting proposals regarding the chair of the meeting.

For the 2022 Annual General Meeting, the Nomination Committee consists of Chair Mark Shay (Accendo Capital), Peter Lindell (Rite Ventures) and Erik Durhan (Nordea Fonder) and Lennart Jacobsen, Chair of Doro AB (until November 2021), who has been co-opted to the Nomination Committee.

THE BOARD

The Board of Doro has overall responsibility for creating a value-creating and sustainable business for shareholders and other stakeholders with continuity and long-term sustainability.

The Board is responsible for the overall strategy of the company, ensures a well-founded decision-making process and has



a good perception of how the industry and Doro's world is developing.

Board members

Until the Extraordinary General Meeting in November 2021, Doro AB's Board of Directors consisted of six members elected by the Annual General Meeting on 29 April 2021 and one employee member. Lennart Jacobsen was elected chair of the Board. The six members were independent of the company and its management. Two of the Board members, Henri Österlund and Josephine Salenstedt, were dependent on the company's largest shareholder. At the 2021 AGM, Josephine Salenstedt declined re-election. Victor Saeijs, independent of the company's largest shareholders, was elected. Doro thus meets the 2021 requirements of the Stockholm Stock Exchange and the rules in the Swedish Corporate Governance Code regarding the independence of Board members.

A new Board of Directors was elected at the Extraordinary General Meeting in November 2021. The meeting decided to re-elect Henri Österlund, Juha Mört and

Victor Saeijs as members of the Board of Directors for the period until the end of the next Annual General Meeting. The meeting also decided to re-elect Henri Österlund as Chair of the Board.

Lennart Jacobsen, Cecilia Ardström and Towa Jexmark, who were elected by the Annual General Meeting, and Mona Sahlberg, the employee representative, will resign as members of the Board. The trade union Akademikerna decided to appoint Fredrik Löthgren as new employee representative.

The composition of the Board and a detailed presentation of each member can be found on page 38.

The rules of procedure for the Board

The Board's rules of procedure lay down the working methods of Doro AB's Board of Directors.

The Board's rules of procedure are based on the articles of association, the Companies Act and the code. The Board has overall responsibility for the Doro group. The Board's responsibilities also include Doro's relations with the share-

holders, the public, authorities and other organisations and interest groups. The Board is responsible for executing decisions taken by the annual general meeting and for achieving the business objectives specified in the company's articles of association. The Board's authorisation is described in the articles of association and in the Swedish Companies Act.

The work of the Board

The Board met 22 times in 2021. CEO Jörgen Nilsson (until November 2021, Carl-Johan Zetterberg Boudrie) is present at all Board meetings. Doro's CFO Isabelle Senges (until June 2021, Linda Nilsson) attends the Board meetings and acts as secretary to the Board.

Other senior executives participate in Board meetings as rapporteurs. The Board deals with current issues such as market situation, budget, profit and loss for the period and cost-effectiveness. All Board meetings follow a pre-approved agenda. This is sent to each Board member one week before each meeting, along with relevant documentation and a list of open items from the previous meeting.

Board meetings normally start with a discussion of the deal and the company's financial performance. Quarterly reports and the annual report are reviewed and approved before publication. Other issues that have been discussed and dealt with at Board meetings in 2021 are risks, policies, sustainability issues, the company's strategy, restructuring and reorganisation, as well as acquisition issues.

The remuneration and Audit Committees' meetings are reported to the Board of Directors and minutes of these meetings

are distributed to the Board. The Board also receives regular monthly reports.

Evaluation of the work of the Board

Doro's Chair Henri Österlund is responsible for ensuring that an evaluation of the work of the Board, including its committees, is carried out. The evaluation is conducted annually together with an independent party.

Remuneration of the Board

Remuneration for Board members, the chair of the Board and for committee work is decided annually by the annual general meeting. A proposal for remuneration is being prepared by the company's Nomination Committee.

The 2021 Annual General Meeting and the Extraordinary General Meeting in November 2021 set the remuneration of the Board of Directors as follows:

Fees to the Board of Directors shall amount to SEK 600,000 to the Chair of the Board, SEK 350,000 to the Deputy Chair and SEK 250,000 each to the other members elected by the Annual General Meeting who are not employees of Doro. In addition, it was resolved that remuneration to the Audit Committee and the Remuneration Committee shall amount to SEK 80,000 to the Chair of the Audit Committee, SEK 40,000 to members of the Audit Committee, SEK 60,000 to the Chair of the Remuneration Committee and SEK 30,000 to members of the Remuneration Committee.

Total remuneration for Board and committee work amounted to SEK 2,070 thousand (2,050), in line with the decision of the Annual General Meeting.

Name	Board meetings	Audit committee	Remuneration committee
Number of meetings in 2021	22	6	3
Lennart Jacobsen	18	6	3
Henri Österlund	22		3
Josephine Salenstedt	6		
Towa Jexmark	16		
Juha Mört	21		
Cecilia Ardström	17	6	
Victor Saeijs	20		
Mona Sahlberg	17		
Fredrik Löthgren	3		

One board member, Henri Österlund, was dependent on the Company's largest shareholder.

Diversity policy on the Board of Directors

As a group, the members of Doro's Board shall have a composition that is characterised by the diversity and breadth of competence, experience and background of the members elected by the general meeting, taking into account the company's activities, stages of development and conditions in other respects. An even gender division shall always be sought.

Distribution of work between the Board and the CEO

The company's Board of Directors appoints its CEO. The distribution of work between the Board and the CEO is described in the rules of procedure for the Board and in the instructions to the CEO.

These documents establish that the Board of Directors is responsible for the company's governance, supervision of day-to-day operations, organisation, strategies, internal control and policies. The Board also decides on issues concerning major investments, policy issues regarding governance of subsidiaries, as well as the election of Board members and managing directors of subsidiaries. The Board ensures the quality of financial reporting.

In turn, the CEO is responsible for managing the company in accordance with the Board's guidelines and instructions. In addition, the CEO is responsible for the budget work and the planning of the company's activities in order to achieve specific objectives.

The CEO shall ensure a good control environment and that the group's risk-taking always complies with the Board's instructions. Any deviations must be reported to the Board. The Board also receives regular

updates from the CEO in the form of monthly reports.

THE AUDIT COMMITTEE

The Board of Directors has appointed an Audit Committee consisting of Henri Österlund, Chair and Juha Mört, Member after the Extraordinary General Meeting in November 2021, prior to which the Audit Committee consisted of Cecilia Ardrström, Chair and Lennart Jacobsen, member. The Audit Committee is responsible for the preparation of questions and supporting documentation for the Board, as well as quality-assuring the company's financial reporting.

The audit of the quarterly financial statements as at 30 September, the audit of the company's internal control and the audit of the annual financial statements are reported to the Audit Committee. The focus and scope of the audit is presented by the company's auditor. During the year, the Audit Committee held 6 minutes meetings, which were reported to the Board. The Company's auditor attended all of these meetings. The Audit Committee fulfils the requirement for independence in the Swedish Corporate Governance Code.

THE REMUNERATION COMMITTEE

The Board of Directors has appointed a Remuneration Committee comprising Henri Österlund, Chair, Victor Saeijs, member (before the Extraordinary General Meeting in November 2021, the Committee consisted of Henri Österlund, Chair, Lennart Jacobsen, member). The Remuneration Committee prepares questions and supporting documentation for the Board. The Committee has held 3 minutes

meetings during the year, which have been reported to the Board. The Board as a whole decides on remuneration issues and other conditions of employment for group management.

The Chair of the Board shall approve the terms and conditions of managers reporting to the Chief Executive. The Board of Directors shall determine the remuneration of the CEO.

AUDITOR

The auditors monitor and review the management of the company by its Board of Directors and Chief Executive Officer and the quality of the company's financial reporting. The Annual General Meeting 2021 appointed the auditing firm Price-waterhouseCoopers AB as Doro AB's auditors for a period of one year. In the last three years, fees for audit work within the Doro Group have amounted to SEK 4.5 million (2021), SEK 2.6 million (2020) and SEK 2.9 million (2019) for each year.

CHAIR AND CEO AND GROUP MANAGEMENT

Doro's Group Management consists of Doro's Chair and CEO and twelve other executives. The composition of group management and a detailed presentation of the Chair and CEO and the respective managers may be found on page 39.

Remuneration to group management

The annual general meeting on 29 April 2021 decided on guidelines for remuneration to the CEO and other senior executives for the 2021 financial year. The total remuneration shall be reviewed annually to ensure that it is market-based and

competitive. The remuneration to senior executives and employees within Doro Group must reflect the individual's performance, behaviour and responsibilities, both in the short and the long term. When assessing the performance of the CEO and the group management, in relation to a number of predetermined, well-defined goals (individual, departmental and team-related), Doro applies a structured process in order to assess performance accurately. In addition to fixed basic salary, members of the management team can also receive variable cash remuneration, which must have a predetermined ceiling and be based on measurable targets (qualitative, quantitative, general and individual). Terms and conditions for variable salary must be designed in such a way that the Board of Directors has the potential to limit or refuse to pay variable salary if such a measure is deemed reasonable. Such remuneration must not exceed an amount corresponding to 30 percent of the fixed annual salary, and must not be paid more than once per year per individual for a member of the group management, with the exception of the CEO, who may receive up to 50 percent.

Decisions regarding such remuneration must be made by the Board of Directors following a proposal by the Remuneration Committee.

The Company's current CEO received a salary and remuneration of SEK 215 thousand for his work in December. Variable remuneration has been paid for 2021 of SEK 31 thousand. In accordance with the employment contract in force, the CEO and the company have a mutual period of notice of twelve months. During the period

of notice, the CEO is entitled to full salary and other employment benefits. In 2021, the company's former CEO has received salary and remuneration of SEK 4,903 thousand. Variable remuneration has been paid for 2021 of SEK 1,271 thousand. Salaries and remuneration to other members of Group Management amounted to SEK 9,909 thousand. Variable remuneration has been paid for 2021 in the amount of SEK 1,054 thousand. The company's other senior executives have a notice period of six months.

GOVERNANCE OF SUBSIDIARIES

The 8 subsidiaries are governed and supervised by their own boards in each country, mainly consisting of representatives of Doro AB in Sweden. Either Doro AB's Chair, Group CEO or CFO is the Chair of the Board of each subsidiary. The subsidiaries report to Doro AB's Board of Directors at all meetings. The reports contain information on the performance and financial position of each company.

THE BOARD'S REPORT ON INTERNAL CONTROL FOR THE 2021 FINANCIAL YEAR

According to the Swedish Code of Corporate Governance, the Board of Directors must ensure that the company has good internal control and continuously keep itself informed about and evaluate how the company's system of internal control is functioning. Furthermore, the Board shall report on how the internal control over financial reporting is organised and, if there is no internal audit function, evaluate the need for such a function and give reasons for its position.

CONTROL ENVIRONMENT

In order to create and maintain an effective control environment, the Board has established a number of basic documents relevant to financial reporting, including in particular the Rules of Procedure of the Board and the Instructions to the CEO and the Committees. There is a precise instruction to the CEO that is reviewed annually and approved by the Board. It is primarily the responsibility of the CEO to maintain the control environment directed by the Board in day-to-day work. The CEO regularly reports to the Board according to established procedures. In addition to this, there is reporting from the company's auditors. The internal control structure is also based on a management system based on the company's organisation and way of running the business, with clearly defined roles and responsibilities and delegation of authority. Governing documents, such as policies and guidelines, also play an important role in the control structure.

RISK ASSESSMENT

Risk and risk management in Doro's operations are described in more detail in the Risk Management section on pages 32–33. The specific financial risks are described in more detail in note 23. Doro continually carries out risk assessments to identify significant risks. Risk management is embedded in each process and various methods are used to assess and mitigate risks and to ensure that the risks to which Doro is exposed are managed in accordance with established regulations, instructions and monitoring procedures.

The purpose of this is to reduce any risks

and promote correct accounting, reporting and information disclosure.

CONTROL ACTIVITIES

Control activities are designed to manage the risks that the Board and the Company's management deem to be material to the business, internal control and financial reporting. The control structure consists of, among other things, clear roles within the organisation that enable an effective division of responsibility for specific control activities, the purpose of which is timely detection and prevention of the risk of errors in reporting.

Examples of such control activities are a clear decision-making procedure and clear decision-making processes for major decisions, such as acquisitions, other types of major investments, divestments, contracts and analysis. An important task for Doro's group functions is to implement, further develop and maintain the group's control routines and to perform internal control focused on business-critical issues. Process controllers at different levels are responsible for the performance of the necessary controls on financial reporting. The year-end and reporting processes include controls on valuation, accounting principles and estimates. The continuous analysis carried out on financial reporting, together with the analysis performed at group level, is very important in order to ensure that financial reporting does not contain any material inaccuracies.

INFORMATION AND COMMUNICATION

Doro's Board of Directors receives monthly financial reports on the Group's position

and performance. Regular updates and notifications inform the relevant employees about changes in accounting principles, changes in reporting requirements or other information.

The organisation has access to policies and guidelines. External information and communication is governed, among other things, by the company's information policy, which describes Doro's general principles for providing information.

FOLLOW-UP

Doro's compliance with adopted policies and guidelines is followed up by the Board and executive management.

The company's financial situation is discussed at every Board meeting. Before publication of interim reports and the annual report, the Board and management review the financial reporting. Doro's management performs a monthly follow-up of financial results, with analysis of deviations from the budget, forecasts and the previous year. It is also part of the external auditors' task to review annually the internal control of the Group's subsidiaries. The Board meets with the auditors twice a year, partly to go through internal control and partly to give the auditors the task of carrying out special audits aimed at any area. In view of this combined background, the Board of Directors has not considered it necessary to establish a separate internal audit.

Malmö, April 2022

Board of Directors of Doro AB

Board of Directors



HENRI ÖSTERLUND
Chair of the Board

Main occupation: Managing Partner, Accendo Capital.

Education: Master of Business Administration Helsinki School of Economics

Elected: 2015.

Born 1971.

Nationality: Finnish.

Other assignments: Founder and Partner: Accendo Capital. Board member: Remedy Entertainment Oyj.

Previous experience: Board member: Okmetic Oyj, Talentum Oyj, Comptel Oyj, Partner: Conventum Corporate Finance, Triton in London, Associate: Doughty Hanson.

Interests: Company: No. Owner: Yes.

Own and related party shareholdings: 6,830 shares.



JUHA MÖRT
Board member

Main occupation: CEO at Innohome Group Oy.

Education: Civil engineer from Oulu in Oulu, Finland.

Elected: 2020.

Born 1972.

Nationality: Finnish.

Other assignments: CEO at Innohome Group Oy, Chair: Teknos Group.

Previous experience: Juha has an extensive background in the telecom industry, where he has held senior positions in Filtronic Wireless Infrastructure, Elektrobit Group, Powerwave Technologies and Prism Microwave.

Interests: Company: No. Owner: No.

Own and related party shareholdings: –



VICTOR SAEIJS
Board member

Main occupation: Regional Chair, Western Europe at The LEGO Group.

Education: Master in Business Engineering.

Elected: 2021.

Born 1965.

Nationality: Dutch.

Other assignments: –

Previous experience: Regional President Western Europe, The LEGO Group; Director Indirect Channels at Amazon Devices Europe; SVP Europe Nokia, VP Eurasia Nokia.

Interests: Company: No. Owner: No.

Own and related party shareholdings: –



FREDRIK LÖTHGREN
Employee member

Member since 2021

Born 1973.

Trade union: Swedish Association of Graduate Engineers.

Own and related party shareholdings: –

TOMAS HILMARSSON
Auditor

PricewaterhouseCoopers AB.

Born 1981.

Other assignments: Lifco AB, Elanders AB and Magle-Chemoswed AB.

Management



JÖRGEN NILSSON
Chair & CEO

Education: Bachelor of Science in Systems Analysis, Lund University.
Employed since: 2015.
Born 1970.
Nationality: Swedish.
Previous experience: Saudi Telecom, Telenor, Mobinil, Orange, Cap Gemini Ernst & Young.
Own and related party shareholdings: 30,000 shares.



ISABELLE SENGES
CFO

Utbildning: Master of Science in International Banking and Financial Services, University of Reading.
Employed since 2012.
Born 1970.
Nationality: French.
Previous experience: Vestas, Danone.
Own and related party shareholdings: 3,000 shares.



FREDRIK BENGTSOON
Technology and R&D Director

Education: Industrial Economy & Marketing, Linköping.
Employed since: 1993.
Born 1971.
Nationality: Swedish.
Own and related party shareholdings: 1,628 shares.



THERESE BRAHED
Human Resources Director

Education: Master of Science in organizational development, Malmö University.
Employed since: 2020.
Born 1978.
Nationality: Swedish.
Own and related party shareholdings: 154 shares.



JENNY SÄLL KARLSSON
Operations Director

Education: Business administration.
Employed since 2018.
Born 1978.
Nationality: Swedish.
Own and related party shareholdings: –



YUCEL YASAR
Director Category

Education: Technical Preparatory Lund University.
Employed since 2009.
Born 1984.
Nationality: Swedish.
Own and related party shareholdings: 208 shares.



MARTIN TÖRNGREN
Procurement Director

Education: Master of Science in Business Administration, Lund University.
Employed since 2000.
Born 1969.
Nationality: Swedish.
Own and related party shareholdings: 1,463 shares.



PETER SKATTENBORG
Pricing Director

Education: Technical school, Electronics, Audio, Video and Telecom.
Employed since 2009.
Born 1966.
Nationality: Norwegian.
Own and related party shareholdings: 20 shares.



JOHNNY DAVOU
Regional Director Nordic & Baltics

Education: Power Electronics, Lund. Leadership, Sales and Marketing training.
Employed since: 1996.
Born 1969.
Nationality: Swedish.
Own and related party shareholdings: 10,000 shares.



VALÉRIE OLEK
Regional Director Frabel & South Europe

Education: ESSCA Business School of Management, Angers France.
Employed since: 1998.
Born 1967.
Nationality: French.
Own and related party shareholdings: 1,244 shares.



PETER MARSDEN
Regional Director UK & IE

Education: VP and Global Head of Sales Sony Ericsson.
Employed since 2017.
Born 1963.
Nationality: British.
Own and related party shareholdings: 6,000 shares.



CALLE KROKSTÄDE
Regional Director Hong Kong

Education: Master of Business Administration, Executive MBA, Hull University.
Employed since 1995.
Born 1973.
Nationality: Swedish.
Own and related party shareholdings: 1,088 shares.



MICHAEL RABENSTEIN
Regional Director DACH

Education: Economy, University Vienna.
Employed since 2019.
Born 1973.
Nationality: Austrian.
Own and related party shareholdings: 388 shares.

Remuneration Report

In accordance with the Swedish Companies Act, Chapter 8, Section 53 a below a report on remuneration to board members, the CEO and the deputy CEO (the Report). Any remuneration to board members in addition to board fees is also covered by this report, if applicable. The report describes how the guidelines for remuneration to senior executives for Doro AB, adopted by the 2021 Annual General Meeting, were applied during 2021. The report also contains information on remuneration to the CEO and a summary of the Company's outstanding share and share price-related incentive programmes. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board.

