

Quarter 1, 2024 in summary

- Doro's net sales amounted to SEK 194.6 million (208.3), a decrease of -6.6 percent.
- Gross margin was 42.0 percent (35.8).
- EBITDA amounted to SEK 11.9 (15.2), a decrease of 21.7 percent.
- Operating profit (EBIT) amounted to SEK 3.1 million (3.2), corresponding to an operating margin of 1.6 percent (1.5).
- Profit after tax for the period was SEK 6.1 million (3.6) and earnings per share was SEK 0.25 (0.15).
- Free cashflow was SEK -0.2 million (-14.9).

42.0%
Gross margin

1.6 %
EBIT-margin

KEY FIGURES	2024	2023		2023
SEK million	Quarter 1	Quarter 1	%	Full year
Net sales	194.6	208.3	-6.6%	973.6
Net sales growth, %	-6.6	1.8		7.0
Gross result	81.7	74.5	9.7%	390.0
Gross margin, %	42.0	35.8		40.1
EBITDA	11.9	15.2	-21.7%	120.4
EBITDA margin, %	6.1	7.3		12.4
EBIT	3.1	3.2	-3.1%	68.7
EBIT margin, %	1.6	1.5		7.1
Earnings per share, SEK	0.25	0.15	66.7%	1.33
Equity/assets ratio, %	59.5	54.2		58.6

Message from the CEO

Doro sales during the first quarter reached SEK 194.6 million, a decrease of -6.6 percent. While the sales decline is notable, Doro demonstrated resilience and achieved an improved gross margin, reaching 42 percent, an increase of 6.2 percentage points versus last year. The positive gross margin development was largely driven by the higher share of Doro branded and 4G products, underscoring our strategic positioning and consumer appeal.

Particularly encouraging was the robust performance of our feature and smart phones which experienced both increased sales and margins in the quarter. The reduction of fixed-line telephony explains a large part of the year-on-year decrease in sales. Landline telephony is a shrinking market and Doro has chosen to focus on other ways to reach this group of consumers, mostly via its 4G fixed-wireless phones. Additionally, the traditional seasonality of our business, with historically stronger performances in the second half of the year, once again asserted itself.

Doro benefited from the early move to a 4G feature phone portfolio, efficient logistics management, and steady cost control on component and material purchasing. In addition, the restructuring of our German business, although resulting in a drop in non-Doro product sales, significantly bolstered margins. We expect to finalize the divestment of our German supply and logistics business in the coming months, which should further streamline our DACH operations.

Innovation remains a cornerstone of our strategy, exemplified by the unveiling of our new Doro Doorbell product at the recent Mobile World Congress in Barcelona. This quarter saw increased investments in development, marketing, and product innovation. In addition, there was a one-off cost associated with the change of management. Despite these increased costs, our solid core business and good gross margin enabled us to maintain an EBIT (1.6%) on par with last year's performance.



“Doro’s sales in Q1 reached SEK 194.6 million... and while a notable decline, our gross margin improved by 6.2 percentage points reaching 42%...”

“Particularly encouraging was the robust sales and margins of our feature and smart phones”

“Innovation remains a cornerstone of our strategy, exemplified by new Doro Doorbell, which was launched at MWC in Barcelona.”

As we transition to the next phase, I am pleased to announce that as of 15th June 2024, the reins of leadership of Doro will pass to **Julian Read**. Julian brings a wealth of experience in brand building and leadership, coupled with a humble demeanour that aligns well with Doro's values and company culture. I have every confidence that under Julian's guidance, Doro will continue its trajectory of success and innovation.

In closing, I would like to extend my heartfelt gratitude to our valued customers, partners, and suppliers, and in particular to my colleagues for their unwavering support over the years. Together, we have achieved remarkable milestones, and I am very optimistic about the bright future that lies ahead for Doro.

Jorgen Nilsson,
CEO & President Doro

"This quarter saw increased investments in product innovation and marketing... but despite these increased costs, we maintained EBIT on par with last year's result."

