



ANNUAL REPORT 2020
WITH SUSTAINABILITY REPORT

Together. Technically.



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The formal annual report comprises pages 37-48, 53-84 and 89.

OUR VISION IS CLEAR

We give seniors the opportunity to get the most out of every day.
We enable independence and ensure peace of mind when it matters most.

Sales
SEK **1,689** million

#1 Market leader within
technology enabled
care in Northern Europe

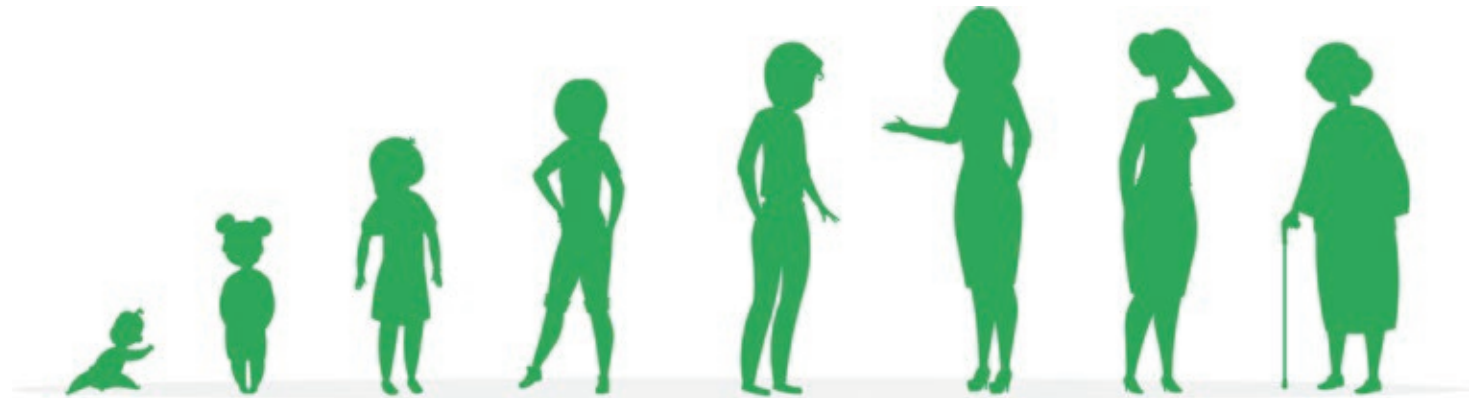
Operating margin
5.1 %

Number of employees
1,081

+3 million
assisted seniors

Caring for our elderly is one of the biggest challenges facing society

Doro is a technology company focused on seniors. We develop services and products for seniors to make aging independent, invigorating and fulfilling. Our wide portfolio of products and services for security and care solutions helps to connect generations digitally and creates increased independence and safety inside and outside the home. Doro is the market leader in monitored connections in seniors' homes in Sweden, Norway and the United Kingdom, and the European market leader in mobile phones for seniors.

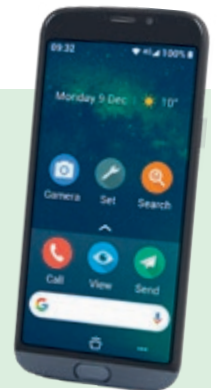


2 STRONG BUSINESS AREAS



Doro Care – technology enabled care for digital care in the home; stationary and mobile social alarms, remote monitoring, a wide portfolio of services and alarm reception are sold to public bodies, the civil society and private companies. More than 400,000 elderly people are connected to Doro's seven alarm centres, where more than 30,000 alarms are handled every day.

Doro Phones – senior phones, mobile phones and applications adapted for seniors, all developed in-house, are sold through a network of more than 300 telecom operators, distributors, specialists and dealers, mainly in Europe. More than 2 million phones were sold in 2020.



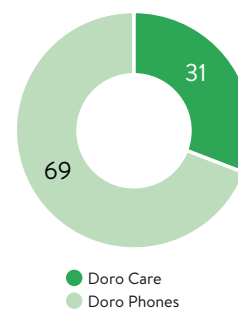
A challenging pandemic year

Despite all the challenges that COVID-19 has entailed, we have continued to deliver the same quality in both our alarm receiving centres and our field service throughout the year. Doro Phones was negatively impacted by lockdowns and restrictions in both the first and the second wave. For Doro Care, market development was stationary, as the care sector focused on managing the effects of COVID-19 and procurements were postponed; despite this, Doro Care grew by 9.9 percent. Despite lower sales, we managed to protect our profitability through good cost control.