Rules on remuneration to senior executives and on incentive programmes

Further information on remuneration to senior executives can be found in Note 5 (Employees and personnel costs) on pages 58–59 in the Annual Report for 2021. Information about the remuneration committee's work during 2021 can be found in the Corporate Governance Report on page 36 in the Annual Report for 2021. Board fees are not covered by this report. Such fees are decided annually by the Annual General Meeting and are reported in Note 5 on page 58 in the Annual Report for 2021.

DEVELOPMENT IN 2021

The CEO summarises the Company's overall results in their report on pages 9–10 in the Annual Report for 2021.

The main purpose of the Report is to give shareholders the opportunity to form an opinion on how the guidelines have been applied with regard to such remuneration as is covered by the guidelines in accordance with the Swedish Companies Act, Chapter 8, Section 51, that is guidelines for salary and other remuneration to board members, the CEO and the deputy CEO.

Principles and governance model for remuneration are set out in the Policy, which states that remuneration must be in line with the Company's business strategy, long-term interests and sustainability and that it must ensure that conflicts of interest are avoided.

In connection with the special listing of Carieum, Doro appointed Jörgen Nilsson as the new CEO and Group President. Former President Carl-Johan Zetterberg Boudrie left Doro and went on to become CEO and Group President of the separately listed company Carieum. No Deputy CEO is registered.

At the 2021 Annual General Meeting, Victor Saeijs was appointed as a board member. At the Extraordinary General Meeting on 22 November 2021, which decided on the issue of all shares in Carieum AB, the members elected by the

Annual General Meeting, Lennart Jacobsen, Cecilia Ardström and Towa Jexmark, and the employee representative Mona Sahlberg resigned as board members. It was resolved that the Board would consist of three members and the AGM resolved to re-elect Henri Österlund, Juha Mört and Victor Saeijs. Henri Österlund was elected Chair of the Board. Fredrik Löthgren was appointed as an employee representative.

EXCERPT FROM THE POLICY IS MARKED WITH “” BELOW AND THEN FOLLOWS A DESCRIPTION IN FIGURES WITH COMPARATIVE MATERIAL;

“The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

In order for Doro successfully to implement the Company's business strategy described on the website and the safeguarding of the Company's long-term interests, including its sustainability, the Company

must be able to recruit and retain and continue to motivate qualified employees.

Remuneration to senior executives and employees of Doro Group shall in both the short and long term reflect the individual's performance, behaviour and their responsibilities. When assessing the performance of the CEO and the Group CEO, in relation to a number of predetermined well-defined goals (both individually, departmentally and for a group), Doro applies a structured process to be able to correctly assess performance. This process not only takes into account "what" is delivered but also "how" it is delivered, that is performance in combination with behaviour. Decisions on the payment of compensation shall only be made, based on the guidelines set out in policies and instructions. Discrimination related to factors such as race, gender, age, religious or ethnicity is not permitted under any circumstances.

TABLE 1 – TOTAL REMUNERATION TO THE CEO 2021 (SEK THOUSAND)*

CEO	Fixed remuneration	Variable remuneration	Pension cost	Other benefits	Total remuneration	Share of fixed or variable remuneration**
Carl-Johan Zetterberg Boudrie	2,779	1,271	741	112	4,903	74/26
Jörgen Nilsson	135	31	37	12	215	63/14

* The table presents remuneration payable in 2021. This applies regardless of whether or not payment has been made in the same year.

** Pension costs (column 4), which relate in their entirety to Basic salary and are defined contribution, have been recognised in full as fixed remuneration.

Remuneration to senior executives and employees normally consist of:

- Fixed base salary
- Short-term variable remuneration paid in cash (key personnel)
- The opportunity to participate in long-term incentive plans (key people) and
- Pension and other customary benefits

The fixed base salary shall consist of a fixed annual cash salary that corresponds to a remuneration for the role and position. The size of the remuneration is affected by: the complexity of the work, responsibilities, performance, local market conditions and in what way it contributes to achieving the business goals. Because the fixed salary must reflect the performance of the executive, it is individual and differentiated. ”

It is noted that the CEO has not received any remuneration from another company within the same group.

Furthermore, it is noted that there was no deviation from the decision-making process prescribed in the guidelines for determining the compensation.

A fixed-term variable remuneration shall be based on the achievement of predetermined set targets and the variable remuneration shall have a predetermined ceiling. The result must be linked to measurable goals (qualitative, quantitative, general and individual). No remuneration can be paid if there is no clear connection to the goals being achieved. With regard to financial targets, the assessment shall be based on the most recently published financial information by the Company. A short-term pro-

gramme with variable pay aims to ensure the Company's long-term sustainability and a maximum cost including social security contributions for variable remuneration must not exceed the fixed remuneration to the Company's senior executives.

Conditions for variable salary must be designed so that the Board has the opportunity to limit or omit payment of variable salary if such a measure is deemed reasonable. Such remuneration may not exceed an amount corresponding to 30 percent of the fixed annual salary and may not be paid more than once a year and per individual for a member of Group Management, with the exception that for the CEO, this may amount to 50 percent. Decisions on such remuneration shall be made by the Board on the proposal of the Remuneration Committee.

Additional variable cash compensation may be paid in exceptional circumstances, provided that such extraordinary arrangements are limited in time and are only made at the individual level either for the purpose of recruiting or retaining executives, or as compensation for extraordinary work in addition to the person's ordinary duties.

The Board's view is that the total remuneration to the CEO is in accordance with the Company's guidelines. The remuneration contributes to the Company's long-term results in that it is market-based and that it is based on predetermined set goals. The CEO's remuneration is a consequence of the fact that measurable goals (qualitative, quantitative, general and individual) have been achieved. These goals are stated in the Policy and the process reported in it in accordance with the follow-up and as-

essment thereof carried out by the Board. During the period, the Company did not recover any variable remuneration. The Company's process with regard to the payment of variable remuneration is such that payment is made only after verification that the relevant goals have been achieved, but provides an opportunity for recovery, if a situation arises that raises the issue.

Long-term incentive plans

These can be introduced for some of the Company's employees to create confidence in and commitment to the Group's long-term financial results. The establishment of a long-term incentive plan is proposed by the Board and decided at the Annual General Meeting.

The 2018 Annual General Meeting resolved on a new option programme and the issue of warrants (the "Option Programme set out on the website"). A total of no more than 1,000,000 warrants were proposed to be issued in the Option Programme, which includes senior executives and other employees. The right to subscribe for warrants was added to the wholly owned subsidiary Doro Incentive AB, for later transfer of the options to employees in the Group. The warrants were issued free of charge to Doro Incentive AB. Transfer of warrants to the participants has taken place at a price corresponding to the warrants' market value (that is the option premium) calculated according to the so-called Black & Scholes formula. The valuation of the options has been performed by independent valuation institutes or auditing companies."

The option programme ended in November 2021. In connection with the

TABLE 2 – CHANGES IN REMUNERATION AND THE COMPANY'S RESULTS IN THE LAST FIVE REPORTED FINANCIAL YEARS (SEK THOUSAND)*

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021***
Remuneration to the CEO*	-1,071 (-22%)	+413 (-23 %)	+1,555 (+37%)	-2,294 (-40%)	+769 (+22%)	4,185
Group operating profit	-47,517 (-50%)	+30,374 (+33%)	-10,242 (-8%)	-26,440 (-24%)	+33,063 (+39%)	118,725
Average remuneration based on the number of full-time equivalent employees in the parent company**	-17.8 (-3%)	-122.5 (-23%)	+14.2 (+3%)	-4.0 (-1%)	+58.1 (+14%)	479.3

* The remuneration excludes severance pay (for more information, see Note 5 in the annual report).

** Excluding members of the group management.

*** The result for 2021 is without discontinued operations.

TABLE 3 – SHARE OPTION PROGRAMME (CEO)

CEO	Programme	Period	Date of allocation	Share options at the beginning of the year	Change during the year	Share options at the end of the year
Carl-Johan Zetterberg Boudrie	2018-2021	2018-2021	2018-08-10	121,100	-121,100	0

*** The result for 2021 is without discontinued operations.

employees' exercise of warrants, a new issue of 327,932 shares was made as of 29 November 2021.

EXCERPT FROM THE POLICY

"" Preparation and Decision-Making Process

There is a remuneration committee within the Board and the committee's tasks include preparing principles for remuneration to Group Management and for the Board's decision on proposals for guidelines for remuneration to senior executives. New guidelines shall be drawn up at least every four years and submitted for resolution at the Annual General Meeting. The guidelines always apply until new guidelines have been adopted by the Annual General Meeting.

The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration to Group Management, the application of guidelines for remuneration to senior executives and current remuneration structures and remuneration levels in the Company. The CEO's remuneration shall be decided within the framework of approved principles by the Board after preparation and recommendation by the Remuneration Committee. The CEO's decision on remuneration to other senior executives shall be made within the framework of established principles and following reconciliation with the Remuneration Committee. The members of the Remuneration Committee are independent in relation to the Company and Group Management. The CEO or other persons in Group Management, insofar as they are affected by the issues, do not attend the processing of and decisions on remuneration-related issues.

Deviation from the Guidelines

The Board may decide to deviate from the guidelines in whole or in part, if in an individual case there are special reasons for this and a deviation is necessary to satisfy the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As stated above, it is part of the remuneration committee's tasks to prepare the Board's decisions on remuneration issues, which includes decisions on deviations from the guidelines.""

It follows from the Swedish Companies Act Chapter 8, Section 52, second paragraph 6 that the guidelines for remuneration to senior executives must contain a description of the decision-making process applied to establish, review and implement the guidelines and what measures are taken to avoid or manage conflicts of interest. At the same time, the Board is given an opportunity under certain conditions that in accordance with the Swedish Companies Act Chapter 8, Section 53 if there is support for this in the guidelines, temporarily and in individual cases deviate from these. However, there has been no deviation from the guidelines or from the decision-making process. The auditor's opinion on the Company's compliance with the guidelines is available on the Company's website <https://www.doro.com/sv-se/corporate>.

In connection with a consideration at the Annual General Meeting of a previous report on remuneration, no comments have been made that give reason to provide any supplementary information or account of the Board's assessment in the Report.



Consolidated Income statement

The Group

SEK m	Note	2021	2020
Net sales	2,3	1,039.6	1,165.2
Cost of goods and services sold		-660.3	-812.5
Gross profit		379.3	352.7
Selling, distribution and marketing expenses		-134.3	-138.0
Research and development expenses		-76.4	-90.4
Administration expenses		-54.1	-72.8
Other income and expenses	2	4.2	5.8
Operating profit/loss	4,5,29	118.7	57.3
Profit/loss from financial items			
Financial income	6	8.3	0.8
Financial expenses	6	-12.6	-15.8
Profit/loss before taxes		114.4	42.3
Income tax expense	17	-31.4	-12.0
PROFIT/LOSS FOR THE YEAR FOR CONTINUING OPERATIONS		83.1	30.3
Profit/loss for the year for distributed operations	30	286.1	18.8
PROFIT/LOSS FOR THE YEAR		369.2	49.1
Attributable to:			
Parent company's shareholders		369.2	49.1
Key figures			
Average number of shares, thousands	11	24,028	23,890
Average number of shares after dilution, thousands		24,028	23,890
Earnings per share (excluding distributed operations) before dilution, SEK		3.46	1.27
Earnings per share (excluding distributed operations) after dilution, SEK		3.46	1.27
Earnings per share before dilution, SEK		15.36	2.06
Earnings per share after dilution, SEK		15.36	2.06

Statement of comprehensive Income

The Group

SEK m	2021	2020
Profit/loss for the year for continuing operations	83.1	30.3
Profit/loss for the year for distributed operations	286.1	18.8
PROFIT/LOSS FOR THE YEAR	369.2	49.1
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Translation differences for continuing operations	8.4	-17.5
Translation differences for distributed operations	8.7	-16.8
Effects from cash flow hedges	5.0	-3.3
Deferred tax	-1.0	0.7
Other comprehensive income	21.1	-36.9
Total result	390.3	12.2
Attributable to:		
Parent company's shareholders	390.3	12.2

Balance Sheet

The Group

Assets, SEK m	Note	2021	2020
ASSETS			
Non-current assets			
Goodwill	7	223.0	556.7
Customer register and distribution agreements	7	-	34.1
Trademarks	7	-	1.1
Capitalized expenditure for development work	7	54.8	160.7
Right-to-use assets	4	18.4	71.2
Equipment, tools and rental equipment	8	2.1	51.8
Long-term receivables	4	-	3.8
Other financial non-current assets	31	50.6	0.4
Deferred tax asset	17	14.0	13.9
		362.9	893.7
Current assets			
Inventories	19	225.1	224.4
Prepayments to supplier		11.8	0.9
Accounts receivable – trade	23	191.9	233.7
Other current receivables	4,10	15.4	22.2
Prepaid expenses and accrued income	10	4.7	35.8
Cash and bank balances	12,23	179.1	170.6
		628.0	687.6
TOTAL ASSETS		990.9	1,581.3

Shareholders' equity and liabilities, SEK m	Note	2021	2020
SHAREHOLDER'S EQUITY			
Share capital	11	24.5	24.2
Other allocated capital		305.5	284.9
Reserves		22.5	1.4
Retained earnings		70.4	494.0
Total shareholders' equity		422.9	804.5
LONG TERM LIABILITIES			
Interest-bearing liabilities			
Provisions for pension	21	3.3	43.0
Liabilities to credit institutions	24	150.0	86.4
Leasing liabilities	4	11.5	50.4
Total interest-bearing liabilities		164.8	179.8
Non interest-bearing liabilities			
Other provisions	22	48.8	38.5
Other long term liabilities	18	-	40.9
Total non interest-bearing liabilities		48.8	79.4
CURRENT LIABILITIES			
Interest-bearing liabilities			
Leasing liabilities	4	6.9	20.8
Total interest-bearing liabilities		6.9	20.8
Non interest-bearing liabilities			
Provisions for guarantees	20	34.1	38.6
Accounts payable – trade		125.8	198.9
Other liabilities		16.4	56.0
Current tax liability		24.5	14.4
Accrued expenses and prepaid income	13	146.7	189.0
Total non interest-bearing liabilities		347.5	496.9
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		990.9	1,581.3

Changes in shareholders' equity

The Group

SEK m	Share capital	Other allocated capital	Reserves ¹⁾	Profit brought forward	Total share-holders' equity
Shareholders' Equity December 31, 2019	24.2	284.9	38.3	434.4	781.8
Profit/loss for the year				49.1	49.1
Other comprehensive income			-36.9		-36.9
Total result	0.0	0.0	-36.9	49.1	12.2
Acquisition of subsidiaries net assets				10.5	10.5
Total transactions with shareholders	0.0	0.0	0.0	10.5	10.5
Shareholders' Equity December 31, 2020	24.2	284.9	1.4	494.0	804.5
Profit/loss for the year				369.2	369.2
Other comprehensive income			21.1		21.1
Total result	0.0	0.0	21.1	369.2	390.3
Distribution of Careium shares				-780.9	-780.9
Transaction costs for discontinued operations				-11.9	-11.9
New share issue	0.3	20.6			20.9
Total transactions with shareholders	0.3	20.6	0.0	-792.8	-771.9
Shareholders' Equity December 31, 2021	24.5	305.5	22.5	70.4	422.9

1) Specification of reserves

	2021	2020
Accumulated translation differences, January 1	6.0	40.3
Translation differences for the year, remaining operations	8.4	-34.4
Translation differences for the year, discontinued operations	8.7	-
Accumulated translation differences, December 31	23.1	6.0
Accumulated effects of cash flow hedges, January 1	-4.6	-2.0
Effects of cash flow hedges for the year	5.0	-2.5
Deferred tax in effects of cash flow hedges	-1.0	0.5
Accumulated effects of cash flow hedges, December 31	-0.6	-4.6
Total reserves, December 31	22.5	1.4

Cash flow statement

The Group

SEK m	Note	2021	2020
CURRENT ACTIVITIES			
Operating profit		117.2	85.7
Adjusted for items not in cash flow			
Change in provisions	20,21,22	-30.2	-20.0
Depreciation and write downs	4,7,8,29	114.2	118.3
Unrealized exchange differences in cash flow hedges		-5.2	0.7
Total adjustment for other non-cash items		78.8	99.0
Interest received		0.8	1.1
Interest paid		-5.5	-7.4
Taxes paid	17	-27.7	-26.7
Cash flow from current activities before changes in working capital		163.6	151.7
Change in working capital			
Change in stocks	19	-35.4	21.1
Change in receivables		-67.3	103.8
Change in non-interest-bearing liabilities		-39.3	-32.7
Cash flow from current activities		21.6	243.9

SEK m	Note	2021	2020
INVESTMENT ACTIVITIES			
Acquisitions of subsidiaries	18	-112.5	-38.2
Acquisition of intangible assets	7	-55.6	-47.1
Acquisition of tangible fixed assets	8	-15.2	-16.4
Distribution of activities		92.1	-
Cash flow from investment activities		-91.2	-101.7
FINANCING ACTIVITIES			
New share issue		20.9	-
Amortization of leasing liabilities		-20.4	-20.3
Amortization of loans		-85.0	-135.0
Loans raised		150.0	-
Cash flow from financing activities		65.5	-155.3
Cash flow for the year		-4.1	-13.0
Liquid assets at start of year		170.6	198.5
Exchange rate difference in liquid assets		12.6	-14.8
Liquid assets at end of year	23	179.1	170.6

Income statement

Parent company

SEK m	Note	2021	2020
Net sales	2,3	1,069.3	1,266.8
Cost of goods and services sold		-690.5	-853.3
Gross profit		378.8	413.5
Selling, distribution and marketing expenses		-99.6	-111.2
Research and development expenses		-89.3	-101.3
Administration expenses		-278.5	-156.6
Other income and expenses		4.1	3.9
Operating profit/loss	4,5,29	-84.5	48.3
Profit/loss from financial items			
Financial income	6	140.9	6.2
Financial expenses	6	-11.9	-19.7
Profit/loss after financial items		44.5	34.8
Income tax expense	17	-16.9	-11.3
PROFIT/LOSS FOR THE YEAR		27.6	23.5

Statement of comprehensive income

Parent company

SEK m	2021	2020
PROFIT/LOSS FOR THE YEAR	27.6	23.5
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Effects from cash flow hedges	5.0	-3.3
Deferred tax	-1.0	0.7
Other comprehensive income	4.0	-2.6
Total result	31.6	20.9

Balance Sheet

Parent company

Assets, SEK m	Note	2021	2020
FIXED ASSETS			
Intangible assets			
Capitalized expenditure for development work	7	54.8	131.1
Goodwill	7	-	161.0
Customer register	7	-	-
Tangible assets			
Equipment, tools and rental equipment	8	0.6	21.3
Financial assets			
Participations in Group companies	9,25	68.3	307.5
Receivables from Group companies		-	91.9
Other financial non-current assets	31	50.2	-
Deferred tax asset	17	4.2	3.0
Total fixed assets		178.0	715.8
CURRENT ASSETS			
Inventories			
Goods for resale	19	178.7	181.3
Advanced payment to suppliers		11.8	-
Current receivables			
Accounts receivable – trade		169.9	170.0
Receivables from Group companies		360.4	236.5
Other current receivables	10	12.5	16.3
Current tax receivables		-	-
Prepaid expenses and accrued income	10	3.7	10.1
Cash and bank balances	12,23	164.7	109.9
Total current assets		901.7	724.1
TOTAL ASSETS		1,079.8	1,439.9