QUARTER HIGHLIGHTS

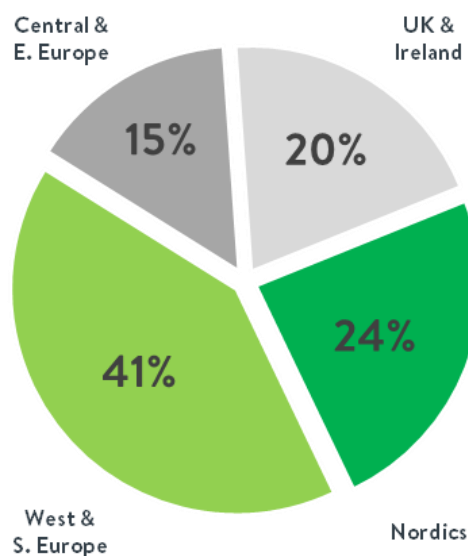
Net sales for the first quarter amounted to SEK 194.6 million (208.3), a decrease of 6.6 percent compared to the same period in 2023. Doro increased sales of feature phones and smartphones compared to the same quarter last year. Drop in sale of fixed telephones and non-Doro products distributed in Germany slowed down the overall sales.

Sales in the **Nordics** amounted to SEK 47.0 million (51.7), a decrease of 9.1 percent compared to previous year. Nordic markets are facing some challenges at the moment, a change of actors with newer, smaller distributors competing against our larger established distributors, uncertainty on how to embrace the new EU sustainability directives, and larger than normal inventories. Doro smartphones performed well during the quarter, and sales in the Baltic countries showed good momentum.

Sales in **Western and Southern Europe** reached SEK 80.2 million (83.8), a decrease of 4.3 percent. The decrease in the region is entirely explained by lower sales of fixed telephony (a large one-off order in the first quarter of last year). Apart from fixed telephony, the region had good momentum again this quarter, with increased sales in all channels. Retail performed particularly well as a result of retail now having completed the switch to 4G phones.

Sales in **Central and Eastern Europe** amounted to SEK 29.0 million (36.6), a decrease of 20.8 percent. One-off order of non-Doro products last year explain a large portion of the decrease in sales. First signs of a shift from 2G to 4G are beginning to appear on the German market. During the quarter Doro has continued to work intensively with the divestment of its subsidiary and a new structure should soon be in place.

Sales in the **UK and Ireland** amounted to SEK 38.4 million (36.2), an increase of 6.1 percent. The region continues to increase its sales of Doro feature phones, and although the shift from 3G to 4G is now almost completed, a certain volume of 2G is still being delivered. Likewise, the Doro smart phones are also on a positive trajectory, thanks to increased listings, and Doro on-line sales continue to perform well in the region.



NET SALES PER MARKET

	2024	2023		2023
SEK million	Quarter 1	Quarter 1	%	Full year
Nordics	47.0	51.7	-9.1	250.6
West and South Europe and Africa	80.2	83.8	-4.3	383.8
Central and Eastern Europe	29.0	36.6	-20.8	152.7
UK and Ireland	38.4	36.2	6.1	186.5
Total	194.6	208.3	-6.6	973.6

At the end of the first quarter, order backlog stood at SEK 62.3 million, a decrease by 9.1 % compared to the same quarter last year.

The gross margin during the first quarter reached 42.0 percent compared to 35.8 percent last year. The change in product mix is the main reason behind the improved margin. Royalty costs increased as a percentage of sales driven by higher volume of 4G and smartphones. Due to the attacks in the Red Sea, shipping companies did not resume transit through the Suez Canal, resulting in an average transit time increase of eleven days for our shipments. At the same time, airfares increased significantly due to massive bookings from the major Chinese e-com companies, and airfares in the month of March were higher than during the pandemic. Doro was however mostly able to use sea transport during the quarter, which resulted in the margin not being affected by increasing transport costs. Other costs remained stable.

EBIT amounted to SEK 3.1 million (3.2) during the first quarter, corresponding to an EBIT margin of 1.6 percent (1.5). New resources in marketing, e-commerce and product office that came on board last year and during this quarter contributed to higher fixed costs year-on-year, and in addition costs related to the upcoming management change were also booked in the quarter.

The net financial items for the period amounted to SEK 4.2 million (1.8). The effective tax rate for the period was 21.1 percent (27.2). The result for the period amounted to SEK 6.1 million (3.6) during the first quarter.