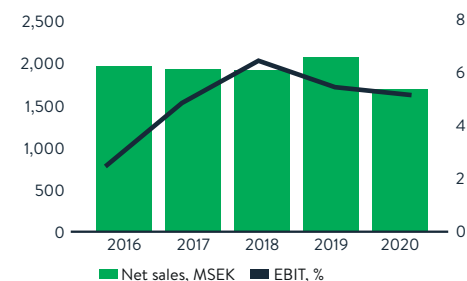
ANNUAL COMPARISON KEY FIGURES

	2020	2019
Net sales, SEK million	1,689.3	2,063.0
Gross margin, %	33.7	31.5
EBITDA, SEK million	203.9	209.3
EBITDA margin, %	12.1	10.1
EBIT	85.7	112.1
EBIT margin, %	5.1	5.4
Equity/assets ratio, %	50.9	46.6
Number of employees	1,081	988
Free cash flow, SEK million	180.4	118.7

Share of net sales per business area, %



Net sales and EBIT





HIGHLIGHTS OF THE YEAR

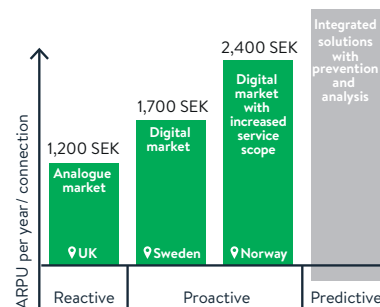
- During the year, we restructured the business into two separate business areas, Doro Care and Doro Phones. This reorganisation is a step in the acceleration of our strategic ambition to become the European market leader in technology enabled care. The new structure is creating a strong foundation for continuing to consolidate our market-leading position with long-term profitability.
- Three strategically important acquisitions have been conducted during the year. The acquisition of the Spanish company Victrix, a digital cloud-based healthcare platform, is providing Doro with the opportunity to develop and offer entirely new proactive and coordinated services. Through the acquisitions of Eldercare and Connexus, we are strengthening our position on the UK market, where we are now one of the largest players.
- Business area Doro Phones reorganised its operations during the year in order to generate and ensure long-term profitability. A restructuring programme is intended to reduce operating expenses by SEK 110–130 million compared to 2019. We have implemented SEK 82 million of savings during the year, and expect to implement the remaining savings in 2021.

Good reasons to invest in Doro

Doro works continuously to create value for all stakeholders. For those who already have, and those considering, an investment in Doro, there are four significant factors which is the foundation for the group's value creation. Doro is a Swedish company that has its head office in Malmö, and it has been listed on Nasdaq Stockholm Small Cap (DORO) since 1993.

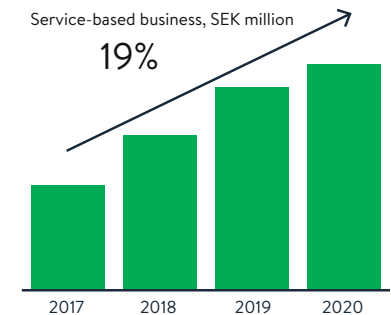
DORO TRANSFORMING ELDERLY CARE

We are transforming elderly care with the aid of digital technology enabled care. The current and the next generation of technology enabled care are becoming increasingly predictive, proactive and preventive. Expanding and improved services are increasing the average revenue per user through increased value for healthcare providers and the elderly.



ACTIVE PLAYER IN A RAPIDLY GROWING MARKET

Doro is an active player in the market with a clear growth strategy. Through both organic growth and strategic acquisitions, it has grown its service-based business by an average of 19 per cent over the past 5 years, and its focus is on increasing the share of recurring service revenues. Three strategic acquisitions were completed in 2020. In addition, the addressable market for technology enabled care in Europe is expected to grow by 11-13 per cent over the next 5 years, which corresponds to a market of 50 billion by 2025.



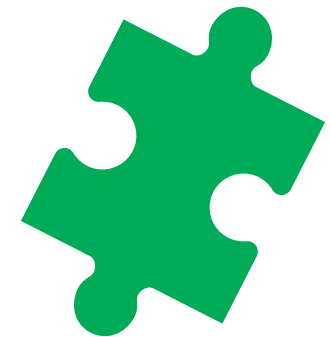
DORO IS CONTRIBUTING TO SUSTAINABLE SOCIAL DEVELOPMENT

As a market leader and expert in seniors, our most important contribution is social sustainability, creating security and providing a meaningful everyday life for approximately 3 million seniors in our main markets. It is here that we are making a difference and creating value for both users and society.



THE SOLUTION TO A SOCIETAL CHALLENGE

One of the biggest challenges of our time is taking care of a growing proportion of elderly people. Seniors' requirement for a safe, active and meaningful everyday life needs to be combined with overcoming challenges such as increasing cost pressures, a shortage of healthcare professionals and safe monitoring of chronic medical conditions. Doro's digital solutions are an important piece of the puzzle when it comes both to creating security and ensuring the correct use of resources in society.



The Doro share

SHARE PRICE DEVELOPMENT AND MARKET CAPITALISATION

The Doro share is listed on Nasdaq Stockholm and is part of the Small Cap segment, i.e. companies with a market value up to 150 million euros.

The Stockholm Stock Exchange's industry index OMX technology, in which the Doro share is included, rose by a total of 57.4 per cent in 2020. Doro's share price fell by 7.5 per cent during the same period. The Stockholm Stock Exchange as a whole rose 12.9 per cent. Doro's market capitalisation at the end of 2020 was SEK 1,121 million (1,200). In total, approximately 6.1 million shares (8.6) were traded during the year, with an average daily turnover of 24,225 shares (34,390).