Balance Sheet

Parent company

Shareholders' equity and liabilities, SEK m	Note	2021	2020
SHAREHOLDERS' EQUITY			
Restricted equity			
Share capital	11	24.5	24.2
Revaluation reserve		0.5	0.5
Other allocated capital		55.5	55.5
Reserve for development expenses		21.8	100.5
Total restricted equity		102.3	180.7
Non-restricted equity			
Share premium reserve		221.5	200.9
Fair value reserve		-0.6	-4.6
Profit/loss brought forward		-128.8	141.8
Profit/loss for the year		27.6	23.5
Total non-restricted equity		119.7	361.6
Total shareholders' equity		222.0	542.3
PROVISIONS			
Provisions for guarantees	20	30.3	32.0
Other provisions	22	46.3	35.1
Total provisions		76.5	67.0

Shareholders' equity and liabilities, SEK m	Note	2021	2020
LONG-TERM LIABILITIES			
Interest-bearing liabilities			
Liabilities to credit institutes		150.0	85.0
Total interest-bearing liabilities		150.0	85.0
Non interest-bearing liabilities			
Other long term liabilities		-	40.9
Total non interest-bearing liabilities		0.0	40.9
CURRENT LIABILITIES			
Interest-bearing liabilities			
Liabilities to Group companies		16.7	21.3
Total interest-bearing liabilities		16.7	21.3
Non interest-bearing liabilities			
Accounts payable – trade		120.7	184.9
Liabilities to Group companies		363.8	329.2
Other liabilities		10.4	36.7
Current tax liability		21.8	19.8
Accrued expenses and prepaid income	13	97.7	112.8
Total non interest-bearing liabilities		614.5	683.4
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,079.8	1,439.9

Changes in shareholders' Equity

Parent company

SEK m	Share capital	Revaluation reserve	Statutory reserve	Development expenses reserve	Share premium reserve	Fair value reserve	Retained earnings	Total shareholders' equity
Shareholders' equity December 31, 2019	24.2	0.5	55.5	116.8	200.9	-2.0	115.0	510.9
Profit for the year							23.5	23.5
Other comprehensive income						-2.6		-2.6
Total result	0.0	0.0	0.0	0.0	0.0	-2.6	23.5	20.9
Reversal of development expenditure fund				-16.4			16.4	0.0
Company acquisition paid with own shares, Note 18							10.5	10.5
Total transactions with shareholders	0.0	0.0	0.0	-16.4	0.0	0.0	26.9	10.5
Shareholders' equity December 31, 2020	24.2	0.5	55.5	100.4	200.9	-4.6	165.4	542.3
Profit for the year							27.6	27.6
Other comprehensive income						4.0		4.0
Total result	0.0	0.0	0.0	0.0	0.0	4.0	27.6	31.6
Reversal of development expenditure fund (incl reversing allocation to Care development reserve)				-78.6			78.6	0.0
Dividend							-372.8	-372.8
New share issue	0.3				20.6			20.9
Total transactions with shareholders	0.3	0.0	0.0	-78.6	20.6	0.0	-294.2	-351.9
Shareholders' equity December 31, 2021	24.5	0.5	55.5	21.8	221.5	-0.6	-101.2	222.0

Cash flow statement

Parent company

SEK m	Note	2021	2020
OPERATING ACTIVITIES			
Operating profit		-84.5	48.3
Adjusted for items not in cash flow			
Change in provisions	20,21,22	9.5	-7.5
Depreciation and write downs	7,8	227.8	86.5
Unrealized exchange differences in cash flow hedges		-5.2	0.5
Total adjustment for non-cash items		232.1	79.5
Received interest		5.8	6.2
Paid interest		-3.4	-4.0
Taxes paid		-17.0	-18.5
Cash flow from current activities before changes in working capital		-133.0	111.5
Change in working capital			
Change in stocks	19	2.5	2.5
Change in receivables		2.3	121.5
Change in non-interest-bearing liabilities		-66.5	20.6
Cash flow from operating activities		71.3	256.1

SEK m	Note	2021	2020
INVESTMENT ACTIVITIES			
Acquisition of subsidiaries	18	-	-15.1
Acquisition of intangible fixed assets	7	-40.0	-46.2
Divestment of intangible fixed assets	7	54.4	-
Acquisition of tangible fixed assets	8	-8.9	-10.7
Divestment of tangible fixed assets	8	24.7	-
Loan to subsidiary		-	-43.8
Cash flow from investment activities		30.2	-115.8
FINANCING ACTIVITIES			
New share issue		20.9	-
Net effects from dividends to Careium		-132.6	-
Loans raised		150.0	-
Amortization of loan		-85.0	-135.0
Cash flow from financing activities		-46.7	-135.0
Cash flow for the year		54.8	5.3
Liquid assets at start of year		109.9	104.6
Liquid assets at end of year	23	164.7	109.9

Notes

Note 1 Accounting principles

The Annual Accounts and Consolidated Accounts were approved for publication by the Board of Directors and Chief Executive Officer on March 24, 2021 and will be presented to the AGM on April 29, 2021 for approval. The Consolidated Accounts were prepared in accordance with International Financial Reporting Standards (IFRS/IAS) as issued by the International Accounting Standards Board (IASB) as endorsed by the EU. The Consolidated Accounts were also prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 (Supplementary Accounting Rules for Groups). The Annual Accounts of the Parent Company were prepared in accordance with the Swedish Annual Accounts Act and applying the Swedish Financial Reporting Board's recommendation RFR 2 (Accounting for Legal Entities). State-ments applicable to listed companies issued by the Swedish Financial Reporting Board have also been applied.

SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

During the reporting period, the Group acquired the telecare business FirstCall 24/7 (UK) on 1 February 2021 and the Dutch company Innocom Bureau voor Bedrijfscommunicatie B.V on 1 September 2021.

On November 22, at an Extraordinary General Meeting, it was decided, in accordance with the Board's proposal, to distribute all shares in the wholly owned subsidiary Careium AB (publ) ("Careium") to the shareholders in Doro. All shares in Careium were distributed in proportion to each individual shareholder's holding of shares in Doro on the record date (December 7, 2021) for the dividend.

The Covid-19 pandemic has affected activity during the year, with restrictions in most countries and in some cases markets shut-down. An-

other consequence of the prolonged pandemic has been increased difficulties in the production stage with both shortages and high prices for components as well as difficult transport conditions.

For a detailed discussion about the Group's performance and financial position refer to our administration report on pages 29–30.

NEW ACCOUNTING POLICIES FOR 2021

IASB has issued some adjustments of new standards and amendments to standards effective on January 1, 2021. None of these have had a material impact on Doro's financial statements.

NEW ACCOUNTING POLICIES FOR 2022 AND ONWARDS

A number of new standards and interpretations are effective for financial years starting after 1 January 2022 and have not been applied in this financial report. These standard changes or interpretations are not expected to have a significant effect on the Group's consolidated financial statements in current or future periods or on future transactions.

Basis for the preparation of the financial statements

Assets, provisions and liabilities are based on historical cost unless otherwise stated below. All amounts, unless otherwise stated, are in millions of Swedish kronor (SEK m).

GROUP

Consolidated Accounts

PRINCIPLES

The Group includes the Parent Company Doro AB, and the companies in which the Parent Company, directly or indirectly owns shares controlling more than half of the voting rights. This means that Doro AB exerts a controlling influence over Group companies. Acquired companies are included in the Consolidated Accounts from the acquisition date or when control of the company is obtained. Sold

companies are included up to and including the date they are sold. The Consolidated Accounts are prepared in accordance with the purchase method, which means that the historical cost of participations in Group companies is divided between identifiable assets and liabilities at their fair value on the acquisition date.

Unutilized loss carry-forwards for tax purposes in the acquired company are converted into deferred tax assets in the Consolidated Accounts if the assessed earnings capacity is such that utilising them is deemed possible. Furthermore, deferred tax is calculated on the difference between the acquisition-date fair values of assets and liabilities and their tax bases. In cases where the historical cost of participations in Group companies exceeds the net of acquired assets and liabilities, as above, the difference is recognized as goodwill, which is tested at least once a year for impairment.

For company acquisitions, the purchase price can be earnings dependent. The calculation is then based on future profit and hence the total purchase price. On a quarterly basis, an assessment is made as well as an adjustment of the expected purchase price. Changes in the item in question are recognized in profit or loss.

Intra-Group balances and unrealized internal gains are eliminated in the Consolidated Accounts. When eliminating internal transactions, accounts is also taken of the tax effect on the basis of nominal tax rates in each country.

Exchange rates

TRANSLATION OF FOREIGN OPERATIONS

All of the assets and liabilities of foreign Group companies are translated at the closing day rate, while all items in the income statements are translated at the average rate for the financial year. The exchange rate differences arising in this context are partly an effect of the differences between the income statements' average rates and closing day rates, and partly of the fact that net assets are translated at a different rate at the end of the year than at the beginning of the year. Translation differences are recognized in the Statement of Comprehensive Income.

EXCHANGE RATES

The following exchange rates have been used in the translation of foreign operations:

Currency	Average rate		Closing day rate	
	2021	2020	2021	2020
EUR	10.15	10.46	10.26	10.05
HKD	1.10	1.18	1.16	1.06
NOK	0.99	0.98	1.03	0.96
GBP	11.79	11.81	12.22	11.19
USD	8.59	9.16	9.04	8.20

EFFECTS OF ALTERED EXCHANGE RATES

Receivables and liabilities in foreign currencies are translated at the closing day rates and unrealized exchange gains and losses related to operations are included in operating result. Exchange rate differences related to non-operational items, such as cash and cash equivalents and bank loans, are recognised in net financial income/expense.

Revenue from contracts with customers

Following the separation from Care activities Doro's revenues now includes product sales of mainly telephone handsets. Product sales are recognised when control of a good transfers to a customer, which usually occurs on delivery. Doro has discount agreements with most customers. Contracted discounts reduce sales revenue in the period the sale is recognised. The Group's commitment to repair or replace defective products, in accordance with normal warranty conditions, is provided for.

Government assistance

Government assistance received is reported as other income.

Employee benefits

Employee remuneration is reported as salaries earned and paid plus vested bonus. Accrued holiday pay and social security contributions are recognized as accrued expenses.

Pensions

The predominant share of Doro's obligations towards employees consists of various

defined-contribution pension plans. A defined-contribution pension plan is a pension plan according to which the Group pays fixed fees to a separate legal entity. The Group has no legal or informal obligations to pay further fees if this legal entity lacks sufficient funds to pay all remuneration to employees associated with the employees' service during current or previous periods. For defined-contribution pension plans, the Group pays fees to publicly or privately managed pension insurance plans on a compulsory, contractual or voluntary basis. The Group has no further payment obligations once these fees have been paid. The fees are recognized as personnel costs when they become due for payment. Prepaid fees are recognized as an asset to the extent that cash repayment or reductions in future payments may accrue to the Group.

In addition, a limited number of employees at the Group's French subsidiaries have defined-benefit pension plans. A defined-benefit pension plan is one that is not a defined-contribution plan. Characteristic of defined-benefit plans is that they specify an amount for the pension benefit to be received by an employee following retirement. This is normally based on one or more factors such as age, period of service and salary. All obligations for which provisions are made are assessed by an actuary to determine the amount of the provision. The liability recognized in the Balance Sheet for defined-benefit pension plans is the present value of the defined-benefit obligation at the end of the reporting period.

Research and development

Product development is conducted in collaboration with various manufacturing partners and most expenditure is borne by them. Doro works in an environment of rapid technological progress. Product development refers to expenditure for product adaptations, design, model approval, etc. Expenses relating to the development phase are capitalized as an intangible asset if it is likely, with a high degree of reliability, that they will result in future financial benefits for the Group. This means that strict criteria must be met before a development project results in

intangible assets being capitalized. Such criteria include the option of ending a project, proof that a project is technically feasible and that a market exists, and that there is an intention and opportunity to use or sell the intangible asset. There must also be an opportunity to reliably measure expenses during the development phase.

External partners' moulds for manufacturing products are, however, owned by Doro and expenditure for them is capitalized and depreciated according to plan if the lifespan of the product is expected to exceed one year. Doro has no research expenses.

Property, plant and equipment and intangible fixed assets

Property, plant and equipment and intangible fixed assets are recognized at historical cost less accumulated depreciation/amortization according to plan, except goodwill which is not amortized in the Group.

Financial instruments

INVESTMENTS

The Group classifies its investments in debt instruments into three categories, which are amortised cost, fair value through other comprehensive income and fair value through profit and loss. The classification is made according to IFRS 9 standard, based on the business model and contractual cash flow characteristics of debt instruments. Management determines the classification of its investments at the time of the purchase. Investments in debt instruments for which the business model objective is to hold the financial instruments to collect contractual cash flows and those cash flows are solely payments of principal and interest, are classified as amortised cost and presented in current and non-current assets. Purchases and sales of financial instruments are recognised based on trade date accounting, which is the date on which the Group commits to purchasing or selling the financial instrument. Financial instruments are derecognised when the rights to receive or the cash flows from the financial instruments have expired or have been

transferred and the Group has substantially transferred all risks, rewards and obligations of the ownership of the financial asset or liability. Doro holds debt instruments in the amortised cost category.

LOAN RECEIVABLES

They are recorded initially at fair value and subsequently measured at amortised cost. Loss allowance for expected credit losses is calculated based on the simplified method. According to the simplified method, the calculation is based on the expected losses of the receivables full term. In the calculation the receivables are grouped based on number of days delayed. Interest income on loan receivables is included in Financial income and expense. Loan receivables with a maturity less than 12 months are included in current assets under interest-bearing receivables and those with maturities greater than 12 months, in non-current loan receivables.

DEBT

Debt is recognised initially at fair value, net of transaction costs incurred. In subsequent periods, it is stated at amortised cost using the effective interest method. Interest expenses are accrued for and recorded in the Consolidated income statement for each period. Debt with an original maturity greater than 12 months is classified as non-current debt in the Consolidated statement of financial position, though repayments falling due within 12 months are presented in current liabilities under the current portion of non-current debt. Short-term commercial paper, bank and other interest-bearing borrowings for which the original maturity is less than 12 months are presented in current liabilities under interest-bearing liabilities.

FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities;
- **Level 2:** other techniques for which all inputs which have a significant effect on the record-

ed fair value are observable, either directly or indirectly;

- **Level 3:** techniques which use inputs which have a significant effect on the recorded fair values that are not based on observable market data.

Derivative financial instruments and hedge accounting

Financial derivatives are initially recognised in the Consolidated Statement of Financial Position at fair value and subsequently measured at their fair value at each reporting date, though the method of recognising the resulting gains or losses is dependent on the nature of the item being hedged. When derivative contracts are entered into, the Group designates them as either hedges of highly probable forecast transactions or firm commitments (cash flow hedges), hedges of the exposure to changes in the fair value of recognised assets or liabilities (fair value hedges), hedges of net investments in foreign entities or derivative financial instruments not meeting the hedge accounting criteria in accordance with IFRS 9.

At the inception of a hedge, the Group documents the relationship between the hedging instrument and the hedged item, as well as its risk management objective and strategy for undertaking various hedging transactions. This process includes linking all financial instruments designated under hedge accounting to specific assets and liabilities or to specific firm commitments or highly probable forecast transactions in order to verify and document hedge relationship between the hedged item and the hedging instrument as required by IFRS 9. For operational cash flow hedging purposes, foreign currency forwards and options are denominated in the same currency as the highly probable forecast transactions resulting in a hedge designation where critical terms of the hedging instrument and the hedged item will coincide. The Group also documents its qualitative prospective assessment at the hedge inception of whether the derivatives used in a hedge relationship are highly effective in offsetting changes in fair value or cash flows of hedged items. Hedge effective-

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ness will be assessed in accordance with IFRS 9 requirements.

Cash flow hedges

Changes in the fair value of derivatives designated and qualifying as cash flow hedges, and which are effective, are recognised in cash flow hedges reserve within OCI, the movements of which are disclosed in the Consolidated Statement of Comprehensive Income. In case of currency options, the time value of an option is excluded from the hedge designation and only the intrinsic value component of an option is designated as the hedging instrument. The changes in option time value are recognised in cost of hedging reserve within OCI. The cumulative gain or loss of a derivative deferred in equity is transferred to the Consolidated Income Statement and classified as income or expense in the same period in which the hedged item affects the Consolidated Income Statement. Realised results of hedge accounted derivative instruments hedging foreign currency sales transactions or purchases are booked as adjustments to sales or materials and services depending on the nature of the underlying hedged item.

In respect of hedges of exposures to foreign currency risk of future transactions resulting in the recognition of non-financial assets, the gains and losses deferred to cash flow hedges reserve within OCI are transferred from equity to be included in the initial acquisition cost of the non-financial asset at the time of recognition. The deferred amounts are ultimately recognised in the Income Statement through depreciation over the lifetime of the non-financial assets.

When a hedging instrument expires or is sold, terminated or exercised or no longer meets the hedge accounting criteria under IFRS 9, any cumulative gain or loss deferred in equity at that time remains in equity and is accounted for as an adjustment to income or expense when the committed or forecast transaction is ultimately recognised in the Consolidated Income Statement. However, if the underlying forecasted transaction is no longer expected to occur,

the cumulative gain or loss reported in equity from the period when the hedge was effective is immediately recognised in the Consolidated Income Statement.

Impairment

At least at every year-end at the close of accounts, an assessment is made as to whether there is any indication of impairment of the carrying amounts of the Group's assets. When there is such an indication, the recoverable amount of the asset is measured. The recoverable amount is the greater of an asset's net realizable value and its value in use. When establishing value in use, present value measurement is performed for estimated future payments that the asset is expected to generate during its useful life.

In present value measurement, an interest rate before tax is used for the purpose of the measurement that reflects the current market interest rate and the risk attributable to the asset. If the recoverable amount is less than the carrying amount, the asset is impaired to its recoverable amount.

Reversals of impairment are recognized if there are no grounds for such impairment, except for goodwill. Impairment and reversals of impairment are recognized in profit or loss.

At least once a year, an assessment of forecast future earnings and cash flow trends is made with regard to goodwill, capitalised expenditure for ongoing development projects and leasehold rights on premises. When the carrying amount exceeds the recoverable amount, it is impaired.