KEY FIGURES	2024	2023		2023
SEK million	Quarter 1	Quarter 1	%	Full year
Net sales	194.6	208.3	-6.6%	973.6
Cost of goods and services sold	-112.9	-133.8	-15.6%	-583.6
Gross profit	81.7	74.5	9.7%	390.0
<i>Gross margin, %</i>	<i>42.0</i>	<i>35.8</i>		<i>40.1</i>
Other operating expenses	-78.6	-71.3	10.2%	-321.3
Operating profit (EBIT)	3.1	3.2	-3.1%	68.7
<i>Operating margin (EBIT margin), %</i>	<i>1.6</i>	<i>1.5</i>		<i>7.1</i>
Order book	62.3	68.5	-9.1%	42.1
Order intake	214.8	209.8	2.4%	948.7
Investment product development	4.8	4.3	11.6%	26.0

FINANCIAL DEVELOPMENT

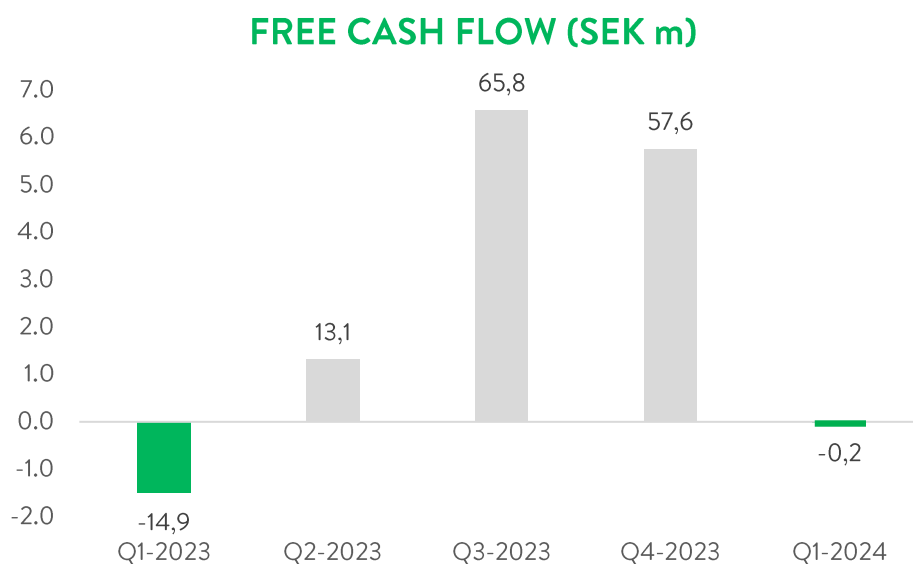
Cash flow, investments, and financial position

Cash flow from operating activities during the first quarter was SEK 4.6 million (-10.6). Working capital improved compared to the same quarter last year through lower inventory and higher accounts payable.

Free cash flow after investments amounted to SEK -0.2 million (-14.9). Investments during the period amounted to SEK 4.8 million (4.3).

Cash and cash equivalents totalled SEK 200.5 million (125.1) at the end of the first quarter. At the same time, the equity ratio was 59.5 percent (54.2)

Net cash amounted to SEK 186.7 million at the end of the first quarter, compared with a net cash of SEK 180.1 million at the end of the previous quarter, and a net cash of SEK 50.0 million at the end of the first quarter of 2023.



Significant events during the period

- On 2024/03/13 it was announced that Julian Read was appointed CEO of Doro from 15 June 2024.

Significant events after the period

- No significant events after the period.

OTHER INFORMATION

Equity and the Doro share

Doro's share is listed on Nasdaq Stockholm, Small Cap, in the segment Telecom/IT. On 31 March 2024, the number of issued shares was 24,532,500, of which Doro AB holds 206,286 Doro shares. Total equity amounted to SEK 524.3 million (481.7).

Employees

On 31 March 2024, Doro had 119 (112) employees, corresponding to 115 (109) full-time equivalents. Of these employees, 66 (59) were based in the Nordic region, 22 (22) in Central and Eastern Europe, 13 (12) in Western and Southern Europe and Africa, 7 (8) in the United Kingdom and Ireland and 11 (11) in the rest of the world.