SHARE CAPITAL

At the annual general meeting in April 2020, in accordance with the proposal of the board of directors, it was decided to authorise the board, until the next AGM,

to decide to issue new shares up to a total number of shares which, at the date of the AGM, corresponds to 10 per cent of all outstanding shares. The decision was unanimous. At the same general meeting, it was decided, in accordance with the board of directors' proposal, to authorise the board to decide on the acquisition of treasury shares up to a number that does not at any time exceed 10 per cent of all shares in the company. The decision was unanimous. The authorisation to carry out a share issue or acquire treasury shares was not exercised in 2020.

As of 31 December 2020, the share capital amounted to 24,204,568 (24,204,568). All shares have equal voting rights.

INVESTOR RELATIONS

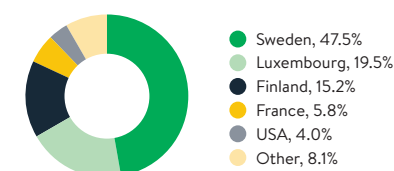
The Doro share is regularly followed by analysts at ABGSC, Redeye; for the relevant analyses, see www.introduce.se/foretag/doro and www.redeye.se/bolag/doro.

When the company publishes quarterly reports, the CEO give a webcast presentation of the report. The webcast, which is normally at 09:00 on the date of the report, can be reached via the company's website <https://doro.com/corporate>. For those who wish, it is also possible in 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 on an ongoing basis during the year.

DIVIDEND

Dividends to shareholders will represent 33 per cent of net profit (although taking into account capital structure and share repurchase). The Board of directors proposes that no dividend is paid for 2020.

Investors by country



SHARE DISTRIBUTION IN SIZE CLASSES

Shareholding	Number of shareholders	% of all owners
1-500	4,876 (5,610)	77.4 (78.2)
501 - 1,000	674 (766)	10.8 (10.7)
1,001-5,000	550 (643)	8.9 (8.5)
5,001-10,000	65 (77)	1.1 (1.1)
10,001-15,000	25 (30)	0.4 (0.4)
15,000 - 20,000	6 (9)	0.1 (0.1)
Over 20,001	71 (75)	1.2 (1.1)
Total	6,267 (7,176)	100.0

DATA PER SHARE

Transaction	2020	2019	2018	2017	2016	2015
Number of shares at year-end, thousands ¹⁾	23,998	23,766	23,766	23,755	23,238	23,238
Share price at year end, SEK	46.70	50.50	34.15	43.70	53.00	62.00
Highest paid	51.20	52.20	48.55	60.75	78.00	62.00
Lowest paid	25.60	32.20	33.35	42.10	45.10	37.50
Market value at year-end, SEK million	1121	1200	812	1038	1232	1441
Quota value, SEK	1.00	1.00	1.00	1.00	1.00	1.00
Profit for the year, SEK	2.06	3.28	3.86	2.83	1.33	2.78
Cash flow per share ²⁾	10.16	10.20	9.33	5.03	2.66	3.69
Visible equity, SEK	33.52	32.89	28.77	24.57	22.38	20.74
Dividend, SEK	-	-	-	-	1.00	-
Dividend, share of net profit, %	-	-	-	-	75	-
P/E figure ³⁾	22.7	15.4	8.85	15.44	39.73	22.3
Direct return, % ⁴⁾	-	-	-	-	1.9	-

1) Shares excl. treasury shares.

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

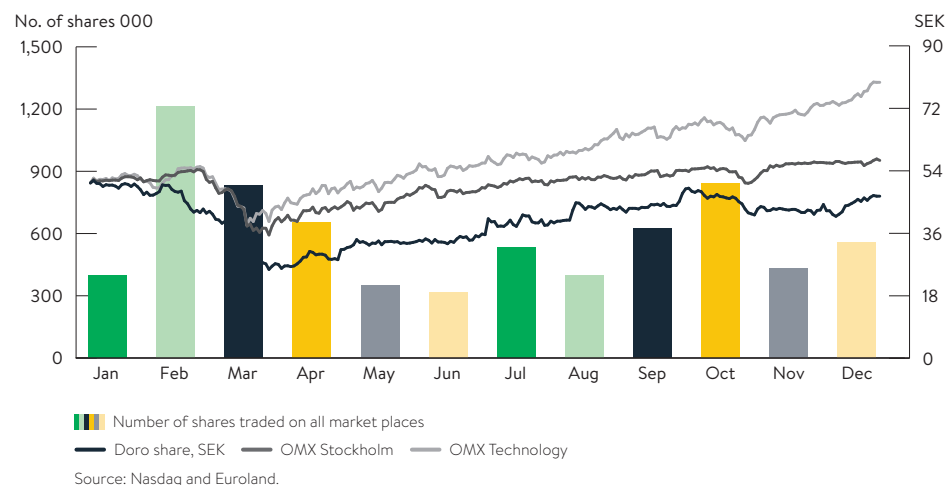
3) Share price at year-end divided by profit per share for the year.