Depreciation of property, plant and equipment

Depreciation according to plan is on a straight-line basis on the historical cost of the asset category and the estimated useful life:

Equipment and tools	2–5 years
Rental equipment etc	5 years

Amortization of intangible assets

Intangible assets are amortized over their estimated useful life. For capitalized product development, amortization commences as

of market launch of the product in question. Amortization according to plan is on a straight-line basis on the historical cost of the asset category:

Capitalized expenditure for development work	1–3 years
Trademarks and brands	1–5 years
Customer register and distribution agreements	3–7 years

Leases

The Group has changed lease accounting principles for lessees. Doro leases offices, premises, office equipment and vehicles. Lease terms are negotiated separately for each lease agreement and contains many conditions. The lease agreements are recognized as right-to-use assets with a corresponding liability, from the point in time the leased assets can be used by the Group. Assets and liabilities derived from lease agreements are recognized at fair value. Leasing liabilities includes the fair value of the following lease payments:

- fixed fees reduced by any benefits related to the signing of the lease agreement, variable fees depending on an index or a price, initially valued on basis of an index or a price at commencement date,
- amounts expected to be paid by the lessee due to guaranteed residual value,
- exercise price for a buy option if the Group is reasonably convinced that the buy option will be used,
- penalty fees to be paid at termination of a lease agreement if the lease term reflects that the Group will use the opportunity to terminate the lease agreement.

Lease payments for extension periods that are reasonably certain are also included in the valuation of the liability. Lease payments are measured at the present value using the implicit interest rate of the lease agreement. If this interest rate cannot be easily established, which normally applies for the Group's lease agreements, the lessees incremental borrowing rate is used. The

incremental borrowing rate is the interest rate the lessee would have to pay to lend the funds to buy an asset of similar value as the right-to-use asset in a similar economic environment with similar conditions and securities.

Lease payments are split between amortization of leasing liability and interest expense. The interest expense is recognised in the income statement over the lease term applying a fixed interest rate on the leasing liability in each period. The right-to-use assets are valued at acquisition cost which includes the following:

- the original value of the leasing liability,
- lease fees paid at or before the commencement date, after deduction of any benefits received when signing the lease agreement,
- start-up expenses,
- cost to restore the asset as prescribed in the lease agreement.

Right-to-use assets are normally depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. If the Group is reasonably certain that a buy option will be exercised, the assets are depreciated over the underlying asset's estimated use life. Short contracts are agreement with a lease term shorter than 12 months. Contracts of lower value mainly includes IT equipment and office furniture.

Inventory

Inventories are measured at the lower of cost (in accordance with the first-in, first-out principle-FIFO) and net realizable value (in accordance with the lowest value principle). Cost is calculated for each delivery.

Technological development is rapid and prices fall regularly. Impairment of inventory is recognized according to a model whereby older inventory gives greater impairment. Different product groups have varying rates of impairment. The net sales value is defined as the selling price less selling expenses. Impairment to the net realizable value includes impairment due to technological and commercial obsolescence made in the Group company in question.

Provisions

Provisions are defined as liabilities that are uncertain in term of amounts or time of settlement. A provision is recognized when there is an undertaking ensuring from a transpired event, it is probable that an outflow of resources will be required in order to settle the undertaking and that the amount can be reliably estimated. Pensions, guarantee commitments, disputes and additional expenses are recognized as provisions in the Balance Sheet.

Warranties and repairs

Provisions are made for estimated repair expenditure and losses of margins regarding goods that may be returned within the warranty period (between one and two years from the sale to the end user).

A statistical program has been developed that captures outcomes regarding the time at which products are sold until they are returned, the proportion that is repaired, scrapped, compensated for through product exchange of crediting as well as cost for checking, repairs (including parts) and transport. In the event of variances (mainly in the share of returned products), warranty provision requirements are changed. The total warranty reserve is classified as current liabilities as majority of guarantees falls within one year.

Taxes

All tax expected to be payable on reported profit is recognized in the Income Statement. Such taxes have been computed according to each country's tax regulations and are recognized under the item tax on profit for the year.

The Group's total tax in the Income Statement consists of current tax on taxable profits for the period, and deferred tax. Deferred tax mainly consists of changes in deferred tax assets with respect to loss carry-forwards and for tax purposes and other temporary differences.

The Group uses the balance sheet method for calculating deferred tax assets and liabilities. According to the balance sheet method, computation is based on tax rates on the closing date applied to temporary differences between an

asset or liability's value in terms of accounting and taxation, and loss carry-forwards for tax purposes. Deferred tax assets are recognized in the Balance Sheet only to the extent of value that can probably be utilized within the foreseeable future. An individual assessment is performed of the situation for companies in each country.

Cash flow statement

Cash flow statements are prepared using the indirect method, which means that profit/loss after financial income/expense is adjusted for transactions that did not entail incoming and outgoing payments during the period, and for income and expenses relating to the cash flow of investment activities.

Cash and cash equivalents

Cash and equivalents comprise cash, bank balances and current investments.

Share warrants

On the sale of share warrants, the purchase consideration received is recognised as an increase in Other paid-up capital. On the repurchase of share warrants, the purchase consideration is recognised as a reduction in other paid-up capital.

Segment reporting

Following the separation from Care activities, only one operating segment is now reported, the segment previously reported as Doro Phones. For more information about Doro's segment reporting, see Note 2.

Classification

The balance sheet items entitled current assets and current liabilities are expected to be recovered or paid within a twelve-month period. All other balance sheet items are recovered or repaid later.

Critical accounting matters and uncertainty in estimates

In their preparation of Doro's Consolidated Accounts, the Board of Directors and the CEO, besides estimates made, have made a series of

judgments regarding critical accounting matters that can significantly affect the amounts recognized. These relate to the following:

GOODWILL MEASUREMENT

When testing carrying amounts of goodwill for impairment, assumptions are made about the future expected profit and cash flow trend for the lowest possible cash-generating unit. This is described in more detail in Note 7.

DEFERRED TAX RELATED TO LOSS CARRY-FORWARDS

When measuring deferred tax assets, an assessment of future surpluses for tax purposes of each company is made, and thereby of the ability to utilize the loss carry-forwards. The size of the loss carry-forwards is detailed in Note 17.

CREDIT RISKS IN ACCOUNTS RECEIVABLE

Individual assessments are made when evaluating credit risks in accounts receivable. The assessment is based on past payment capacity and other information. Doro has in the past had very low realized bad debt losses, but is active in follow-up. Refer to Note 23 for more information.

MEASUREMENT OF INVENTORY

Measurement of inventory is based on an inventory turnover model. In addition, individual assessments are performed based on past sale statistics and sales forecasts compared with product volumes in inventory and in production with suppliers.

Distributed operations

A distributed operations is a part of a company's operations that represents an independent line of business or a significant business within a geographical area.

Classification as a distributed operations takes place upon divestment.

Profit after tax from distributed operations is reported on a separate line in the statement of earnings and other comprehensive income.

When an activity is classified as distributed, the format of the comparison year's report for the profit and loss and other comprehensive

income is changed so that it is reported as if the distributed operations activity had been discontinued at the beginning of the comparison year.

The format of the financial position report for the current and previous years does not change correspondingly.

PARENT COMPANY

Impairment of participation in Group companies and impairment reversals

Participations in Group companies are measured at historical cost. If the recoverable amount (see section above entitled "impairment") should prove to be lower, there is an impairment. Impairment of the value of participations in subsidiaries is reversed when there are no longer grounds for such impairment.

Leasing

The Parent Company applies the exemption in RFR2 and recognises all leases at cost on a straight-line basis over the income statement. Information concerning remaining lease fees under lease contracts is disclosed in Note 4.

Note 2 Net sales per segment and category and other income and expenses

Segment reporting

The listing of the previous operations within Doro Care and the creation of two separate listed companies was completed during Q4. Doro now consists of the former Doro Phones division, which includes In-house developed senior adapted phones, mobile phones and senior adapted applications sold through a network of over 300 telecom operators, distributors, specialists and retailers in Europe in particular.

The Group	2021	2020
Net sales of products	1,039.6	1,165.2
Net sales of services	0.0	0.0
Total	1,039.6	1,165.2
Cost of goods and services sold	-660.3	-812.5
Gross profit	379.3	352.7
Other operating expenses, non-allocated	-260.6	-295.4
Operating profit after depreciation and write-downs (EBIT)	118.7	57.3
The Group	2021	2020
Assets	990.9	1,581.3
Total Assets	990.9	1,581.3
Liabilities	568.0	776.8
Total Liabilities	568.0	776.8

All material and intangible assets are controlled by the Swedish parent company.

The location of customers forms the basis for the division of sales into geographical regions. No single customer accounts for more than 10 percent of net sales.

Net sales per region	2021	2020
Nordic	267.1	232.1
West and South Europe and Africa	379.6	366.0
Central- and Eastern Europe	224.7	292.6
UK and Ireland	169.0	171.5
North America	1.5	99.9
Rest of the World	0	0.1
Other	-2.2	3.0
Total	1,039.6	1,165.2
whereof Sweden	220.4	185.0

	Group		Parent Company	
Other income and expenses	2021	2020	2021	2020
Government assistance received	0.1	5.9	0.1	4.0
Other income	4.1	3.6	4.0	0.0
Other expenses	0.0	-0.1	0.0	-0.1
	4.2	9.4	4.1	3.9

Note 3 Intra Group transactions

Of the Parent Company's invoicing SEK 103.1m (125.9) relates to subsidiaries. Invoicing from subsidiaries to the Parent Company amounted to SEK 66.9m (77.6). Invoicing between subsidiaries amounted to SEK 0m (0).

Note 4 Rental and leasing agreements

Operational leasing where the Group is lessee

In the balance sheet the following amounts relate to leasing agreements.

	Group	
Right-to-use assets	2021	2020
Premises	15.5	62.9
Equipment	0.7	2.7
Vehicles	2.1	5.6
Total	18.4	71.2

In connection with the separation from Careium, leasing assets of SEK 41.2 million were divested.

	Parent Company	
Leasing liabilities	2021	2020
Current	6.9	20.8
Long-term	11.5	50.4
Total	18.4	71.2

New Right-to-use assets during 2021 amounted to SEK 8.8m (26.9).

In connection with the separation from Careium, leasing assets of SEK 41.2m were transferred. Amortisation of lease liabilities amounted to 20.4 (20.3).

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In the income statement the following amounts relate to leasing agreements.

	The Group			
	Total	Remaining activities	Total	Remaining activities
Depreciation of Right-to-use assets	2021	2021	2020	2020
Premises	-16.5	-5.8	-16.4	-5.3
Equipment	-1.4	-0.5	-1.4	-0.5
Vehicles	-2.5	-1.4	-2.5	-1.8
Total	-20.4	-7.7	-20.3	-7.6
Interest expenses (included in Financial expenses)	-1.8	-0.5	-2.1	-0.6
Expenses related to leasing with a lease term of less than 12 months, leasing at low value and variable lease payments not included in leasing liability (included in operating expenses)	-1.4	-0.6	-2.3	-1.2

Total cash flow related to leasing agreements during 2021 was SEK 23.6m including Careium agreements up to the separation date (24.6).

Leasing where the Group is lessor

At the end of 2021, the company has no financial leasing agreements.
Such agreements belong to Careium, which was distributed on 10 December.

Financial leasing	The Group	
	2021	2020
Within 1 year	0.0	5.3
Within 2 to 5 years	0.0	3.8
Later than 5 years	0.0	0.0
Total	0.0	9.1

Note 5 Employees

Average number of employees	2021	Of whom men	2020	Of whom men
Parent Company	124	60	199	90
Other companies Sweden	198	92	0	0
Norway	104	55	84	58
United Kingdom	492	137	542	138
France	14	5	19	7
Hong Kong	11	8	10	8
Germany	31	22	34	26
Netherlands	14	6	0	0
Italy	0	0	2	2
Spain	10	7	4	3
Total	998	392	894	332

Salaries and remuneration

Salaries, remuneration, social charges and pension cost have appeared with the following amounts:

	The Group		Parent Company	
	2021	2020	2021	2020
Salaries and other remuneration	317.6	309.6	71.0	94.0
	317.6	309.6	71.0	94.0
Payroll overheads excluding pension costs	56.1	56.2	24.1	32.3
	56.1	56.2	24.1	32.3
Pension costs	21.5	20.1	9.3	11.0
of which premium-based	21.1	14.6	9.3	11.0
	21.5	20.1	9.3	11.0

Gender of senior managers	2021, total	Women, %	2020, total	Women, %
Board	6	38	6	47
Group Management	6	30	6	29

Salaries and remuneration including board fee breakdown between board managers, CEO and other employees

	2021		2020	
	Board and CEO	Other employees	Board and CEO	Other employees
Sweden	6.3	95.5	5.4	90.6
Norway	0.0	43.9	0.0	48.6
United Kingdom	0.0	123.9	0.0	117.0
France	0.0	8.2	0.0	20.9
Germany	0.0	24.6	0.0	15.6
Hong Kong	0.0	7.4	0.0	7.4
Netherlands	0.0	4.2	0.0	0.0
Italy	0.0	0.0	0.0	4.4
Spain	0.0	5.7	0.0	1.8
Total	6.3	313.4	5.4	306.3

Management remuneration (SEK k)

The Board 2021	Fees	Pension	Other remuneration	Total
Chairman of the Board	677	0	0	677
Other Board members	1,393	0	0	1,393
Total	2,070	0	0	2,070

Chairman of the board until Nov 22, 2021 Lennart Jacobsen received SEK 599.1k. Chairman of the board from Nov 22, 2021 Henri Österlund received SEK 78.3k. As board member until Nov 22, 2021 Henri Österlund received SEK 366.6k. Towa Jexmark resigned Nov 22, 2021 received SEK 223.5k. Josephine Salenstedt resigned April 29, 2021 received SEK 83.3k. Viktor Saeijs, new board member April 29, 2021, received SEK 169.8k. Cecilia Ardström resigned Nov 22, 2021 received SEK 295.1k. Juha Mört received SEK 254.2k.

Senior Executives 2021	Salary	Bonus and variable remuneration	Pension	Other benefits	Total
Carl-Johan Zetterberg Boudrie (CEO until Dec 7, 2021)	2,779	1,271	741	112	4,903
Jörgen Nilsson (CEO from Dec 7, 2021)	135	31	37	12	215
Other senior executives	6,856	1,054	1,766	233	9,909
Total	9,770	2,356	2,544	357	15,027

The above amounts include salaries and remuneration of senior executives. From 1 January 2021 to 30 June 2021, the management team consisted of six persons. At the end of June 2021, the then CFO resigned and from this date until the delisting of Careium, the management team consisted of 5 persons. In connection with the delisting, the then CEO Carl-Johan Zetterberg Boudrie resigned on 7 December 2021. Jörgen Nilsson was appointed as the new President and CEO and a new management team of five persons was established.

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The Board 2020	Fees	Pension	Other remuneration	Total
Chairman of the Board	670	0	0	670
Other Board members	1,380	0	0	1,380
Total	2,050	0	0	2,050

Chairman of the board Lennart Jacobsen, received SEK 670k. Vice Chairman of the Board Henri Österlund received SEK 410k. Josephine Salenstedt and Towa Jexmark each received SEK 250k. Cecilia Ardstrom who joined the board at the AGM April 24, 2020, received SEK 220k and Juha Mört who joined the board at the AGM April 24, 2020, received SEK 167 k. Niklas Savander who resigned from the board at the AGM April 24, 2020 received SEK 83k.

Senior Executives 2020	Salary	Bonus and variable remuneration	Pension	Other benefits	Total
Carl-Johan Zetterberg Boudrie	2,725	722	855	76	4,378
Other senior executives	6,714	971	1,513	245	9,443
Total	9,439	1,693	2,368	321	13,821

The amounts include salaries and remunerations to employed senior executives. In 2020 the management team has had 6 members. In addition to salaries and remunerations to employed senior executives the Group has paid consultant fees to temporary senior executives amounting to SEK 714k.

Principles

Fees are paid to the Chairman and other Board members in accordance with decisions made by the AGM. Payment for work on the boards of subsidiaries is made separately. Remuneration to the CEO and other senior executives comprises a basic salary, variable remuneration, other benefits (primarily a company car) and pension premiums. The balance between basic salary and variable remuneration should be in proportion to the executive's responsibilities and authorities. Average number of senior executives in the management team in 2021: 6 (6).

Pensions

The retirement age for CEO and other senior executives of the Group is 65 and pensions are usually paid in accordance with the general pension plan plus full remuneration for the entire amount of salaries according to the ITP/ITPK plans. All pension benefits are irrevocable, i.e. not dependent on continued employment. The retirement age for the CEO is 65 years. No agreements have been signed concerning pension commitments or the equivalent, more than is mentioned in the periods of notice mentioned above, whether for board members or senior executives. Pension schemes for senior executives are substantially premium-based with premiums of SEK 2.5m (2.4) paid.

Notice

If notice is served by the company or by the CEO himself, the period of notice is one year. The CEO has the right to salary over 12 months during the period of notice. No severance pay will be paid if notice is given by CEO. Other senior executives have agreement of salary during notice between 3 and 9 months.

Nominations and decision-making processes

These procedures are explained in the Directors' Report.

Share-related compensation & Options

At the AGM on April 27, 2018 it was decided to issue maximum 1,000,000 warrants to senior executives and key employees within the Doro Group. The warrants were sold to the participants at market value calculated according to the Black&Scholes model. The valuation of the warrants was carried out by an independent valuer. Each warrant gives the holder the right to buy one Doro AB share during the two-week period following the announcement of the second or the third interim report 2021 to a share price of SEK 63.80.

To incentive participation in the warrant program, Doro made a one time bonus payment to the participants that after taxes amounts to each participants full acquisition cost for the warrants. Total cost for the one-time bonus, SEK 7,388k, is recognised over the term of the warrant program. At the starting point, the participants subscribed 679,932 warrants. During 2018, another 40,000 options were subscribed and 70,000 options were repurchased. During 2019, 250,000 options were repurchased. The option program was terminated after the third interim report in 2021. In connection with the employees' exercise of warrants, a new issue of 327,932 shares was made as of November 29, 2021.

Note 6 Interest and similar items

	The Group		Parent Company	
Income	2021	2020	2021	2020
Interest income, external	0.7	1.1	0.6	0.9
Interest income, internal	0.0	0.0	5.4	5.3
Exchange rate gain	7.6	0.0	7.6	0.0
Dividend from subsidiaries	0.0	0.0	127.8	0.0
Total	8.3	1.1	141.4	6.2
Expenses				
Interest expenses, external	-3.6	-5.7	-3.5	-4.1
Exchange rate losses	-9.0	-10.2	-8.6	-10.7
Write-down of shares in subsidiaries	0.0	0.0	-0.3	0.0
Result from liquidation of subsidiaries	0.0	0.0	0.0	-4.9
Other	0.0	-0.2	0.0	0.0
Total	-12.6	-16.1	-12.4	-19.7
Financial net	-4.3	-15.0	129.0	-13.5

Note 7 Intangible fixed assets

Group / Goodwill	2021	2020
Acquisition value brought forward	556.7	513.5
Acquisitions (transferred to divested operations)	65.8	65.1
Divested operations	-416.2	0.0
Exchange rate difference	16.7	-21.9
Closing accumulated cost	223.0	556.7
Group / Customer register and distribution agreements	2021	2020
Acquisition value brought forward	98.3	87.1
Acquisitions	0.0	14.1
Divested operations	-63.9	0.0
Sales/Disposals	-23.0	0.0
Exchange rate difference	3.3	-2.9
Closing accumulated acquisition value	14.7	98.3
Amortisations brought forward	-64.2	-54.8
Amortisation *	-8.0	-8.9
Divested operations	35.9	0.0
Sales/Disposals	22.9	0.0
Exchange rate difference	-1.3	-0.5
Closing amortisations	-14.7	-64.2
Closing residual value	0.0	34.1

* Depreciation for the year of SEK -8.0m (-8.9) refers to divested operations.