Risks

Macroeconomic changes continue to be one of the biggest risks for Doro, even if they have decreased slightly, a possible consequence being disruptions in the supply chain. The necessary update of the portfolio, both to comply with new technical directives and to follow the strategy of enlarging the Doro offer, is another risk which is very much under focus and has been addressed through reinforcing the product teams. The weak Swedish krona remains an important factor of uncertainty for the Doro business, highly exposed to foreign currencies. Cyber-attacks continue to be a very tangible risk and cyber security is on top of our department priority.

Other risks are described on pages 34–35 of the Annual Report 2023.

Parent company

The parent company's net sales during the first quarter totalled SEK 181.5 million (195.6). Profit after tax amounted to SEK 7.1 million (13.5).

Accounting principles

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

FINANCIAL REPORTS

GROUP

INCOME STATEMENT SEK million Doro Group	2024 Quarter 1	2023 Quarter 1	2023 Full year
Net Sales	194.6	208.3	973.6
Cost of goods and services sold	-112.9	-133.8	-583.6
Gross profit	81.7	74.5	390.0
Selling, distribution and marketing expenses	-47.1	-39.6	-188.1
Research and development expenses	-15.7	-18.7	-78.0
Administrative expenses	-17.2	-14.6	-63.0
Other income and expense	1.4	1.6	7.8
Total operating expenses	-78.6	-71.3	-321.3
whereof depreciation and amortization of intangible and tangible fixed assets	-8.8	-12.0	-51.7
Operating profit/loss before depreciation and amortization (EBITDA)	11.9	15.2	120.4
Operating profit/loss after depreciation and amortization (EBIT)	3.1	3.2	68.7
Net financial items	4.2	1.8	-11.1
Profit/loss before taxes	7.3	5.0	57.6
Taxes	-1.2	-1.4	-25.2
Profit/loss for the period	6.1	3.6	32.4
Average number of shares, thousands	24 326	24 326	24 326
Average number of shares after dilution, thousands*	24 326	24 326	24 326
Earnings per share, SEK	0.25	0.15	1.33
Earnings per share after dilution, SEK*	0.25	0.15	1.33

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

STATEMENT OF COMPREHENSIVE INCOME	2024	2023	2023
SEK million Doro Group	Quarter 1	Quarter 1	Full year
Profit/loss for the period	6.1	3.6	32.4
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Translation differences	8.7	1.8	-0.3
Effects from cash flow hedges	0.8	1.6	2.3
Tax on items that may be reclassified to profit or loss	-0.2	-0.3	-0.5
Other comprehensive income, total	9.3	3.1	1.5
Other comprehensive income related to Parent company's shareholders	15.4	6.7	33.9

STATEMENT OF FINANCIAL POSITION	2024	2023	2023
SEK million Doro Group	31-Mar	31-Mar	31-Dec
Non-current assets			
Intangible assets	271.2	281.2	268.5
Property, plant and equipment	14.2	16.5	14.8
Financial assets	34.5	38.5	33.7
Deferred tax asset	14.2	14.3	13.8
Current assets			
Inventories	176.0	219.2	176.0
Current receivables	170.2	193.7	168.0
Cash and cash equivalents	200.5	125.1	194.3
Total assets	880.8	888.5	869.1
Shareholders' equity attributable to Parent company's shareholders	524.3	481.7	508.9
Long term liabilities, interests-bearing	10.5	70.4	10.7
Long term liabilities, non-interests bearing	44.1	47.7	43.0
Current liabilities, interests-bearing	6.5	7.5	6.7
Current liabilities, non-interests bearing	295.4	281.2	299.8
Total shareholders' equity and liabilities	880.8	888.5	869.1

Financial instruments recognized at fair value in the Balance Sheet	2024	2023	2023
SEK million Doro Group	31-Mar	31-Mar	31-Dec
Exchange rate contracts recorded as current liability	2.7	5.6	6.0
Exchange rate contracts recorded as current receivable	2.0	0.0	4.0
Hybrid loan	34.1	38.0	33.3

Financial instruments recognized at fair value consist of currency forward contracts and are used primarily for hedging purposes and are measured at level 2.