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

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

Share price development and turnover



LARGEST SHAREHOLDERS

December 31, 2020		
Ten largest shareholders	Number of shares	Share of capital and votes, %
Accendo Capital SICAV SIF	3,743,092	15.5
Nordea Investment Funds	2,707,552	11.2
Rite Internet Ventures Holding AB	2,486,572	10.3
Lazard Freres Banque, W8IMY	1,373,792	5.7
Fosielund Holding AB	730,000	3.0
Nordea Bank ABP, Nordea Bank AB (PUBL)	679,607	2.8
Clearstream Banking S.A. W8IMY	669,425	2.8
Originat AB	557,540	2.3
Försäkringsbolaget, Avanza Pension	544,813	2.3
Eklund, Thomas	392,226	1.6
Total	13,884,619	57.4
Total number of shares	24,204,568	100.0

A challenging year that has strengthened Doro

The coronavirus pandemic changed the situation for so many people on so many levels during the year, and the elderly have been the most important group to protect. At the same time, flaws and challenges within elderly care have become clear. Taking care of our seniors, a group that is growing rapidly around the world, is one of society's biggest challenges in the long term. On a number of levels, the pandemic has demonstrated the importance of well-developed digitalised care and how it can reconcile the elderly's need for security with society's need to utilise resources properly.

Doro's offer of digitalised technology enabled care is timely, and the measures and strategic steps we have implemented during this challenging year have strengthened our position for the future.

CHALLENGING SITUATIONS, STRATEGICALLY IMPORTANT STEPS

We started to see worrying signs regarding the effects of the COVID-19 virus as early as the end of the first quarter, and we took all the necessary measures to ensure the health and safety of our employees and customers. At the same time, we immediately started work on maintaining the delivery of our services with the same high levels of quality and service, which we have succeeded in doing very well throughout the year.

Both business areas, Doro Care and Doro Phones experienced pandemic-related challenges during the year. Doro Phones lost sales due to lockdowns and restrictions, but still managed to deliver a good result. The business area's main mar-

kets recovered slightly, but were again negatively impacted during the fourth quarter following the second wave of the pandemic. For Doro Care, market development stood still as the healthcare sector focused on managing the effects of COVID-19, and procurements were postponed. Developments within Doro Care did not meet our expectations. The strategic measures we have implemented during the year, both in terms of acquisitions and organisational changes, are intended to strengthen Doro Care yet also accelerate its growth.

Overall, sales for the group were therefore lower compared to the previous year, decreasing by 18.1 per cent to SEK 1,689.3 million (2,063.0).

Despite the significant loss of earnings during the second quarter in particular,

“ On a number of levels, the pandemic has demonstrated the importance of well-developed digitalised care.



” The service element of our offering provides us with both increased and recurring revenues. We want to accelerate this journey.

we managed to protect our profitability through good cost control.

During the fourth quarter, we achieved higher profits and a better margin compared to the previous year. EBIT and the EBIT margin for the full year were lower than the previous year, but we succeeded in increasing EBITDA to 12.1 percent (10.1). In addition, the Group delivered a strong cash flow.

I am proud of how we at Doro have handled the challenges associated with the pandemic right from the start. Not least as we also managed to carry out three strategically important acquisitions during the year, as well as launching our new welfare hub Doro Eliza and a number of new phones, including the Doro 8050 smartphone.

The acquisition of the Spanish company Victrix, the first fully digital, cloud-based healthcare platform on the market, is providing Doro with completely new opportunities to develop and offer coordinated and proactive services within both individual and assisted living.

Through the acquisitions of Eldercare (UK) Limited in August and Connexus Careline in October, Doro is also becoming one of the two largest players on the strategically important UK market. Together with our existing operation in the UK, we will now be handling more than 255,000 connections.

The acquisitions during the year and product launches such as Eliza mean that we are meeting 2021 as a stronger, more efficient and, if possible, even more customer-oriented company.

A CLEAR VISION. TWO STRONG BUSINESS AREAS.

Our vision is clear. We give seniors the opportunity to get the most out of each day. We enable independence and ensure peace of mind when it matters most. Our robust offering within digitalised technology enabled care is also the solution to one of the greatest societal challenges of our time. Doro is making ageing an independent, invigorating and fulfilling stage of life, while society is able to redistribute resources and manage a growing proportion of elderly and a lack of care workers.

Our growth strategy is as clear as our vision – to become the leading provider of technology enabled care with a focus on seniors in Europe. We have grown our service-based business by 19 per cent on average over the past 5 years. The service element of our offering provides us with both increased and recurring revenues. We want to accelerate this journey. In 2020, we therefore decided to restructure the business into two separate business areas, Doro Care and Doro Phones. This subdivision is creating better conditions and the freedom for both business areas to focus on their business and their customers.

Doro Care has a clear strategy for organic growth and various initiatives aimed at increasing the efficiency of the core business.

In addition to the growing group of seniors who need assistance in the home,

the business area aims to further extend its market. Doro Care is also gradually developing offers for assisted living for both municipal and private healthcare providers.

The business area will also be extending its offering towards more preventive and predictive digital solutions that can monitor chronic diseases in seniors.

Another important part of Doro's strategy is to continue developing our flexible and modular platform, which brings together all of Doro's service offerings and is the hub for customers and users. Victrix's cloud technology will be an important part of this.

Doro Phones will consolidate and strengthen its position as a European market leader in the field of senior mobile phones.

The business area will focus its operations on its core markets in Europe, on key customers and on Doro's highly appreciated main products.

A restructuring programme was launched during 2020, with the majority of the savings being made within Doro Phones. The programme will reduce operating expenses by approximately SEK 110–130 million compared to 2019. Savings of SEK 82 million were implemented during 2020. Going forward, we will be developing the business area through continued innovation and support for today's and future seniors.