Parent company / Goodwill	2021	2020
Acquisition value brought forward	224.5	224.5
Write-down	-208.6	0.0
Closing accumulated acquisition value	15.9	224.5
Amortisations brought forward	-63.5	-50.7
Amortisation	-7.2	-12.8
Write-down	54.8	0.0
Closing amortisations	-15.9	-63.5
Closing residual value	0.0	161.0

Parent company / Customer register	2021	2020
Acquisition value brought forward	22.9	22.9
Sales/Disposals	-22.9	0.0
Closing accumulated acquisition value	0.0	22.9
Amortisations brought forward	-22.9	-22.7
Amortisation	0.0	-0.2
Sales/Disposals	22.9	0.0
Closing amortisations	0.0	-22.9
Closing residual value	0.0	0.0

The Group assesses the need for goodwill to be written down on an annual basis or when indications of impairment arise. Impairment testing is applied at the lowest level where separable cash flows can be identified.

The recoverable value of the unit has been established based on the current value in use of future cash flows. Future cash flows are estimated on the basis of expected growth rate in accordance with established forecasts for the next five years. These forecasts are based on historical experience, but also takes expected future development into account. Assumptions regarding future growth and profitability are based on external and internal estimates of market growth, past performance and management's assessment of market shares.

The WACC discount factor, has been set using the Capital Asset Pricing Model (CAPM). As part of the WACC the risk free interest equivalent to the yield on 10-year government-bonds has been applied with the addition of stock market's risk premium for small companies. The return requirement has been ascertained based on the optimum capital structure as derived from the capital market. Since the recoverable amount exceeds the carrying amount, no need for impairment is deemed to exist.

Sensitivity analysis

Growth in years 1 to 4 is 2.0 percent. Growth after year 4: In the impairment test Doro used a sustainable growth rate of 2 percent (2). A change in the growth rate from 2 to 1 percent implies no impairment. Discount rate before tax increases by 1 percentage point: In the impairment test Doro used a WACC discount factor of 11.3 percent (13.1) before tax. A change of the discount rate to 12.3 percent (14.1) implies no impairment.

The Group / Brands	2021	2020
Acquisition value brought forward	4.2	4.5
Divested operations	-0.7	0.0
Exchange rate difference	0.2	-0.3
Closing accumulated acquisition value	3.7	4.2
Amortisation brought forward	-3.1	-2.8
Amortisation*	-0.4	-0.5
Exchange rate difference	-0.2	0.2
Closing amortisation	-3.7	-3.1
Closing residual value	0.0	1.1

* Depreciation for the year of SEK -0.4m (-0.5) refers to divested operations.

NOTES

Group / Rented premises	2021	2020
Acquisition value brought forward	0.0	1.8
Disposal	0.0	-1.8
Closing accumulated acquisition value	0.0	0.0
Amortisation brought forward	0.0	0.0
Amortisation	0.0	-0.9
Disposal	0.0	0.9
Closing amortisation	0.0	0.0
Closing accumulated cost	0.0	0.0
The Group's capitalised expenditure for development work / IT	2021	2020
Acquisition value brought forward	498.2	422.2
Investments	55.6	47.2
Acquisitions	0.0	30.1
Divested operations	-134.3	0.0
Sales/Disposals	-44.9	0.0
Exchange rate difference	0.3	-1.3
Closing accumulated acquisition value	375.0	498.2
Depreciation brought forward	-337.5	-272.4
Depreciation*	-65.2	-57.2
Sales/Disposals	44.9	-7.9
Divested operations	37.6	0.0
Closing depreciation	-320.2	-337.5
Closing residual value	54.8	160.7

* Depreciation for the year of SEK 8.2m (-1.0) refers to divested operations.

Parent company / Capitalized expenditure for development work / IT	2021	2020
Acquisition value brought forward	480.6	434.4
Investments	40.0	46.2
Sales/Disposals	-145.6	0.0
Closing accumulated acquisition value	375.0	480.6
Depreciation brought forward	-349.5	-284.6
Depreciation	-61.9	-57.0
Sales/Disposals	91.2	-7.9
Closing depreciation	-320.2	-349.5
Closing residual value	54.8	131.1

Note 8 Tangible fixed assets

	The Group		Parent Company	
Equipment and tools, SEK m	2021	2020	2021	2020
Acquisition value brought forward	120.2	110.4	66.1	55.4
Investments	15.2	17.1	8.9	10.7
Acquisitions (in divested operations)	5.9	2.1	0.0	0.0
Divested operations	-121.2	0	0.0	0.0
Sales/Disposals	-15.9	-0.7	-68.3	0.0
Exchange rate difference	3.9	-8.7	0.0	0.0
Closing acquisition value	8.1	120.2	6.7	66.1
Depreciation according to plan brought forward	-68.4	-49.9	-44.8	-36.0
Depreciation*	-20.2	-22.4	-4.9	-8.8
Divested operations	68.7	0.0	0.0	0.0
Sales/Disposals	15.9	0.4	43.6	0.0
Exchange rate difference	-2.0	3.5	0.0	0.0
Closing depreciation	-6.0	-68.4	-6.1	-44.8
Closing residual value	2.1	51.8	0.6	21.3

* Depreciation for the year of SEK 19.4m (17.2) refers to divested operations.

Note 9 Participation in Group companies

Subsidiary	No of. shares	%	Book value		Subsidiary – Company reg. no	Registered office
			2021	2020		
Doro AS	200	100	0.6	0.6	Doro A/S – 934210719	Fredrikstad, Norway
Doro UK Ltd	3,013,400	100	4.2	4.2	Doro UK Ltd – 1180330	Chalfont St Peter, UK
Doro SAS	66,667	100	11.6	11.6	Doro SAS – 309 662 195	Versailles, France
Doro Hong Kong Ltd	4,500	100	5.1	5.1	Doro Hong Kong Ltd – 08194263-000-12-98-6	Kowloon, Hong Kong
Doro Inc	3,000	100	0.0	0.0	Doro Inc. – 4706937 810 0 090679976	New York, USA
Doro Incentive AB	50,000	100	0.1	0.1	Doro Incentive AB – 556843-4962	Malmö, Sweden
Doro Deutschland GmbH	1	100	0.2	0.2	Doro Deutschland GmbH – HRB75859	Köln, Germany
IVS Industrievertretung Schweiger GmbH ¹⁾	9,239	33.33	46.5	46.5	IVS Industrievertretung Schweiger GmbH – HRB 2040	Amberg, Germany
Doro Care Trygghetsjour AB ⁴⁾	0	0	0.0	0.3		
Doro Care Sales UK Limited ⁵⁾	0	0	0.0	0.0		
Doro Care GmbH ⁶⁾	0	0	0.0	2.0		
Doro Care AS ⁷⁾	0	0	0.0	31.3		
Greencoat House Ltd ⁸⁾	0	0	0.0	139.9		
– Wealden and Eastbourne Lifeline Ltd			0.0	0.0		
– Invicta Telecare Ltd			0.0	0.0		
– Eldercare Ltd ²⁾ and ⁸⁾			0.0	0.0		
Victrix SocSan S.L. ³⁾ and ⁹⁾	0	0	0.0	65.9		
			68.3	307.5		

1. IVS industrievertretung Schweiger GmbH is included in the Group to 100 percent. Doro AB owns 33,33 percent and Doro Deutschland GmbH owns 66,67 percent.

2. Eldercare UK Ltd was acquired in 2020 and is wholly-owned by Doro AB.

3. Victrix SocSan S.L. was acquired during 2020 and is wholly-owned by Doro AB.

4. Doro Care Trygghetsjour AB – divested to Careium 2021 2,500 shares 100 percent ownership.

5. Doro Care Sales UK Limited – divested to Careium 2021 1 share 100 percent ownership.

6. Doro Care GmbH – divested to Careium 2021 1 share 100 percent ownership.

7. Doro Care AS – divested to Careium 242,294 shares 100 percent ownership.

8. Greencoat House Ltd with subsidiaries Wealden and Eastbourne Lifeline Ltd, Invicta Telcare Ltd and Eldercare Ltd – divested to Careium 2021 334,448 shares 100 percent ownership.

9. Victrix SocSan S.L. – divested to Careium 2021 36,363 shares 100 percent ownership.

	2021	2020
Opening balance	307.5	246.3
Acquisition	0.0	66.6
Distributed operations	-239.2	0.0
Write-down	0.0	-5.4
Closing balance	68.3	307.5

Note 10 Other current receivables and Prepaid expenses and accrued income

	The Group		Parent Company	
	2021	2020	2021	2020
Other current receivables				
VAT receivable	7.3	9.4	7.1	9.0
Currency futures	3.2	3.1	3.1	3.1
Financial lease receivables	0.0	5.3	0.0	0.0
Other current receivables	16.6	4.4	14.0	4.2
Total	27.1	22.2	24.2	16.3

	The Group		Parent Company	
	2021	2020	2021	2020
Prepaid expenses and accrued income				
Rent	0.8	4.8	0.7	1.6
Insurance premiums	0.8	2.5	0.3	0.6
Exhibition costs	0.0	0.8	0.0	0.2
IT costs	0.9	2.6	0.8	2.1
Licence costs	1.6	0.0	1.5	0.0
Contract assets	0.0	21.7	0.0	4.4
Other prepaid expenses	0.6	3.4	0.4	1.2
Total	4.7	35.8	3.7	10.1

Contract assets includes accrued revenue on customer contracts in the service business when the services are invoiced in arrears. This kind of assets do no longer exist in Doro since they belong to divested operations to Careium.

Note 11 Share capital and dividends

	No. of shares	Voting rights	Class
A shares	24,352,500	1 vote per share	Normal

Share capital

24,352,500 shares at a quota value of SEK 1.00 per share = SEK 24,352,500.

Dividend

The Board of Directors proposes no dividend for the 2021 financial year.

Warrant program

At the AGM on April 27, 2018 it was decided to issue maximum 1,000,000 warrants to senior executives and key employees within the Doro Group. The warrants were sold to the participants at market value calculated according to the Black&Scholes model. The valuation of the warrants was carried out by an independent valuer. Each warrant gives the holder the right to buy one Doro AB share during the two-week period following the announcement of the second or the third interim report 2021 to a share price of SEK 63.80. To incentive participation in the warrant program, Doro made a one time bonus payment to the participants that after taxes amounts to each participants full acquisition cost for the warrants. Total cost for the one-time bonus, SEK 7,388k, is recognised over the term of the warrant program. At the starting point, the participants subscribed 679,932 warrants. During 2018, another 40,000 options were subscribed and 70,000 options were repurchased. During 2019, another 250,000 option were repurchased.

The option program was terminated after the third interim report in 2021. In connection with the employees' exercise of warrants, a new issue of 327,932 shares was made as of November 29, 2021.

Note 12 Overdraft facilities

	The Group		Parent Company	
	2021	2020	2021	2020
Approved credit	0.0	50.0	0.0	50.0
Utilized credit	0.0	0.0	0.0	0.0

Note 13 Accrued expenses and prepaid income

	The Group		Parent Company	
	2021	2020	2021	2020
Holiday pay liability	12.8	21.8	5.2	13.2
Payroll overheads	6.0	12.5	2.6	7.1
Other staff liabilities	0.3	6.7	0.0	0.1
Accrued royalty	28.8	31.9	17.3	19.4
Contract liabilities	40.7	68.9	40.7	43.7
Other accrued expenses	58.1	47.2	47.5	29.3
Total	146.7	189.0	113.3	112.8

Contract liabilities relate to performance commitments invoiced but not yet delivered to the customer and to provisions for agreed customer bonuses. In 2021, the amount relates only to the provision for contractual customer bonuses, as contractual liabilities for performance commitments have been eliminated with the distribution of Care to Careium. An agreed customer bonus is a financial compensation paid to the customer in arrears based on the terms agreed in the customer contract (volume targets are the most common).

Note 14 Pledged assets for liabilities to credit institutions

The Group and the Parent Company have pledged collateral for liabilities (in the form of a corporate guarantee) to credit institutions amounting to SEK 170m (0).

Note 15 Contingent liabilities

The Group and the Parent company has no contingent liabilities.

A parent Company guarantee was issued in accordance with section 479(C) of the UK Companies Act 2006 for the 2019 fiscal year for the UK subsidiary Doro UK Limited.

The Parent Company guarantee applies to all outstanding liabilities for the subsidiary on the closing date until the commitments have been met. The stated subsidiaries have applied the exemption from statutory audit in accordance with section 479(A) of the UK Companies Act 2006.

Note 16 Auditors

The 2021 Annual General Meeting elected PricewaterhouseCoopersAB (PwC) to be the auditors of the Parent Company, Doro AB. PwC has appointed Tomas Hilmarsson to be responsible for the assignment. PwC will carry out the audit of all large entities, except for Doro Care AS, for the period of one year.

	The Group		Parent Company	
	2021	2020	2021	2020
Fees and costs				
PwC				
Auditing assignments	4.3	2.3	1.1	0.7
<i>whereof to PricewaterhouseCoopers AB</i>	<i>2.1</i>	<i>0.7</i>	<i>1.1</i>	<i>0.7</i>
Auditing outside the assignment	0.0	0.0	0.0	0.0
<i>whereof to PricewaterhouseCoopers AB</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Tax assignments	0.0	0.0	0.0	0.0
<i>whereof to PricewaterhouseCoopers AB</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Other advisory services by auditors	1.8	0.0	0.0	0.0
<i>whereof to PricewaterhouseCoopers AB</i>	<i>0.2</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Other				
Auditing assignments	0.2	0.3	0.0	0.0
Auditing outside the assignment	0.0	0.0	0.0	0.0
Tax assignments	0.0	0.2	0.0	0.0
Other advisory services by auditors	0.0	0.0	0.0	0.0
Total	6.3	2.8	1.1	0.7

In 2020, Care accounted for SEK 1.5m of fees and costs for auditors. Auditing assignments 2021 breakdown is as follow Doro base fee 1.1, Extra Q3 0.1, Auditing ESEF 0.1, Counselling and extra audit for carve-out YE 0.3, Careium (incl. Bounce) 2.7 whereof to PricewaterhouseCoopers AB Doro base fee 0.6, Extra Q3 0.1, Auditing ESEF 0.1, Counselling and extra audit carve-out YE 0.3, Careium/Bounce 1.0. Other Auditing assignments are connected to Careium.

Note 17 Taxes

	The Group		Parent Company	
Taxes on profit/loss for the year	2021	2020	2021	2020
Current tax	-36.1	-21.7	-19.1	-10.5
Deferred tax	5.3	2.2	2.2	-0.8
Total tax on profit/loss for the year	-30.8	-19.5	-16.9	-11.3

Tax relating to

Result from continued operations	-31.4	-12.0
Result from divested operations	0.6	-7.5
Total tax	-30.8	-19.5

Connection between the tax expense for the year and the reported earnings before tax:

	The Group		Parent Company	
Taxes	2021	2020	2021	2020
Reported profit/loss before tax continued operations	114.4	42.3	44.5	56.6
Reported profit/loss before tax divested operations	-3.3	26.3		
Total profit/loss before tax	111.1	68.6	44.5	56.6
Tax at current rate 20.6 percent (21.4)	-22.9	-14.7	-9.2	-7.5
Non-deductible expenses	-4.5	-4.1	-36.1	-3.8
Non-taxable income	-1.4	0.1	26.3	0.0
Utilisation of previously unrecognized tax loss carryforwards	0.0	0.8	0.0	0.0
Change in valuation in losses carryforwards	0.0	-0.4	0.0	0.0
Change in valuation of temporary differences	2.3	0.0	2.2	0.0
Tax cost/revenue concerning previous year	-0.5	1.1	-0.1	0.0
Adjustment for tax rates in foreign Group company	-3.8	-2.3	0.0	0.0
Reported tax	-30.8	-19.5	-16.9	-11.3

Temporary differences arise in those cases where accounted values of assets or liabilities and their tax value are different. Temporary differences, unutilized losses carry forward and other future tax deductions have led to deferred tax liabilities and tax assets for the following:

	The Group		Parent Company	
Deferred tax asset	2021	2020	2021	2020
Unutilized losses carry forward	5.3	6.6	0.0	0.0
Temporary differences, provisions	2.1	14.9	0.0	2.5
Temporary differences, other	6.5	-7.6	4.2	0.5
Total reported deferred tax asset	13.9	13.9	4.2	3.0

Deferred tax assets are shown for unutilized losses carried forward and temporary differences in the balance sheet, when they are calculated to be used in the near future. A single calculation is made for each company with respect to past earnings trends, future plans and the option of using losses carried forward.

Of the consolidated losses carried forward, SEK 5.3m (42.0) can be used without a time limit being imposed. The remaining losses are in the United Kingdom, France and Norway. For 2021 only UK as other tax losses refers to operations in the divested operations to Careium.

Losses carry forward fall due as follows:	2021	2020
Without limit	5.3	42.0
Total	5.3	42.0

Non-accounted deferred tax assets in the balance sheet concerning unutilized taxable losses carry forward amount to:

	The Group		Parent Company	
	2021	2020	2021	2020
	0	1	0	0

	The Group		Parent Company	
Gross changes of deferred taxes	2021	2020	2021	2020
Opening balance	13.9	16.6	3.0	3.1
Tax attributable to the income statement	5.3	2.2	2.2	-0.8
Tax attributable to other comprehensive income	-1.0	0.2	-1.0	0.7
Divested operations	-4.3	0.0	0.0	0.0
Acquisitions/Merger	0.0	-5.1	0.0	0.0
Closing balance	13.9	13.9	4.2	3.0

Note 18 Acquisitions

ACQUISITIONS 2021

FirstCall 24/7

On 1st of February 2021, Doro acquired FirstCall 24/7 from Trent and Dove Housing. The acquisition means that Doro takes over the customer agreements for the business. The purchase price was paid in cash GBP 1.00 on a debt free basis. FirstCall 24/7 had annual sales in 2019/20 of GBP 0.5m.

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

Fair value	SEK (m)
Intangible assets	1.5
Accrued Costs	-1.5
Acquired net assets	0.0
Goodwill	0.0
Total purchase price	0.0
Effect of the acquisition on group cash flow	0.0

Innocom

On 1st of September 2021 Doro acquired the Dutch company Innocom Bureau voor Bedrijfscommunicatie B.V. ("Innocom"). The purchase price was paid in cash and amounted to around SEK 72m on a cash and debt-free basis. Goodwill is linked to the strengthened position in the Dutch market, which Innocom sales channels provide. Innocom had annual sales in 2020 of EUR 4.9m (approximately SEK 50m). At the time of acquisition, the company had about 40 employees and supports 26,000 end-users.