STATEMENT CASH FLOWS	2024	2023	2023
SEK million Doro Group	Quarter 1	Quarter 1	Full year
EBIT	3.1	3.2	68.7
Depreciation according to plan	8.8	12.0	51.7
Net paid financial items	1.5	0.2	1.7
Unrealized exchange rate differences in cash flow hedges	-0.5	-6.8	-9.8
Income tax paid	-8.5	-6.1	-12.9
Change in working capital (incl changes in provision)	0.2	-13.1	48.3
Cash flow from current activities	4.6	-10.6	147.7
Investments in intangible and tangible assets	-4.8	-4.3	-26.1
Free cash flow before acquisitions	-0.2	-14.9	121.6
Cash flow from investing activities	-4.8	-4.3	-26.1
Amortization of debt	-1.7	-17.0	-82.4
Cash flow from financing activities	-1.7	-17.0	-82.4
Exchange rate diff in cash and cash equivalents	8.1	2.6	0.7
Change in liquid funds	6.2	-29.3	39.9
Net cash	186.7	50.0	180.1
Net debt	-	-	-

STATEMENT OF CHANGES IN EQUITY	2024	2023	2023
SEK million Doro Group	31-Mar	31-Mar	31-Dec
Opening balance	508.9	475.0	475.0
Total Comprehensive income related to Parent company's shareholders	15.4	6.7	33.9
Closing balance	524.3	481.7	508.9

OTHER KEY FIGURES	2024	2023	2023
SEK million Doro Group	31-Mar	31-Mar	31-Dec
EBITDA	11.9	15.2	120.4
Equity/assets ratio, %	59.5	54.2	58.6
Number of shares at the end of the period, thousands	24 326	24 326	24 326
Number of shares at the end of the period after dilution, thousands*	24 326	24 326	24 326
Equity per share, SEK	21.55	19.80	20.92
Equity per share, after dilution SEK*	21.55	19.80	20.92
Return on average shareholders' equity, %	6.9	8.9	6.9
Return on average capital employed, %	18.0	13.2	17.0
Share price at period's end, SEK	23.6	14.14	21.7
Market value, SEKm	574.1	344.0	527.9

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

PARENT COMPANY

INCOME STATEMENT	2024	2023	2023
SEK million Parent company	Quarter 1	Quarter 1	Full year
Net Sales	181.5	195.6	899.6
Cost of goods and services sold	-105.7	-130.5	-548.3
Gross profit	75.8	65.1	351.3
Operating expenses	-77.4	-67.8	-308.7
Operating profit/loss (EBIT)	-1.6	-2.7	42.6
Net financial items	8.6	15.4	3.5
Profit/loss after financial items	7.0	12.7	46.0
Taxes	0.1	0.8	-8.4
Profit/loss for the period	7.1	13.5	37.7

STATEMENT OF COMPREHENSIVE INCOME	2024	2023	2023
SEK million Parent company	Quarter 1	Quarter 1	Full year
Profit/loss for the period	7.1	13.5	37.7
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Effects from cash flow hedges	0.8	1.6	2.3
Tax on items that maybe reclassified to profit or loss	-0.2	-0.3	-0.5
Total Result related to Parent company's shareholders	7.7	14.8	39.5

STATEMENT OF FINANCIAL POSITION	2024	2023	2023
SEK million Parent company	31-Mar	31-Mar	31-Dec
Non-current assets			
Intangible assets	35.3	49.0	37.4
Property, plant and equipment	0.3	0.7	0.4
Financial assets	109.3	110.7	107.8
Current assets			
Inventories	154.8	180.2	155.3
Current receivables	337.5	381.5	333.1
Cash and cash equivalents	190.6	114.1	183.2
Total assets	827.8	836.2	817.2
Shareholders' equity attributable to Parent company's shareholders	272.5	240.1	264.8
Provisions	71.1	72.0	71.8
Long-term liabilities	0.0	60.0	0.0
Current liabilities	484.2	464.1	480.6
Total shareholders' equity and liabilities	827.8	836.2	817.2