DORO PRIORITIES 2021

The pandemic had a major impact on Doro in 2020, and there is still lingering uncertainty at the time of writing. However, just as our organisation has been able to manage and limit the effects of falling demand, we can now scale up our operation to meet new customer needs.

With a stronger and more efficient organisation and a healthy financial position, we are also ready to continue our growth. At the same time, our overall priorities remain security for seniors, satisfied customers and motivated employees.

In order to create the optimum conditions for each business area to develop properly, work will begin by separately listing business area Doro Care. An independent Doro Care will create the conditions to take advantage of the interesting opportunities and future prospects we can see within technology enabled care. For Doro Phones, too, this refinement will create better opportunities to further strengthen its market position. The objective is to carry out a listing during the course of the year.

Finally, I would like to thank customers, suppliers and shareholders for your confidence and positive cooperation during this challenging year. Under extraordinary circumstances, Doro's employees in all our various markets have continued to deliver what we are best at – security and independence for seniors. Warm thanks to all of you. At this point, I would also like to welcome all our new colleagues from our new acquisitions.

I am convinced that the important steps we have taken in our strategy in 2020 will support profitable growth and continued value creation.

Together, we are creating a better future for seniors.

Malmö, March 2021
Carl-Johan Zetterberg Boudrie,
President and CEO



Strategic acquisitions strengthen Doro Care

Victrix – a strategic technology acquisition

In September, Doro acquired the Spanish technology enabled care company Victrix in order to strengthen its technical platform and increase the opportunities for innovative solutions within technology enabled care. Victrix is the first fully digital, cloud-based platform for technology enabled care on the market.

The platform is providing Doro with new opportunities to develop and offer coordinated and proactive services within both individual and assisted living. Victrix's robust technical expertise and long experience in the field of technology enabled care will be a valuable addition to Doro.

Eldercare and Connexus Careline – acquisitions that are strengthening the UK position

A strong position in the UK market is an important component of Doro's ambition to become a market leader in technology enabled care. Through the acquisitions of Eldercare (UK) Limited in August and Connexus Careline in October, Doro is becoming one of the two largest players on the market. Together with its existing operation in the UK, Doro will now be handling more than 255,000 connections.

The acquisitions are enabling Doro to expand its service offering and help more people to live healthy, independent and secure lives.

A clear vision. Two strong business areas.

Helping elderly by using technology is at the heart of our business. When we help seniors live an active and independent life, our society benefits. Technology enabled care with increased digitalisation is the answer when the need to provide a safe, active and meaningful everyday life for more seniors is to be combined with overcoming societal challenges such as increasing cost pressures and shortage of personnel.

During the year, the business has been restructured into two distinct business areas – Doro Care and Doro Phones – in order to further strengthen our position.



THE WELFARE CHALLENGE

Technology enabled care with increased digitalisation is the answer when the need to provide a safe, active and meaningful everyday life for more seniors is to be combined with overcoming society's challenges such as increasing cost pressures and safe monitoring of chronic medical conditions.

Doro Care is growing by increasing its market share within individual living and extending its service offering, including a trend towards preventive and predictive offerings.

Doro Phones is consolidating and strengthening its leading position by focusing on profitability and innovation.

Doro is having the greatest impact within social sustainability at the customer level. We also have a responsible business foundation with governance of other sustainability issues.



Our vision is: We give seniors the opportunity to get the most out of each day. We enable independence and ensure peace of mind when it matters most.

Our mission is: We develop and offersmarttechnology to help seniors live a better life. Our products and services provide greater security and quality of life, as well as the opportunity for the elderly to live with the dignity and independence they deserve.

We care. We are trustworthy. We are visionary.
Our strong value base constitutes the foundation for all our operations, both internally and externally.

SENIORS AT THE CENTRE

Our vision and our mission are clear.

We give seniors the opportunity to get the most out of each day. We enable independence and ensure peace of mind when it matters most.

We develop and offer smart technology to help seniors live a better life. Our products and services provides greater security and quality of life, as well as the opportunity for the elderly to live with the dignity and independence they deserve.

Our ambition is to enter their life when there is a need for a phone that has been developed for the senior's needs, and to stay with them for the rest of their life. During that period, we offer technology-oriented solutions according to their ongoing individual needs so as to ensure that they can live an active and independent life.

PART OF A SUSTAINABLE SOCIAL DEVELOPMENT

Our contribution to sustainable social development is already part of our vision, i.e. that seniors should get the most out of every day. In 2020, we were there for about 3 million seniors. Of these, 400,000 were connected and were able to rely on Doro's employees, services and products. Doro's alarm centres in Sweden, Norway and the UK are open 24 hours a day and received more than 30,000 alarms daily during the year. We sold approx. 2 million mobile phones, which make it easier for seniors to continue living an active and safe life.

At the same time, our overall offering provides an opportunity for the redistribution of society's resources. And we are accepting our responsibility by following up and constantly improving resource utilisation with regards to our products and services.

A STRONG BRAND

Doro's brand stands for quality, innovation and an in-depth knowledge of the needs of seniors. Doro has always been focused on how we can best help seniors to live an active life. Seniors are often carelessly seen as one large group, rather than seeing everyone as individuals with very different needs and expectations for life.