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

Fair value	SEK (m)
Intangible assets	0.0
Property, plant and equipment	2.5
Inventories	5.8
Current receivables	4.9
Cash and cash equivalents	1.4
Current liabilities	-3.6
Acquired net assets	11.0
Goodwill etc.	65.4
Total purchase price	76.4
Cash in acquired company	1.4
Estimated Additional Purchase Price	4.4
Effect of the acquisition on group cash flow	70.6

ACQUISITIONS 2020

Eldercare

On 11 August 2020, Doro acquired all shares in the UK telecare company Eldercare (UK) Limited. Costs for the acquisition have been charged to profit for the year by SEK 1.6m. The purchase price was paid in cash, amounting to approximately SEK 25m on a debt-free basis. Goodwill is linked to the strengthened position in the Care area in the UK, which Eldercare's sales channels provide. At the time of the acquisition, the company had about 109 employees. Eldercare had an annual turnover in 2018/19 of GBP 4.6m.

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

Fair value	SEK (m)
Intangible assets	6.5
Tangible fixed assets	2.8
Deferred tax asset	0.1
Inventories	5.7
Current receivables	18.1
Cash and bank	-1.2
Pension provision	-1.2
Current liabilities	-13.9
Acquired Net Assets	16.9
Goodwill	16.2
Total purchase consideration	33.1
Cash in company acquired	18.1
The acquisition's impact on the Group's cash flow	15.0

Victrix

On September 30, 2020, Doro acquired all shares in the Spanish software company Victrix. Costs for the acquisition have been charged to profit for the year by SEK 0.3m. The purchase price was paid partly in cash, SEK 15.8m (of which SEK 1.0m related to payment of liabilities to the previous owner). An earn-out consideration (estimated at SEK 42.9m) will be paid if certain significant and defined sales targets are achieved within a three-year period. At the time of the acquisition, the company had about 10 employees. Victrix had an annual turnover in 2019 of EUR 0.4m.

NOTES

Final figures for the acquired net assets and goodwill are presented below

Fair value	SEK (m)
Intangible assets	30.2
Tangible fixed assets	0.5
Inventories	0.7
Current receivables	0.7
Cash and bank	0.0
Deferred tax liability	-4.7
Long-term liabilities	-3.8
Current liabilities	-3.6
Acquired Net Assets	20.0
Goodwill	48.9
Total purchase consideration	68.9
Directed placement	10.5
Estimated earn-out consideration to be paid 2023	42.9
Cash in company acquired	0.0
The acquisition's impact on the Group's cash flow	15.5

Connexus Careline

On October 14, Doro acquired the telecare business Careline from Connexus Housing Group. The acquisition means that Doro takes over the customer agreements for the business. Costs for the acquisition have been charged to profit for the year by SEK 0.3m. The purchase price was paid in cash and amounted to SEK 7.1m. Carline had an annual turnover in 2019/20 of GBP 1.1m.

Final figures for the acquired net assets and goodwill are presented below

Fair value	SEK (m)
Intangible assets	7.1
Acquired Net Assets	7.1
Goodwill	0.0
Total purchase consideration	7.1
The acquisition's impact on the Group's cash flow	7.1

Note 19 Goods for resale

The Group	2021	2020
Opening gross stock	246.4	273.5
Acquisition in divested operations	3.0	1.2
Divested operations	-39.1	0.0
Change in gross stock	44.3	-28.4
Exchange rate difference	1.0	0.1
Closing gross stock	255.6	246.4
Opening write-downs of stock	-22.1	-29.1
Acquisition	0.0	-0.2
Divested operations	0.5	0.0
Change in write-downs of stock	-8.9	7.3
Exchange rate difference	-0.1	0.0
Closing write-downs of stock *	-30.6	-22.1
Net stock in balance sheet	225.0	224.4

* Acquisition value for the inventory that write-downs of stock of SEK 30.5m (22.1) relates to is based on inventory book value of SEK 146.6m (140.5).

Parent company	2021	2020
Opening gross stock	195.7	201.8
Change in gross stock	8.6	-6.1
Closing gross stock	204.3	195.7
Opening write-downs of stock	-14.4	-17.9
Change in write-downs of stock	-11.1	3.5
Closing write-downs of stock *	-25.5	-14.4
Net stock in balance sheet	178.8	181.3

* Acquisition value for the inventory reserve of SEK 11.1m (14.4) is based on inventory book value of SEK 138.3m (138.2).

Note 20 Provision for guarantees

	The Group		Parent Company	
	2021	2020	2021	2020
Opening balance	38.6	48.4	32.0	40.0
Amount released	-46.3	-53.9	-43.5	-51.2
New provisions	41.9	44.4	41.8	43.2
Exchange rate difference	-0.1	-0.3	0.0	0.0
Closing balance	34.1	38.6	30.3	32.0

Note 21 Pension allocations

The Group	2021	2020
Opening balance	43.0	47.8
Redemption of pension debt	-42.3	-0.6
New provisions	0.4	0.0
Exchange rate difference	2.2	-4.2
Closing balance	3.3	43.0

Doro has a limited number of employees at the Group's French subsidiary that have a defined benefit pension plan. Since the recognized liability regarding the plan is an insignificant amount, the assumptions on which the actuarial calculations are based are not presented in the Annual Accounts.

In 2021, Doro paid the pension liability for a defined benefit pension plan that was included in the acquisition of Centra Pulse 2019. The acquisition was part of Careium, which was distributed in December 2021.

The text below refers to the situation in 2020.

The transfer agreement with the seller means that Doro must end its participation in the pension plan in 2020. In addition to the determined value of the pension provision an agreement with the seller that the seller will pay any excess amount to terminate the participation in the pension plan up to a ceiling amount. There are no indications that the ceiling amount will be exceeded. As the pension provision is valued at the amount that Doro will pay when the participation in the pension plan ends, no assumptions for actuarial calculations are reported.

Note 22 Other allocations

	The Group		Parent Company	
	2021	2020	2021	2020
Opening balance	38.5	35.5	35.0	34.5
Divested operations	-5.9	0.0	0.0	0.0
Amount released	-11.5	-19.6	-10.4	-19.4
New provisions	29.4	22.7	21.6	19.9
Unutilized amount cancelled	-1.8	0.0	0.0	0.0
Exchange rate difference	0.1	-0.1	0.0	0.0
Closing balance	48.8	38.5	46.2	35.0

	The Group		Parent Company	
	2021	2020	2021	2020
Additional royalty costs	42.5	31.7	42.5	31.7
Other provisions	6.3	6.8	3.7	3.3
Closing balance	48.8	38.5	46.2	35.0

Additional royalty costs

Additional royalty costs include costs that are known but that have not been debited at the time of invoicing and those that are unknown but expected at the time of invoicing. The provision for additional costs is charged against costs for goods sold.

Note 23 Risk Management and Financial Instruments

FINANCIAL RISK MANAGEMENT

The Board of Directors of Doro has adopted a treasury policy that regulates how financial risks are to be identified and managed. Risk Management aims to reduce or eliminate risks. The main objective is to achieve a financial low risk profile.

Doro AB (parent company) has the overall responsibility for the Group's financial risk management including currency risk management, liquidity management and cash management. Centralisation and coordination enable substantial economies of scale with respect to the terms obtained for financial transactions and financing. The risk to which Doro is exposed are described below.

CREDIT AND COUNTERPARTY RISK

The Group is primarily exposed to credit risk associated with commercial transactions with customers but also in financial transactions. The latter as counterparty risk associated with foreign exchange hedging and issuer risk in potential short-term investments. Credit and counterparty risks are managed centrally by the parent company Doro AB. Financial instruments may only be done with approved banks. Short-term investments may only be done with the counterparty categories government, municipalities and banks. In 2019 there were no short-term investments carried out.

Accounts receivable amounted to SEK 191.9m (233.7) and leasing receivables amounts to SEK 0m (9.1). In recent years Doro has experienced low credit losses (less than 0.5 percent of sales) due to the fact that the main customer group is large business with regular trade. The single largest customer accounts for less than 10 percent of Group sales. In most countries Doro operates without credit insurance.

	The Group	
Age analysis of accounts receivable	2021	2020
Not yet due	168.9	210.0
Due for payment < 60 days	24.8	14.5
Due for payment > 60 days	10.1	25.2
Total accounts receivable	203.8	249.7
Expected bad debt losses	-11.9	-16.0
Accounts receivable in the financial statements	191.9	233.7

	The Group	
Impaired accounts receivable	2021	2020
Opening balance	-16.0	-20.0
Through acquisitions	0.0	-0.4
Divested operations	3.4	0.0
Expected bad debt losses	0.2	-2.0
Confirmed bad debt losses	-4.0	6.8
Translation differences	0.0	0.3
Amount reversed	4.5	-0.7
Closing balance	-11.9	-16.0

Other receivables

Other receivables are not yet due.

LIQUIDITY RISK

At December 31, 2021, the Group had SEK 171.7m (201.5) in interest-bearing financial liabilities, including financial lease agreements, amounting to 18.4 (72.1). Doro has a Revolving Facility Agreement, amounting to SEK 150m. Termination date is November 2024.

At December 31, 2020, Group liquidity amounted to SEK 179.1m (170.6).

The overall objective is to meet the short-term financing need from Group operations, while minimizing surplus liquidity. Doro should have a liquidity reserve at minimum SEK 40m.

FOREIGN EXCHANGE RISK

Doro is exposed to foreign exchange risks caused by unfavourable exchange rate fluctuations that may affect sales, earnings and equity. Foreign exchange risk are described below, broken down into transaction exposure and translation exposure.

Transaction exposure

Transaction exposure arises as Doro has sales and purchases in various currencies. Goods are primarily purchased in USD, while sales are commonly in EUR, GBP, USD and the Nordic currencies. In accordance with the treasury policy, forecasted net flows are hedged on a quarterly basis for periods for which the price list is set at between 70 to 90 percent. The hedge horizon can thus vary between three to six months at each point in time. Foreign exchange management is centralised at the finance department of Doro AB, which buys and sells currencies under the treasury policy. Doro applies hedge accounting in accordance with IFRS. See Note 1 Accounting principles for further information.

Transaction volumes Outstanding exposure (SEK m) (Before and after hedging)

	Before hedging 2021-12-31	After hedging 2021-12-31	Sensitivity at 5% weaker SEK	Before hedging 2020-12-31	After hedging 2020-12-31	Sensitivity at 5% weaker SEK
NOK	6.8	6.8	0.3	15.4	15.4	0.8
EUR	187.7	40.0	2.0	180.9	45.3	2.3
GBP	54.2	10.2	0.5	54.6	27.6	1.4
USD	-202.1	-73.0	-3.7	-316.5	-73.7	-3.7

The table shows outstanding transaction exposure at year-end for the hedged period. The hedged period as per the end of December refers to flows through the end of May, 2022. The net market value for all outstanding currency futures amounts to SEK 0.8m at December 31, 2021, whereof SEK -0.8m refers to transaction exposures recognised as hedge.

Translation exposure

Translation exposure arises when foreign assets and liabilities, as well as the income statements of foreign subsidiaries, are translated into SEK upon consolidation. Doro does not hedge the translation exposure.

NOTES

At year-end the value of foreign net assets was SEK 102m (345). The breakdown by currency is shown in the table below.

Value of foreign assets	2021	2020
USD	17	15
NOK	4	13
EUR	37	232
GBP	42	78
HKD	3	7
Total	102	345

INTEREST RATE RISK

Interest rate risk is the risk that the Group's net interest result declines due to rising market interest levels.

Doro's existing debt portfolio is entirely denominated in SEK and with floating interest rate condition.

Average rate of interest during 2021 amounts to 1.9 percent. If the interest rate would increase by 1 p.p.

Doro's financial net would deteriorate by SEK 1.5m based on the debt position at December 31, 2021.

Term analysis for derivatives and financial liabilities as per December 31, 2021

Group SEKm	Currency	0–3 months	3 months –1 year	1–3 years	3 years or more	Total contractual cash flows	Carrying amount
Bank loan	SEK	0.6	1.7	154.5		156.8	150.0
Futures inflow	mixed	-120.0	-70.2			-190.2	-2.1
Futures outflow	mixed	96.4	30.0			126.4	2.9
Leasing liability	mixed	1.9	5.6	11.2	1.0	19.6	18.4
Accounts payable	mixed	125.8				125.8	125.8
Total		104.7	-33.0	165.7	1.0	238.4	295.0

NOTES

Financial instruments – fair value

Group 2021	Fair value through profit and loss	Derivatives included in comprehensive income	Amortised cost	Carrying amount	Fair value
Accounts receivable			191.9	191.9	191.9
Other receivable			14.5	14.5	14.5
Derivatives (hedge accounting)					
Derivatives (non-hedge accounting)	3.2			3.2	3.2
Assets	3.2	0.0	206.4	209.6	209.6
Derivatives (hedge accounting)		0.8		0.8	0.8
Liabilities to credit institutions			150.0	150.0	150.0
Accounts payable			125.8	125.8	125.8
Derivatives (non-hedge accounting)	1.6			1.6	1.6
Other liabilities			121.1	121.1	121.1
Liabilities	1.6	0.8	396.9	399.3	399.3
Group 2020					
Accounts receivable			233.7	233.7	233.7
Leasing receivable			9.1	9.1	9.1
Other receivable			2.2	2.2	2.2
Derivatives (hedge accounting)		1.3		1.3	1.3
Derivatives (non-hedge accounting)	1.8			1.8	1.8
Assets	1.8	1.3	245.0	248.1	248.1
Derivatives (hedge accounting)		7.2		7.2	7.2
Liabilities to credit institutions			86.4	86.4	86.4
Accounts payable			198.9	198.9	198.9
Derivatives (non-hedge accounting)	5.6			5.6	5.6
Other liabilities			212.9	212.9	212.9
Liabilities	5.6	7.2	498.2	511.0	511.0

NOTES

Financial instruments – fair value

Parent company 2021	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Carrying amount	Fair value
Accounts receivable			169.9	169.9	169.9
Receivables from Group companies			360.4	360.4	360.4
Other receivables			11.9	11.9	11.9
Derivatives (hedge accounting)					
Derivatives (non-hedge accounting)	3.2			3.2	3.2
Assets	3.2	0.0	542.2	545.4	545.4
Derivatives (hedge accounting)		0.8		0.8	0.8
Derivatives (non-hedge accounting)	1.6			1.6	1.6
Liabilities to credit institutions			150.0	150.0	150.0
Accounts payable			120.7	120.7	120.7
Receivables from Group companies			363.8	363.8	363.8
Other liabilities			94.1	94.1	94.1
Liabilities	1.6	0.8	728.6	731.0	731.0

Parent company 2020

Accounts receivable			170.0	170.0	170.0
Receivables from Group companies			236.5	236.5	236.5
Other receivables			4.2	4.2	4.2
Derivatives (hedge accounting)		1.3		1.3	1.3
Derivatives (non-hedge accounting)	1.8			1.8	1.8
Assets	1.8	1.3	410.7	413.8	413.8
Derivatives (hedge accounting)		7.2		7.2	7.2
Derivatives (non-hedge accounting)	5.6			5.6	5.6
Liabilities to credit institutions			85.0	85.0	85.0
Accounts payable			184.9	184.9	184.9
Receivables from Group companies			350.5	350.5	350.5
Other liabilities			112.8	112.8	112.8
Liabilities	5.6	7.2	733.2	746.0	746.0

The breakdown of fair value determination is performed at the following three levels:

Level 1: According to quoted prices on an active market for the same instrument.

Level 2: Based on directly or indirectly observable market data not included in Level 1.

Level 3: Based on input data not observable on the market.

Derivates at fair value in the table above have been valued according to Level 2.

The fair value of forward exchange contracts is determined as the present value of future cash flows based on exchange rate forward rates on the balance sheet date.

For other financial instruments, the carrying amount is a reasonable estimate of fair value.

Note 24 Liabilities to credit institutes

	The Group		Parent Company	
	2021	2020	2021	2020
Long-term				
Bank loans	150.0	86.4	150.0	85.0
Financial leasing liability	11.4	51.3	0.0	0.0
Total	161.4	137.7	150.0	85.0
Short-term				
Financial leasing liability	6.9	20.8	0.0	0.0
Total	6.9	20.8	0.0	0.0
Total liabilities to credit institutes	168.3	158.5	150.0	85.0

The bank loan has an interest rate of 1.55 percent as of 31 December 2021 + STIBOR. STIBOR is defined as the applicable screen rate as of 11:00 a.m. on the offer date for the SEK offer and for a period equal to the interest period for that loan. In case that rate is less than zero, STIBOR shall be deemed to be zero.

The level of interest on the bank loan is linked to the Company's leverage ratio, with 1.25 percent as the minimum level and 1.55 percent as the maximum level. For 2022, the interest rate has been changed to 1.25 percent.

The parent Company's liabilities to credit institutions are in Swedish kronor.

Maturity dates of long-term liabilities	The Group		Parent Company	
	2021	2020	2021	2020
1–2 years	0.0	0.0	0.0	0.0
2–5 years	150.0	86.4	150.0	85.0
More than 5 years	0.0	0.0	0.0	0.0
Total	150.0	86.4	150.0	85.0

Note 27 Net debt changes

	Other assets	Liabilities related to financing activities				Total
	Cash and bank/ bank overdraft	Financial leases due within 1 year	Financial leases due after 1 year	Liabilities to credit institutions due within 1 year	Liabilities to credit institutions due after 1 year	
Net Debt December 31, 2020	-170.6	20.8	50.4	0.0	86.4	-13.0
Cash flow	4.1	-20.4			62.2	45.9
Exchange rate differences	-12.6					-12.6
New Right-to-use assets		8.8				8.8
Divested operations		2.3	-38.9		1.4	-39.8
Net Debt December 31, 2021	-179.1	6.9	11.5	0.0	150.0	-10.7

Note 25 Related Party Transactions

No related party transactions during the year, apart from salaries and remunerations in Note 5.

Note 26 Significant events after year-end

No significant event have taken place after the end of the year.

Note 28 Use of non-international financial reporting standards ("IFRS") 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 annual 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 costs of sales of goods and services 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.
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.
Leverage ratio	Interest bearing liabilities divided by Equity.	The measure shows the company's financial risk (interest rate sensitivity).
Dividend yield	Dividend per share divided by the share price at year-end.	Return measure on investment in the company's shares.
P/E ratio	The share price at year-end divided by earnings per share for the year.	Measure on the value of the company's shares.
Capital turnover rate	Net sales divided by the average total assets.	The measure shows how much capital the operation requires.
Cash conversion rate %	Cash flow from operating activities divided by EBIT.	Measures the proportion of profit that are converted to cash flow.