FINANCIAL DEFINITIONS

Average number of shares after dilution	Average number of shares adjusted with the dilution effect from warrants is calculated as the difference between the assumed number of shares issued at the exercise price and the assumed number of shares issued at average market price for the period.
Earnings per share	Profit/loss after financial items minus tax divided by average number of shares for the period.
Earnings per share, after dilution	Profit/loss after financial items minus tax divided by the average number of shares for the period after dilution.
Number of shares at the end of the period, after dilution	The number of shares at the end of the period adjusted with the dilution effect from warrants is calculated as the difference between assumed number of shares issued at the exercise price and the assumed number of shares issued at the closing market price at the end of the period.
Equity per share	Shareholders' equity at the end of the period divided by the number of shares at the end of the period.
Equity per share, after dilution	Shareholders' equity at the end of the period divided by the number of shares at the end of the period, after dilution.
Net Debt/Net Cash	Cash and bank balances reduced with interest-bearing liabilities.
Market value, SEK m	Share price at period's end times the number of shares at the end of the period.

Use of non-IFRS performance measures

Guidelines on Alternative Performance Measures (APMs) for companies with securities listed on a regulated market within the European Union have been issued by ESMA (the European Securities and Markets Authority). These guidelines apply to APMs disclosed when publishing regulated information on or after July 3, 2016. Reference is made in the interim report to a number of non-IFRS performance measures that are used to help investors as well as management analyse the company's operations. Described below are the non-IFRS performance measures that are used as a complement to the financial information that is reported in accordance with IFRS.

Description of financial performance measures that are not used in IFRS

Non-IFRS performance measure	Description	Reason for use of the measure
Gross Margin %	Net Sales minus Cost of goods and services sold in percentage of Net Sales.	Gross Margin is an important measure for showing the margin before Other operating expenses.
Sales growth comparable entities %	Net Sales for the period minus Net Sales for entities acquired during the year minus Net Sales for the corresponding period last year in percentage of Net Sales	Sales growth for comparable entities shows the Group's organic growth excluding acquired businesses.

for the corresponding period last year.

Currency adjusted Sales growth %	Net Sales for the period minus Net Sales for the corresponding period last year recalculated using this year's currency exchange rates in percentage of Net Sales for the corresponding period last year recalculated using this year's currency exchange rates.	The measure shows the Sales growth excluding the effect of changes in currency exchange rates between the years.
Equity/assets ratio	Equity expressed as a percentage of total assets.	A traditional measure for showing financial risk, expressing the amount of restricted equity which is financed by the owners.
Return on average shareholders' equity	Profit/Loss rolling twelve months after financial items and tax divided by average shareholders' equity.	Shows from a shareholder perspective the return that is generated on the owners' capital that is invested in the company.
Capital employed	Total assets reduced with non-interest-bearing debt and cash and bank balances.	This measure shows the amount of total capital that is used in the operations and is thus one component for measuring the return from operations.
Return on average capital employed	Operating profit/loss rolling twelve months, divided by the quarterly average capital employed excluding cash and bank balances.	This is the central ratio for measuring the return on the capital tied up in operations.

Calculation of financial performance measures that are not defined in IFRS

	2024 Quarter 1	2023 Quarter 1	2024 31-Mar	2023 31-Mar
Currency adjusted sales growth (MSEK)				
Currency adjusted sales growth	-14.4	-7.6		
Currency effect	0.7	11.3	0	0
Reported sales growth	-13.7	3.7		
Capital employed				

Total assets	880.8	888.5
Non-interest-bearing liabilities	339.5	328.9
Cash and bank	200.5	125.1
Reported capital employed	340.8	434.6

CONFIRMATION BY THE BOARD

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

This quarterly report has not been reviewed by the Company's auditors.

Malmö, 25 April 2024

Henri Österlund
Chairman of the board

Juha Mört
Board member

Victor Saeijs
Board member

Noora Jayasekara
Board member

Fredrik Löthgren
Board member

Jörgen Nilsson
President & CEO

REPORT DATES

Q2 report Jan-June 2024

17 July 2024

Q3 report Jan-September 2024

26 October 2024

CONTACT

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WEBCAST

A video conference call will be held on Friday, 26 April at 9.00 am (CEST) when President and CEO Jörgen Nilsson and CFO Isabelle Sengès will present the report. The videoconference is accessed at [Quarterly report meeting \(doro.com\)](https://www.doro.com/quarterly-report-meeting). The presentation material is available on Doro's financial website [Presentations \(doro.com\)](https://www.doro.com/presentations).