All of our brand's promises can be found in our corporate culture. The three core values – We care. We are trustworthy. We are visionary – form the basis for all our activities. Doro's value base reflects our fundamental beliefs and dictates our behaviour, both internally among Doro employees and externally when we encounter our stakeholders. We are our brand.

TWO BUSINESS AREAS WITH GREAT POTENTIAL

Doro's growth strategy is as clear as our vision – to become the leading provider of technology enabled care with a focus on seniors on the company's selected markets.

In 2020, we further strengthened our potential to continue our journey of growth by restructuring our operation



WHAT IS TECHNOLOGY ENABLED CARE?

Technology enabled care is digital technology that allows a person who has or is at risk of having a disability to maintain or increase their security, activity, participation and independence. Examples of technology enabled care are digital social alarms, camera monitoring and sensors for reminders. Such technology can be used by the persons themselves, by relatives or staff. It can be provided as aid, prescribed to assist in daily life or purchased on the consumer market.

Technology enabled care can help in many ways. Research shows, for example, that people who have difficulty with spacial orientation can feel safer and more secure when going for a walk if they have a GPS alarm that has a tracking device. This enables relatives or staff to see where the person is geographically. Another argument in the development of technology enabled care is that it can make care activities more efficient, meeting the problems associated with more elderly people and too few employees.

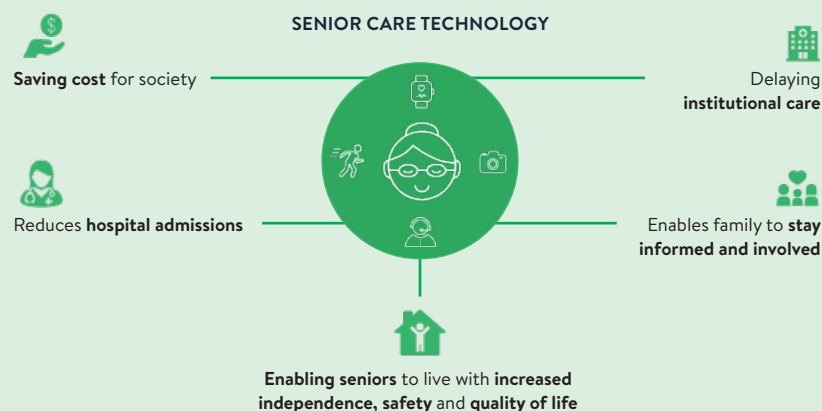
Source: Kunskapsguiden.se (National Board of Health and Welfare, Swedish Medical Products Agency, Public Health Agency, etc.)



DIGITALISED CARE CREATES SAFETY AND SECURITY

Increasing digitalisation of technology enabled care with new offerings allows new health and social care models with more efficient provision of healthcare and an increased focus on preventive measures, which in the best case scenario prevents injuries and disease from occurring or worsening, while maintaining health, independence and mobility among our elderly.

The next generation of telecare solutions is based on a digitalised platform and, in addition to today's security services, includes new mobile solutions, monitoring of activities and monitoring of medication. The European market for predictive, proactive and preventive solutions is still at an early stage, but is growing strongly with a host of new initiatives.



into two separate business areas, Doro Care and Doro Phones.

We are convinced that both business areas have considerable potential and that, independently, they can further strengthen their positions and increase their growth.

DORO CARE – TECHNOLOGY THAT IMPROVES SENIORS' LIVES

In order to strengthen our position as

a market leader in technology enabled care, we are working to refine existing and develop new services that will enable preventive and predictive solutions. The goal is to be European market leader in technology enabled care.

Our own market-leading platform. An important part of Doro's strategy is to continue to develop and adapt our flexible and modular platform for software and

systems. The platform collects all Doro's service offers and provides the hub and the common interface for customers and users. The platform is providing Doro with new opportunities to develop and offer coordinated and proactive services within both ordinary and assisted living. The newly acquired company Victrix's cloud technology will be an important component here.

Clear growth strategy. Doro Care's ambition is to grow its market share, and it has a clear strategy for growth in its core business as well as an acquisition strategy where new markets and technologies are continually being evaluated. In 2020, three important acquisitions were completed. One technology acquisition in Spain and two additional acquisitions on the strategic UK market.

A wider market. Seniors who need home assistance are a growing group who want to live an active life and who, with increasing familiarity with technology, will be seeking out new applications that make everyday life easier. Doro Care is also gradually developing offers for assisted living, where municipal or private carers provide care for seniors who are in greater need of assistance.

Widening the scope. Both the current and the next generation of digital elderly care solutions are becoming increasingly predictive, with technology enabled care that can monitor chronic diseases in seniors in the home. Doro Care is constantly eval-

uating services and products that offer prediction and prevention.

DORO PHONES – A LEADER ON THE SENIOR MOBILE MARKET

The margins that are available within feature phones are now available almost exclusively within senior phones. As a result, the level of competition is continuing to intensify and price pressure is continuing to increase in the senior segment.

At the same time, technological and regulatory developments are growing rapidly, which is placing even higher and more complicated demands on Doro's products. Despite this, Doro Phones will defend its position as the European market leader in the field of senior mobile phones. Our long experience of and in-depth insights into seniors and their day-to-day lives have been successfully invested in our products over the years, by equipping them with what we call Doro DNA, for example with audio, interfaces and alarm buttons that are specially tailored to seniors. These are advantages that Doro will continue to benefit from and build on.