Calculation of financial performance measures that are not defined in IFRS	2021	2020
Capital employed		
Total assets	990.9	1,581.3
Non interest-bearing liabilities	399.6	576.2
Cash and bank	179.1	170.6
Reported Capital employed	412.2	834.5
Leverage ratio		
Interest bearing liabilities	171.7	200.6
Equity	422.9	804.5
Reported leverage ratio	0.41	0.25
Capital turnover rate		
Net sales	1,039.6	1,689.3
Average total assets	1,286.1	1,629.4
Reported capital turnover rate	0.8	1.0

Note 29 Operating Expenses per cost type

THE GROUP, SEK m	2021	2020
Merchandise	-612.7	-759.9
Other external expenses	-146.1	-169.9
Personnel costs	-103.2	-115.1
Depreciation and impairments of tangible fixed assets	-8.4	-13.0
Depreciation and impairments of intangible assets	-57.0	-65.0
Other operating expenses		0.1
Total costs	-927.5	-1,122.9

PARENT COMPANY, SEK m	2021	2020
Merchandise	-611.5	-751.4
Other external expenses	-219.2	-252.2
Personnel costs	-103.7	-139.5
Depreciation and impairments of tangible fixed assets	-4.9	-8.7
Depreciation and impairments of intangible assets	-222.9	-77.8
Other operating expenses		-0.8
Operating Profit	-1,162.1	-1,230.5

Note 30 Distributed operations

On 22 November 2021, an Extraordinary General Meeting of Doro resolved, in accordance with the proposal of the Board of Directors, to distribute all shares in the wholly owned subsidiary Careium to the shareholders of Doro. The record date for the dividend was 7 December 2021. In this report, Careium is presented as distributed operations in the consolidated income statement with retroactive effect for prior periods and in accordance with IFRS 5.

INCOME STATEMENT, SEK m	2021	2020
Net sales	530.4	524.1
Costs	-533.7	-497.8
Profit/loss before tax	-3.3	26.3
Income tax	0.6	-7.5
Profit/loss for the period	-2.7	18.8
Profit on distribution of subsidiaries after tax	288.8	0
Profit/loss from distributed operations	286.1	18.8

CASH FLOW FROM DISTRIBUTED OPERATIONS, SEK m	2021	2020
Net cash flow from operating activities	8.0	43.8
Net cash flow from investment activities	-133.4	-79.3
Net cash flow from financing activities	-11.7	-11.6
Cash flow for the period	-137.1	-47.1

The reported amounts of assets and liabilities at the date of the dividend 10/12/2021	2021
Fixed assets	
Intangible assets	541.0
Tangible assets	93.9
Financial assets	7.1
Deferred tax assets	3.7
Current assets	
Inventory	38.5
Short-term receivables	181.0
Cash and cash equivalents	63.9
Total assets	929.2
Equity attributable to owners of the parent company	494.7
Long-term liabilities	73.8
Short-term liabilities	360.6
Total equity and liabilities	929.2

Not 31 Other financial non-current assets

In connection with the distribution of the shares in Careium, Doro and Careium entered into a loan agreement through which Careium raised a hybrid loan of SEK 50m. The loan has no fixed due date, but Careium have the right to redeem the loan at certain point of times. Apart from that, the loan agreement contains market terms.

Notes on Sustainability

Note 1 Materiality Analysis

	Manufacturing products	Transporting products	Doro internal (management and provision of services)	Use of products and services	Reuse and recycling of products
Affected stakeholders	Suppliers	Suppliers	Staff Owners	Customers Society	Society
Environmental Impact	Emissions and other environmental impacts of material extraction and production. Manufacturing mainly in Asia.	CO ₂ and other emissions from aircraft, ships and trucks.	Heating, electricity and water for Doro's offices. Staff transport.	Energy consumption of products.	Energy consumption. Use of finite resources. Waste.
Significance	High Life cycle analyses of electronics such as mobile phones show that 85 percent of the climate footprint comes from manufacturing. In addition, waste and emissions are generated in this part.	Medium Life-cycle analysis of electronics such as mobile phones shows that about 10 percent of the carbon footprint comes from transport.	Low Relatively low environmental impact. Impact through management of other steps.	Low Life cycle analysis of electronics such as mobile phones shows that about 5 percent of the carbon footprint comes from the use of the products.	Medium Longevity and reparability are important to reduce the relative life cycle impact of production.
Possibility	Low Limited choice of components and manufacturers.	Medium Customer demands and difficulties in stock planning lead to more air freight than desired.	Medium Green electricity is available. Vehicles can be selected according to their environmental performance.	Medium Construction made for low energy use.	Medium In the design, emphasis is placed on durability and reparability. Products are labelled to facilitate recycling.
Doro Governance	Supplier selection. Product specification. Business ethics.	Supplier selection. CO ₂ measurement.	ISO 14001. Measurement and management of environmental impact.	Product development.	Product development.
Social Impact	Occupational health and safety and human rights. Conflict minerals. Provisions in supply chain.	Occupational health and safety and human rights. Provisions.	Occupational health and safety and human rights. Provisions for staff. Profit for owners.	Security and autonomy for end-users. Information security/personal data. Product safety.	Occupational health and safety and human rights in recycling. Reparability and longevity for economic sustainability.
Significance	High The main risks regarding the working environment and human rights lie in the manufacturing chain.	Low Relatively low social impact.	Low Doro's own operations are located in countries with low social risks.	High An ageing population is a challenge in the countries where Doro operates. Positive impact on users.	Low Relatively low social impact.
Possibility	Medium Manufacturing is done in Asia to achieve competitive products. Selection and management of suppliers is done, but risks exist.	Medium Established logistics companies are selected.	Medium Work environment and culture can be controlled.	High Products and services are developed for good social impact. Quality of products and services that meet customer requirements.	Medium In the design, emphasis is placed on durability and reparability.
Doro Governance	Supplier selection. Product specification. CSR-policy for suppliers.	Supplier selection.	Business ethics. Measurement and management of the working environment.	ISO 9001. Loneliness Commission.	Product development.

NOTES ON SUSTAINABILITY

Finance and Governance, Impact	Risk of corruption. Provisions in supply chain.	Risk of corruption. Provisions	Risk of unethical governance. Risk of insider trading. Provisions for staff Profit for owners.	Risk of corruption, price cartels and misleading marketing. Tax collection. Products and services that increase people's opportunities for a good life.	Risk of corruption. Repairability and longevity for economic sustainability.
Significance	Medium The main corruption risks are in the manufacturing chain.	Medium Relatively small customer for each supplier.	High Management/staff control the business and have the opportunity to influence all aspects.	High An ageing population is a challenge in the countries where Doro operates. Positive impact on users, carers and communities.	Low Relatively small impact.
Possibility	Medium Manufacturing is done in Asia to achieve competitive products. Selection and management of suppliers is done, but risks exist.	Medium Established logistics companies are selected.	High Measurement and management of finance and corporate governance.	High Products and services are developed for good economic sustainability.	Medium Suppliers with a good reputation are selected.
Doro Governance	Supplier selection. CSR-policy for suppliers.	Supplier selection.	Business ethics and other policies. Financial reporting	Business ethics.	CSR-policy for suppliers.

Explanations for the table: Significance is Doro's actual impact in an area, opportunity is what control Doro has over that impact. Environment is the external environment, how the planet is affected. Social is any impact on people. Economics and governance is what is called Governance in English; this is essentially ethical governance of the company, which includes anti-corruption, paying taxes properly, not having insider deals, etc.

Strategy Based on Materiality

Based on materiality analysis, Doro has concluded that it is in social sustainability at the customer level that Doro has the greatest impact. It is in this area that Doro makes a difference in a way that would not have been the case if the company was in a different industry, with different customer segments. This is where value is created for users and society.

There are many other interesting sustainability issues that we are sometimes asked about. Here are some of them, with answers as to why we don't write much about them in the Sustainability Report.

Ask	Reason
Biodiversity	We have no land of our own and our products have no specific impact on plants and animals.
Water consumption	We only have water consumption in offices in our own operations, with water consumption for hygiene and as beverages. We have no visibility and influence in the water consumption of our suppliers.
Rights of indigenous peoples	We do not conduct activities that have any particular impact on indigenous peoples. However, we do consider this issue when selecting suppliers.
Chemical use	Our operations use chemicals to decontaminate reclaimed products and for general cleaning, but in low quantities and with chemicals that have a low risk of harm. Procedures are in place for chemical handling and are managed within the health and safety area.
Air quality	Our operations do not produce emissions that affect air quality. Manufacturing and transport have an impact, which is carried out by subcontractors.
Noise	Our activities do not give rise to noise. Manufacturing and transport may cause noise, but is carried out by subcontractors.

Note 2 Environmental Data

Environmental Governance

Environmental certification according to ISO 14001 exists for our central operations.

Environmental performance of products

Products are developed as far as possible to facilitate repair, updating and reuse.

Increasing longevity and reparability has been a focus in 2021 and we have signed up to the new product label for mobile phones: Ecorating. This scores on various durability criteria and in the area of reparability, a maximum of 10 points can be achieved. Our smartphone 8100 launched in 2021 scored 6.7, exceeding our target of 6.0.

Complaints have decreased in 2021 and we have improved the management of e-waste at the 18 repair centres used for handling returned products.

GREENHOUSE GASES

Emissions, tonnes CO ₂ e (carbon dioxide equivalent)	2021 Doro except Careium	2020 Doro except Careium*	2020 Doro incl. Careium	2019 Doro incl. Careium
Direct greenhouse gas emissions, Scope 1	75	78	305	400
Indirect greenhouse gas emissions, Scope 2	45	45	68	200
Emissions from transport of goods, Scope 3 (see below for delimitation)	1,904	2,840	2,990	3,116

The annual reports 2019 and 2020 refer to Doro incl Careium. Careium was spun off as a separate company in December 2021. For comparison, a figure has been produced for the proportion of emissions in 2020 that can be attributed to Doro's operations.

GREENHOUSE GASES, CALCULATION METHODS

Emissions	How we calculated and what we included
General	All calculations refer to the climate impact of using the fuel. Impacts from production and distribution of the fuel are not included.
Direct greenhouse gas emissions, Scope 1	Owned and leased cars, as well as combustion for heating, constitute Doro's Scope 1 emissions.
Indirect greenhouse gas emissions, Scope 2	<p>Energy consumption for Doro's premises constitutes our Scope 2 emissions. Where Doro does not have its own electricity and heating contracts for offices, the calculation is based on the total figure for the building and what proportion of the building Doro's offices make up.</p> <p>The 2019 emissions were calculated on the national average for CO₂e/kWh. In 2020 and 2021, emission figures from the suppliers were used, resulting in a reduction because fossil-free or eco-profiled electricity is used to a large extent. Figures for 2020–2021 are more accurate than 2019 due to improved calculation methodology.</p>
Emissions from freight transport, Scope 3	<p>All freight is transported by external freight forwarders, who calculated Doro's freight transport according to EN 16258:2012. Only transports from Asia to warehouse are reported. Therefore, transport from warehouse to end customer is not included.</p> <p>More detailed figures from the forwarders are provided in the table below (in the table below both WTW and TTW are shown, but in the GHG table above TTW is used).</p>
Other Scope 3 emissions	<p>Scope 3 emissions other than those mentioned above are not reported due to lack of data. Examples include air and rail passenger transport, staff commuting, emissions from the manufacture of products and energy use of products by our customers.</p> <p>Shippers have only been able to provide aggregate figures for Doro+Careium for 2021, but documentation at Doro/Careium shows that only 5 percent of products are Careiums, so 95 percent is of the total figure reported here.</p>

Emissions figures from carriers

SCOPE 3, TRANSPORT OF GOODS

Mode of transport	Tonne CO ₂ e, WTW	Tonne CO ₂ e, TTW
Air	2,279	1,869
Sea	41	36
Total	2,320	1,904

WTW=Well to wheel, TTW=Tank to wheel.

ENERGY CONSUMPTION

	Group	Sweden	United Kingdom	Norway	France	Germany	Hong Kong
Passenger transport, company-owned vehicles (Scope 1), MWh	189	2	0	0	70	117	0
Electricity consumption, MWh* (total, including electricity for heating)	255	57	11.5	13.6	21.4	138	13.2
District heating, MWh*	126	126	0	0	0	0	0
Cooling with district cooling, MWh	0	0	0	0	0	0	0
Consumption of steam	0	0	0	0	0	0	0
Heating with own combustion, MWh	146	0	0	0	0	146	0

* District heating is calculated as a share of the total consumption of the house, as separate meters are not available. In some offices this also applies to electricity consumption. No energy has been sold.

ENVIRONMENTAL FACTS OFFICES

	Group	Sweden	United Kingdom	Norway	France	Germany	Hong Kong
Office space, m ²	4,618	963	110	107	376	2,900	162
Water consumption, m ³ *	*	950	*	*	*	194	*
Electrical waste including batteries	4,213	550	0	42	150	3,466	5

* Water consumption Sweden is calculated as a percentage of the total consumption of the house, as there is no separate meter. At unaccounted offices, figure is missing because water is included in the rent and not measured separately.

Customer security

Our product development is ISO 9001 quality certified and has clear processes and structures for producing products and services that meet customer requirements and comply with legislation. Key elements include what materials can be used, how waste management and recycling requirements are met, and how the design is made to ensure the products are safe and user-friendly.

Product quality is managed through systematic quality control, follow-up and close dialogue with our selected production partners.

Where suppliers are involved in the service chain, agreements are in place to ensure the level of service.

Note 3 Staff data

STAFF FACTS 2021

	Group	Sweden	United Kingdom	Norway	France	Germany	Hong Kong
Number of employees, Head count, at the end of the year, (full-time + part-time)	112	50	8	3	13	27	11
Share of women in total number of employees at the end of the year, %	39	44	25	0	62	33	27
Percentage of women in management positions at the end of the year, %	41	42	50	0	5	29	50
Percentage of staff who have had an appraisal interview, %	77	74	100	10	100	56	91
Part-time work (proportion working part-time), end of year, %	5	2	0	0	8	15	0
Staff turnover % permanent employees leaving Doro in 2021	15						
Average age, employees at the end of the year	45	46	48	47	48	40	47
There is a collective bargaining agreement		Yes	No	No	No	No	No

Note 4 Working environment

Doro has a Group-wide health and safety policy and guideline. Based on these, each site manager is responsible for steering and monitoring of the work environment, including compliance with legal requirements. At Group level, an annual follow-up of all business locations is carried out to verify that everyone has an active health and safety management system in place and that the relevant requirements are checked. All Group employees are covered by the health and safety management system.

OCCUPATIONAL HEALTH AND SAFETY FACTS 2021

	Group	Sweden	United Kingdom	Norway	France	Germany	Hong Kong
Health and safety procedures are documented in the local language		Y	Y	N	Y	Y	N
Safeguarding rounds are held at least annually		Y	N	Y	N	Y	N
Number of reported occupational injuries and incidents	3	0	0	0	0	3	0
Sick leave due to occupational injuries and incidents, hours	0	0	0	0	0	0	0
Number of reported cases of discrimination	0	0	0	0	0	0	0
Work environment risk assessment has been updated in 2021		Y	N	Y	N	Y	N

Anti-Corruption

One hundred percent of operations have been risk assessed according to the UN Global Compact "Guide for Anti-Corruption Risk Assessment". Figures from Transparency International have been used to assess risks in different countries. The risk rated highest is that buyers breach company violations when dealing with Asian suppliers in the case of representation.

All managers, sales staff and purchasing decision makers have received a digital course on anti-corruption in 2021. Out of 30 people who received the course, 15 people (50 percent) have completed it, including the final test.

There were no cases of corruption detected in 2021.

Note 5 Whistleblowing

Doro has information on the website on how whistleblowing can be done. It is also included in business ethics policies, internally and for suppliers.

WHISTLEBLOWING 2021

	Group
Number of whistleblowing cases reported	0

Note 6 Sustainability Goals

Examples of environmental goals within Doro..

SELECTED ENVIRONMENTAL GOALS 2021

Goals	Results	Comment
Evaluate the feasibility of achieving a score >6 for reparability on smart phones by 2021.	OKAY	Newly developed smart phone (8100) scored 6.7 for reparability.
Implement new French legislation for reparability/availability of spare parts. Effective from 1 January 2022.	OKAY	Products sold in France meet the requirements.
Improve e-waste procedures for returned products.	OKAY	E-waste is collected centrally and management has been improved.

SELECTED ENVIRONMENTAL GOALS 2022

Goals
Reduction in the share of air freight from Asia in favour of sea freight.
Increase in product lifetime and reduction in the share of returned phones that are scrapped through improved reparability of newly launched products and continued trend in reduction of complaints.

Note 7 TCFD (Task Force on Climate Related Financial Disclosures)

TCFD is used by companies better to identify their climate-related financial risks and opportunities.

Governance	Strategy	Risk management	Indicators & targets
A. Board monitoring of climate-related risks and opportunities.	A. Climate-related risks and opportunities the organization has identified.	A. The organisation's processes for identifying climate-related risks.	A. The organisation's indicators for assessing climate-related risks and opportunities.
The Board manages climate risks alongside other risks, at least once a year. Targets and action plans for climate action are agreed with other targets.	Risks are presented together with other risks. See page 82. Climate risk is addressed by both senior management and the Group Environment Group.	Climate risks are included in the assessment of sustainability risks, which in turn are included in the Group's overall risks.	Climate indicators are included in the Sustainability Report, see sustainability note "Environmental data".
B. Management's role in assessing and managing climate-related risks and opportunities.	B. Impact of risks and opportunities on the organisation's operations, strategy and financial planning.	B. The organisation's processes for managing climate-related risks.	B. Emissions of Scope 1, 2 and 3 under the Greenhouse Gas Protocol.
The company's overall risks are assessed by Group Management, following the development of evidence by various groups. Group Management is responsible for prioritizing actions and allocating resources to risk management. The Group Environmental Steering Committee manages risks, targets, etc.	Actions are presented together with the risks on page 83. We have mainly identified the potential for increased product lifetime and taken action, see sustainability note Environmental data/Product environmental performance.	The company's Business Continuity Plan includes climate-related risks, such as how to respond to impending tropical storms.	Scope 1, 2 and 3 emissions are reported in the Sustainability note Environmental data/Greenhouse gases.
	C. Readiness of the organisation's strategy with respect to different climate-related scenarios.	C. Integration of the above processes into the organisation's overall risk management.	C. Targets for addressing climate-related risks and opportunities.
	Risk assessment based on IPCC climate scenarios has not yet been carried out at a detailed level. The main risks are in the supply chain and can be managed by switching suppliers.	Climate risks are managed in a fully integrated way with other risks. Our ISO 14001 certified environmental management system includes climate work.	Targets for circularity are reported in the sustainability note Environmental Data/Environmental Performance of products.

SIGNATURES

The undersigned declare that the consolidated and annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and with generally accepted accounting principles and give a true and fair view of the position and performance of the group and the parent company, and that the management report gives a true and fair view of the development of the group's and the parent company's business, position and performance and of the principal risks and uncertainties that the parent company and its group companies face.

Malmö on 4 April 2022

Henri Österlund
Chair of the Board

Juha Mört
Board Member

Victor Saeijs
Board Member

Fredrik Löthgren
Employee
Representative

Jörgen Nilsson
Managing Director

Our Audit Report was submitted on 7 April 2022
PricewaterhouseCoopers AB

Tomas Hilmarsson
Authorised auditor
Principle authorised auditor



Auditor's report

To the Annual General Meeting of Doro AB (publ), company identity number 556161-9429

REPORT ON THE ANNUAL REPORT AND CONSOLIDATED ACCOUNTS Statements

We have performed an audit of the Annual Report and Consolidated Accounts for Doro AB (publ) for the year 2021 with the exception of the Corporate Governance Report on pages 34–37. The Company's Annual Report and Consolidated Accounts are included 29–39, 43–76 and 83 in this document.

In our opinion, the Annual Report has been prepared in accordance with the Annual Accounts Act and provides a true and fair view of the parent company's financial position as of 31 December 2021 and of its financial results and cash flow for the year in accordance with the Annual Accounts Act. The Consolidated Accounts have been prepared in accordance with the Annual Accounts Act and provide a true and fair view of the Group's financial position as of 31 December 2021 and of its financial results and cash flow for the year in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our statements do not include the Corporate Governance Report pages 34–37. The Management Report is consistent with the other parts of the Annual Report and Consolidated Accounts.

We therefore recommend that the Annual General Meeting approve the income statement and balance sheet for the Parent Company and the Group.

Our statements in this report on the Annual Report and the Consolidated Accounts are consistent with the content of the supplementary report that has been submitted to the Parent Company's audit committee in accordance with Article 11 of the Auditors Ordinance (537/2014).

Basis for Statements

We performed the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities in accordance with these standards are described in more detail under the heading Auditor's Responsibilities. We are independent in relation to the Parent Company and the Group in accordance with good auditing practice in Sweden and have otherwise fulfilled our professional ethical responsibility in accordance with these requirements. This means that, based on our best knowledge and belief, no prohibited services referred to in Article 5 (1) of the Auditors' Regulation (537/2014) have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our statements

Our Audit Approach

The focus and scope of the audit

We designed our audit by determining the materiality level and assessing the risk of material misstatement of the financial statements. We paid particular attention to the areas where the CEO and the Board have made subjective assessments, such as important accounting estimates that have been made on the basis of assumptions and forecasts of future events, which are inherently uncertain. As with all audits, we have also taken into account the risk of the Board and the CEO being in breach of the internal control, and among other things considered whether there is evidence of systematic deviations that have given rise to a risk of material misstatement due to irregularities.

We adapted our audit to carry out an appropriate audit in order to be able to express an opinion on the financial statements as a whole, taking into account the Group's structure, accounting processes and controls and the industry in which the Group operates.

Significance

The scope and focus of the audit were affected by our assessment of materiality. An audit is designed to achieve a reasonable degree of certainty as to whether the financial statements contain any material inaccuracies. There may be errors as a result of irregularities or mistakes. They are considered significant if they individually or together reasonably can be expected to influence the financial decisions that users make on the basis of the financial statements.

Based on professional judgement, we determined certain quantitative materiality figures, including for the financial reporting as a whole. Using these and qualitative considerations, we determined the focus and scope of the audit and the nature, timing and extent of our audit procedures, as well as assessing the effect of individual and total inaccuracies on the financial statements as a whole.

Information in Addition to the Annual Report and Consolidated Accounts

This document also contains information that is in addition to the Annual Report and Consolidated Accounts and can be found at pages 1–28, 40–42, 77–82 and 89–90. The Board and the CEO are responsible for this additional information.

Particularly Significant Areas

Particularly significant areas for the audit are the areas that, in our professional assessment, were the most important for the audit of the Annual Report and the Consolidated Accounts for the relevant period. These areas were addressed within the framework of the audit of, and in our position on, the Annual Report and the Consolidated Accounts as a whole, but we do not make separate statements about these areas.

Particularly Important Area	How our Audit Took the Particularly Important Area into Account
<p>Valuation of Goodwill</p> <p><i>Reference to Note 1 and Note 7 in the Annual Report.</i></p> <p>Goodwill and other intangible assets form a significant part of Doro's balance sheet. The Company annually assesses the value of the assets, which is based on the calculation of discounted future cash flow for the cash-generating units where goodwill and other intangible assets are reported.</p> <p>The impairment test is based on a high degree of assessments and assumptions about future cash flows. Notes 1 and 7 show how the Company carried out this assessment, as well as an account of important assumptions and sensitivity analyses. The assumptions that have the greatest impact on the test are the assessment of future growth rate and the discount factor.</p> <p>It also appears that no need for impairment has been identified based on the assumptions made.</p>	<p>In our audit, we have assessed the calculation model used by the company.</p> <p>We have reconciled and critically examined important assumptions against the Company's budget and strategic plan. We have analysed the accuracy of previous years' assumptions as well as any adjustments that have been made to assumptions from previous years, as a result of the development of the business and external factors.</p> <p>We have tested the sensitivity of the most important assumptions to assess the risk that a need for impairment would arise.</p> <p>We have also assessed the accuracy of the information that appears in the Annual Report.</p>
<p>Report on Discontinued Operations Careium</p> <p><i>Reference to Note 1 and Note 30 in the Annual Report.</i></p> <p>In December 2021, the distribution of Careium to the Company's shareholders was completed. The transaction means that all related assets, liabilities and other financial items attributable to the Careium operations are reported as a dividend in Equity. In accordance with IFRS, Careium's operations during the year are reported separately in the income statement for discontinued operations.</p> <p>Preparations for the dividend have been prompted by extensive transactions linked to, for example, legal changes, mergers and asset transfers to form Careium into an separate group. The effects of these transactions have a significant impact on Doro's financial reports, with the risk that the accounts do not accurately reflect the transactions performed.</p>	<p>Our audit includes an evaluation of the Group's internal control environment for the demerger of Careium and a review of the underlying documentation for the transactions that took place in connection with the creation of the Careium Group.</p> <p>We have also evaluated the management's positions and assessments made to separate financial items attributable to Careium from Doro's financial reports.</p> <p>We have also assessed the accuracy of the information set out in the Annual Report.</p>

The Board and the CEO are responsible for this additional information.

Our statement regarding the Annual Report and Consolidated Accounts does not include this information and we do not make a statement with confirmation regarding this additional information.

In connection with our audit of the Annual Report and the Consolidated Accounts, it is our responsibility to read the information identified above and consider whether the information is to a significant extent incompatible with the Annual Report and the Consolidated Accounts. In this review, we also take into account the knowledge we otherwise acquired during the audit and assess whether the information otherwise appears to contain significant inaccuracies.

If we, based on the work that has been done regarding this information, conclude that the other information contains a material error, we are obliged to report this. We have nothing to report in that regard.

Responsibilities of the Board and the CEO

The Board and the CEO are responsible for preparing the Annual Report and Consolidated Accounts and for giving a true and fair view in accordance with the Annual Accounts Act and, as regards the consolidated accounts, in accordance with IFRS, as adopted by the EU, and the Annual Accounts Act. The Board and the CEO are also responsible for the internal control that they deem necessary to prepare an annual report and Consolidated Accounts that do not contain any material errors, whether these are due to irregularities or mistakes.

In preparing the Annual Report and Consolidated Accounts, the Board and

the CEO are responsible for assessing the company's and the Group's ability to continue operations. They disclose, where applicable, conditions that may affect the ability to continue operations and to use the assumption of continued operation. However, the assumption of continued operation is not applied if the Board and the CEO intend to liquidate the Company, cease operations or have no realistic alternative to doing any of these.

The Board's audit committee shall, without affecting the Board's responsibilities and tasks in general, monitor the Company's financial reporting.

Auditor's Responsibility

Our goal is to achieve a reasonable degree of certainty as to whether the Annual Report and Consolidated Accounts as a whole contain any material inaccuracies, whether due to irregularities or mistakes, and to submit an audit report containing our statements. Reasonable assurance is a high degree of assurance, but is no guarantee that an audit performed in accordance with ISA and good auditing practice in Sweden will always detect a material error if one exists. Errors can occur due to irregularities or mistakes and are considered significant if they individually or together reasonably can be expected to influence the financial decisions that users make on the basis of the Annual Report and consolidated accounts.

A further description of our responsibility for the audit of the Annual Report and the Consolidated Accounts can be found on the Auditor's Inspectorate's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER REQUIREMENTS ACCORDING TO LAWS AND OTHER REGULATIONS

Statements

In addition to our audit of the Annual Report and Consolidated Accounts, we have also performed an audit of the Boards' and the CEO's administration of Doro AB (publ) for the year 2021 and of the proposed appropriations regarding the Company's profit or loss.

We recommend that the Annual General Meeting dispose of the profit in accordance with the proposal in the management report and grant the members of the Board and the CEO discharge from liability for the financial year.

Basis for Statements

We performed the audit in accordance with generally accepted auditing standards in Sweden. Our responsibility according to this is described in more detail under the heading Auditor's Responsibility. We are independent in relation to the Parent Company and the Group in accordance with good auditing practice in Sweden and have otherwise fulfilled our professional ethical responsibility in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our statements

Responsibilities of the Board and the CEO

The Board is responsible for the proposed dispositions regarding the Company's profit or loss. When proposing a dividend, this includes an assessment of whether

the dividend is justifiable with regard to the requirements that the Company's and the group's business type, scope and risks place on the size of the parent company and the Group's equity, consolidation needs, liquidity and other position.

The Board is responsible for the Company's organisation and for the management of the Company's affairs. This includes, among other things, continuously assessing the Company's and the Group's financial situation, and ensuring that the Company's organisation is designed so that the accounting, asset management and financial affairs are otherwise controlled in a satisfactory manner. The CEO shall manage the day-to-day administration in accordance with the Board's guidelines and instructions and, among other things, take the measures necessary for the Company's book-keeping to be carried out in accordance with law and for the asset management to be conducted in a secure manner.

Auditor's Responsibility

Our goal regarding the audit of the management, and thus our statement on discharge from liability, is to obtain audit evidence in order to be able to assess with a reasonable degree of certainty whether any Board member or the CEO in any significant respect:

- undertook any action or committed any negligence that may give rise to liability for damages against the Company
- in any other way acted in violation of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our goal regarding the revision of the proposal for dispositions of the Company's profit or loss, and thus our statement on this, is to assess with a reasonable degree of certainty whether the proposal is compatible with the Swedish Companies Act.

Reasonable security is a high degree of security, but no guarantee that an audit performed in accordance with good auditing practice in Sweden will always detect measures or omissions that may give rise to liability for damages against the company, or that a proposal for dispositions of the Company's profit or loss is not compatible with the Swedish Companies Act.

A further description of our responsibility for the audit of the administration can be found on the Auditors' Inspectorate's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

AUDITOR'S REVIEW OF THE ESEF REPORT

Statements

In addition to our audit of the Annual Report and Consolidated accounts, we have also performed a review of the fact that the Board and the CEO have prepared the Annual Report and Consolidated Accounts in a format that enables uniform electronic reporting (the Esef-report) in accordance with Chapter 16, Section 4 a of the Act (2007: 528) on the securities market for Doro AB (publ) for the year 2021.

Our review and our statement relate only to the statutory requirement.

In our opinion, the Esef report #

[checksum] has been prepared in a format that essentially enables uniform electronic reporting.

Basis for Statements

We performed our audit in accordance with FAR's recommendation RevR 18 Auditor's audit of the ESF report. Our responsibilities in accordance with this recommendation are described in more detail under the heading Auditor's Responsibilities. We are independent in relation to Doro AB (publ) in accordance with good auditing practice in Sweden and have otherwise fulfilled our professional ethical responsibility in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate as a basis for our statement.

Responsibilities of the Board and the CEO

The Board and the CEO are responsible for ensuring that the Esef report has been prepared in accordance with Chapter 16, Section 4 a of the Securities Market Act (2007: 528), and for there is such internal control as the Board and the CEO deem necessary to prepare the Esef report without significant inaccuracies, whether these are due to irregularities or mistakes.

Auditor's Responsibility

Our task is to express ourselves with reasonable certainty if the Esef report is in all material respects prepared in a format that meets the requirements in Chapter 16, Section 4 a of the Securities Market Act (2007: 528), on the basis of our review.

RevR 18 requires that we plan and implement our audit procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high degree of assurance, but is no guarantee that an audit performed in accordance with RevR 18 and good auditing practice in Sweden will always detect a material error if such exists. Errors can occur due to irregularities or mistakes and are considered significant if they individually or together reasonably can be expected to influence the financial decisions that users make on the basis of the Esef report.

The auditing firm applies ISQC 1 Quality control for audit firms that perform audits and review of financial reports as well as other certification assignments and related services and thus has a comprehensive quality control system which includes documented guidelines and routines regarding compliance with professional ethical requirements, standards for professional practice and applicable requirements and other statutes.

The review includes obtaining evidence through various measures that the Esef report has been prepared in a format that enables uniform electronic reporting of the Annual Report and the consolidated accounts. The auditor chooses which measures are to be performed, among other things by assessing the risks of significant errors in the reporting, whether these are due to irregularities or mistakes. In this risk assessment, the auditor considers the parts of the internal control that are relevant

to how the Board and the CEO produce the documentation in order to design audit measures that are appropriate in the circumstances, but not in order to make a statement on the effectiveness of the internal control. The review also includes an evaluation of the appropriateness and reasonableness of the Board" and the CEO's assumptions.

The audit measures mainly include a technical validation of the Esef report, that is if the file containing the Esef report complies with the technical specification set out in Commission Delegated Regulation (EU) 2019/815 and a reconciliation with the audited annual and consolidated financial statements of the Esef report.

Furthermore, the review also includes an assessment of whether the Esef report has been marked with iXBRL, which enables a fair and complete machine-readable version of the Group's income statement, balance sheet and equity accounts and the cash flow statement.

Auditor's Review of the Corporate Governance Report

The Board is responsible for the Corporate Governance Report pages 34–37 and for it having been prepared in accordance with the Annual Accounts Act.

Our review has taken place in accordance with FAR's statement RevR 16 Auditor's review of the Corporate Governance Report. This means that our review of the Corporate Governance Report has a different focus and a significantly smaller scope compared with the focus and scope of an audit in accordance with International

Standards on Auditing and good auditing practice in Sweden. We believe that this review provides us with a sufficient basis for our statements.

A corporate Governance Report has been prepared. Information in accordance with Chapter 6, Section 6, second paragraph, items 2–6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph, of the same Act is compatible with the other parts of the Annual Report and Consolidated Accounts and is in accordance with the Annual Accounts Act.

PricewaterhouseCoopers AB, box 4009, 203 11 Malmö, was appointed auditor of Doro AB (publ) by the Annual General Meeting on April 29, 2021 and has been the Company's auditor since April 27, 2017.

Malmö on 7 April 2022

PricewaterhouseCoopers AB

Tomas Hilmarsson
Chartered Accountant
Principal Auditor

Five-year summary

SEKm	2021*	2020	2019	2018	2017
Income statement					
Income	1,039.6	1,165.2	1,586.3	1,906.4	1,924.0
Operating profit/loss before depreciation and write-downs, EBITDA	184.2	127.0	143.4	194.3	156.2
Operating profit/loss after depreciation and write-downs, EBIT	118.7	57.3	89.5	122.3	92.0
Net financial items	-4.3	-15.0	-3.7	0.7	-0.3
Profit/loss before tax	114.4	42.3	85.8	123.0	91.7
Balance sheet					
Fixed assets	362.9	431.6	445.5	667.5	502.8
Current assets	448.9	401.6	540.1	662.7	617.4
Cash and bank balances	179.1	138.4	144.6	134.2	57.1
Shareholders' equity	422.9	418.0	398.2	683.7	583.7
Long-term liabilities	213.6	138.7	275.4	284.4	119.2
Current liabilities	354.4	415.0	456.7	496.5	474.4
Balance sheet total	990.9	971.7	1,130.3	1,464.4	1,177.3
KEY FIGURES (Definitions on page 74)					
Return ratios					
Average return on capital employed, %	13.2	18.5	12.8	16.1	13.5
Average return on shareholders' equity, %	13.5	7.4	11.1	14.4	12.1
Cash Conversion Rate	19.9	349.2	198.9	181.0	130.0
Margins					
Operating margin, EBITDA, %	17.7	10.9	9.0	10.2	8.1
Operating margin, EBIT, %	11.4	4.9	5.6	6.4	4.8
Net margin, %	11.0	3.6	5.4	6.5	4.8
Capital turnover					
Capital turnover rate (multiple)	0.8	1.1	1.2	1.4	1.6
Financial data					
Equity/assets ratio, %	42.7	43.0	35.2	46.7	49.6
Cash flow from current activities	23.6	200.1	178.0	221.8	119.5
Number of employees**	116.0	1,081.0	988.0	685.0	458.0
Liquid assets (incl. unused credit)	179.1	138.4	144.6	134.2	107.1
Investments (incl. acquisitions)	27.6	25.2	77.9	210.0	70.2

* 2019, 2020 and 2021 show comparable data for the remaining business.

** Employee numbers for years prior to 2021 refer to the entire Group.

Definitions

Average number of shares

Number of shares at the end of the month divided by the number of months, excluding shares in own custody.

Average number of shares, diluted

Average number of shares adjusted for the dilution effect from warrants is calculated as the difference between the assumed number of shares issued at the redemption price and the assumed number of shares issued at the average share price for the period.

Capital employed

Total assets less non-interest-bearing liabilities and cash and cash equivalents.

Capital turnover rate

Net sales for the year divided by the average balance sheet total.

Cash conversion rate

Cash flow from operating activities divided by EBIT.

Cash flow

Cash flow from operating activities.

Cash flow per share

Cash flow from operating activities divided by the average number of shares.

EBIT margin

Operating profit/loss (after depreciation/amortisation) as a percentage of sales for the year.

EBITDA margin

Profit/loss before depreciation/amortisation as a percentage of sales for the year.

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, diluted

Shareholders' equity at the end of the period divided by the number of shares at the end of the period, after dilution.

Equity/assets ratio

Shareholders' equity as a percentage of the balance sheet total.

Interest coverage ratio

Profit/loss after net financial items plus interest expenses divided by financial expenses.

Market capitalisation, SEKm

Share price at the end of the period multiplied by the number of shares at the end of the period.

Net debt/equity ratio

Interest-bearing liabilities minus cash position as a percentage of shareholders' equity.

Net margin

Profit/loss after financial items as a percentage of sales for the year.

Number of shares at end of period

Number of shares at the close of the period.

Number of shares at end of period, diluted

The number of shares at the end of the period adjusted for the dilution effect from warrants is calculated as the difference between the assumed number of shares issued at the redemption price and the assumed number of shares issued at the average share price at the end of the period.

Reported equity per share

Shareholders' equity divided by the number of shares at year-end.

Return on average capital employed

Operating profit/loss divided by the quarterly average capital employed excluding cash and bank balances.

Return on average shareholders' equity

Profit/loss after financial items and tax divided by average shareholders' equity.

Share price at period end, SEK

Closing price at the end of the period.

A man wearing a yellow jacket, a yellow helmet, and a harness is ziplining through a dense, green forest. He is smiling and looking towards the camera. The background is filled with lush green foliage and trees.

ANNUAL GENERAL MEETING 2022

The Annual General Meeting will be conducted pursuant to so called mail-in procedures at Friday, April 29, 2022.

Doro AB

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