Business area Doro Phones will be focusing its operations on its core markets and key customers in Europe, as well as on Doro's highly appreciated main products, through continued innovation and support for both today's and future seniors.

In 2020, a restructuring programme was carried out that is intended to reduce operating expenses by SEK 110–130 million compared to 2019. The majority of this relates to Doro Phones, and savings of SEK 82 million were implemented in 2020.

Technology enabled care does not replace loving care. It makes it possible.

We are living longer than ever before. More and more seniors are able to live and enjoy life.

However, a growing proportion of elderly people also entails challenges. The falling number of people of working age in relation to the number of elderly means that there are fewer young people who can take care of the elderly. And this, in turn, means that society needs to think about health and social care in new ways.

Here at Doro Care, we consider that technology plays a crucial role in meeting these societal challenges. The business area's goal is to be the market leader in technology enabled care in Europe.

KEY FIGURES	2020	2019
Net sales, SEK million	524.1	476.7
EBIT, SEK million	38.7	40.5
EBIT margin, %	7.4	8.5

Sales by market, %





” It feels incredibly inspiring to get to broaden our market offering within new markets and to open up new segments.

Patrik Hartvig,
Group Director, BA Doro Care.

2020 – STRATEGIC ACQUISITIONS STRENGTHEN THE BUSINESS AREA

We have completed several important steps in our strategy during the year. Through the acquisitions of Eldercare and Connexus, we have further strengthened our market position in the UK, and through the acquisition of Victrix we have created opportunities to develop new proactive solutions.

- The focus during the year has been to create organic growth, and this will remain a priority in 2021.
- We have strengthened the organisation during the year, with a focus on strategy execution. We have ensured improved efficiency in the alarm receiving centres, and delivered the same level of quality despite the pandemic.

SEEING HEALTHCARE WITH NEW EYES

New technology is giving rise to new opportunities, behavioural patterns and lifestyles. And it is changing health and social care. As the market leader in technology enabled care, Doro Care is at the leading edge of the technological revolution. We are creating new solutions to meet future demands for health and social care, both inside and outside the home.

A large proportion of the public budget goes to the healthcare sector. If we look at the advantages of technology enabled care, it is not hard to see its potential social benefits. For example, technology can provide the right tools for self-care as well as improve communication opportunities in order to coordinate care more effectively.

We believe wholeheartedly in making

smart digital healthcare solutions available to more people. In this way, we are improving the quality of life for the patient while at the same time supplying the healthcare provider with a better working environment – a solution that benefits both society and the individual.

DORO IS THERE, EVERY STEP OF THE WAY

Society is becoming increasingly digitised with each passing day. From an individual perspective, the technological revolution can feel daunting. This applies to both seniors and healthcare professionals. So when we talk about implementing new digital solutions, it's not just a matter of installing new gadgets and making sure the Wifi connection works. It's just as much about providing motivation and training: inviting

staff and seniors to participate so that they can understand the benefits. Doro provides help and support throughout the entire process.

TECHNOLOGY ENABLED CARE – A GROWING MARKET

The addressable European technology enabled care market is expected to grow by around 11-13 per cent over the next five years, which corresponds to a market of 50 billion by 2025*. The next generation of telecare is increasing in terms of share and interest compared to traditional technology.

Major players alongside Doro on the traditional telecare market are Tunstall, Jontek and Tynetec, which have leading positions in a number of markets.

The market for the next generation of telecare offerings, on the other hand, is fragmented. In addition to the leading providers of telecare equipment, there are specialised providers and new innovation companies focusing on areas such as activity monitoring, mobile telecommunications services and monitoring of medication.

PRIVATE AND PUBLIC SECTOR CUSTOMERS

Although there are major national differences, the majority of technology enabled care is procured by public actors such as municipalities and regions. They in turn provide the technology after an assistance assessment to seniors living at home or install technology for enhancing safety and efficiency in assisted living.

There is currently a considerable need for relatives to make sure that seniors are doing well and feeling safe in their daily lives. At the same time, seniors often want

to avoid seeking help from their relatives for fear of bothering them needlessly. This increases the demand for services that enable the senior to be safe without being perceived as intrusive.

A WIDE RANGE OF TECHNOLOGY ENABLED CARE

From social alarms and fall sensors to smoke detectors and secure communication with the alarm centre: we offer a complete digital alarm chain. Both stationary and mobile social alarms can be connected to Doro's alarm centres. Since we handle the entire alarm chain, our solutions are cost-effective and quality assured. We can also tailor solutions to meet the needs of both the installer and the individual.

Security at home. Doro's digital social alarm offers seniors security in the home in a simple manner. The user is connected to the alarm centre with the press of a button. Thanks to a wide range of accessories, the solution can be adapted to the individual's needs. Additional sensors can monitor everything from smoke and temperature to movement. This ensures that the individual's health and home environment can be evaluated proactively and given the right support.

Security outdoors. This is a flexible service that can be adapted to the individual's specific needs and wishes. The alarm can be connected onwards to an alarm centre, relative or health care professional. The service can act as a mobile social alarm, a tracking alarm or both in combination. A mobile social alarm encourages and helps



CHALLENGES IN ELDERLY CARE

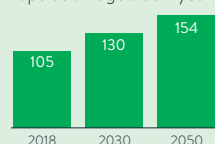
The proportion of older people will increase sharply over the next few decades, as an increasing proportion of the large post-war generation reaches retirement age. This in turn means that those who are of working age will have to bear an increasingly heavy burden to cover social expenditure on our elderly.

By 2040, it is estimated there will be around two tax-paying people per pensioner in Europe, compared to five tax-paying people per pensioner in 1980. A shortage of care professionals will further increase the need for effective solutions. For example, Swedish municipalities' costs for care for the elderly are expected to increase by 80 per cent in 30 years, despite an increased focus on care at home. Time-effective and cost-effective technical products and services are essential.

At the same time, seniors want to feel vitality through the ability to live an active and independent life. The innovative desire to find new solutions that make it possible to live at home for longer is therefore of great importance when it comes to increasing the quality of life of our elderly.

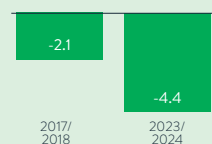
Growing elderly population in Europe

Population aged 65+ years¹



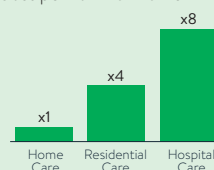
Growing funding gaps due to care costs

Projected social care funding gap in England, £² billion



Care is several times more costly in residential homes and hospitals

Cost per form of home³



¹ United Nations, Projections of mortality and causes of death, 2016 to 2060 (2018).

² The real cost of a fair adult social care system, Anita Charlesworth and Toby Watt (2019).

³ Kolada (2020).

Sources: Berg Insight Connected Care in Europe 2019 and Doro's own estimates.

the senior to remain active and to feel safe to move freely outside the home. The solution includes an alarm that is directly connected to an alarm centre, GPS-based location and tracking. It is also possible to set up "security zones", where an alarm is sent if the user leaves the zone.

Effective field service. Doro Care's UK field service department is responsible for the installation of equipment, technical support and response services. Our engineers carry out some 3,000 installation, repair

and maintenance visits per month. The response service is TSA-accredited and our mobile response teams help around 2,500 customers every month. Some parts of the service also provide personal emergency care.

Alarm reception. Doro's alarm receiving centres are open 24 hours a day, all year round. Our team of alarm operators has training in and experience of the healthcare profession, as well as possessing considerable breadth; at the alarm centre in Malmö,

for example, the staff speak more than 15 languages. They respond within 30 seconds and can quickly map out what happened and decide on appropriate action.

Our alarm receiving centres (except the most recently acquired ones) are ISO 27001 certified in information security. We also offer cloud-based alarm reception where Doro's alarm centres can quickly take over and handle a municipality's alarms, for example when there is a shortage of staff.

SUSTAINABLE SERVICES AND PRODUCTS

Doro Care believes in collaboration and that, together, we can find the best solutions to the common challenges facing our society. Examples of the issues we pursue include an age-friendly society, everyone's right to participate in the digital society and elderly issues. We wish to add nuance and complement the discussion, as well as focusing on the individual's needs. Our latest report – "Tech as a solution to the Silver tsunami" – shows how smart technology for seniors benefits both individuals and society.

Doro Care's services and products contribute to improved efficiency and quality development based on customers and end users. At the same time, this provides an opportunity for the redistribution of society's resources. According to the Swedish Association of Local Authorities and Regions (SKR), for example, the introduction of digital night monitoring to five per cent of home care users can facilitate the redistribution/saving of approximately 2–5 per cent of the budget for home care in the municipalities.

During 2020, Doro has calculated the impact on the lifecycle of the Eliza + Enzo + Visit care package. The report can be found on Doro's website. The results are also presented in the sustainability report on page 34. In addition to an extremely positive environmental impact through the transition to digital monitoring, there is also a positive impact on the working environment for the home care service and the quality of life for the end user.

» Read more about our sustainability work on pages 26-34.



DORO ELIZA

Doro Eliza is an innovative welfare hub that Doro introduced in 2020. With its elegant design, it offers the best possible security and reliability for users, alarm centres and service providers. Specially developed to take advantage of both today's and tomorrow's opportunities in technology enabled care. The well thought out, modern design makes Doro Eliza easy to position, and it blends in well in the home environment.

GROWTH AND DEVELOPMENT OF THE OFFERING IN THE BUSINESS AREA'S PRIORITIES

With a growing market, good market share and long experience of technology enabled care, business area Doro Care has clear preconditions to grow its business with a high level of profitability. The goal is to become European market leader in technology enabled care.

Clear growth strategy. Doro Care's ambition is to grow its market share, and it has a clear strategy for growth within its core operation. The business area will continue to develop its already strong presence within individual living. A gradual expansion is also taking place within assisted living, with the support of Doro's strong brand. The geographical focus is on the business area's core markets, in particular the UK.

Doro Care also has a clear acquisition strategy, where new markets and new technologies are continually being evaluated. In 2020, three important acquisitions were completed. One technology acquisition in Spain and two additional acquisitions on the strategic UK market.

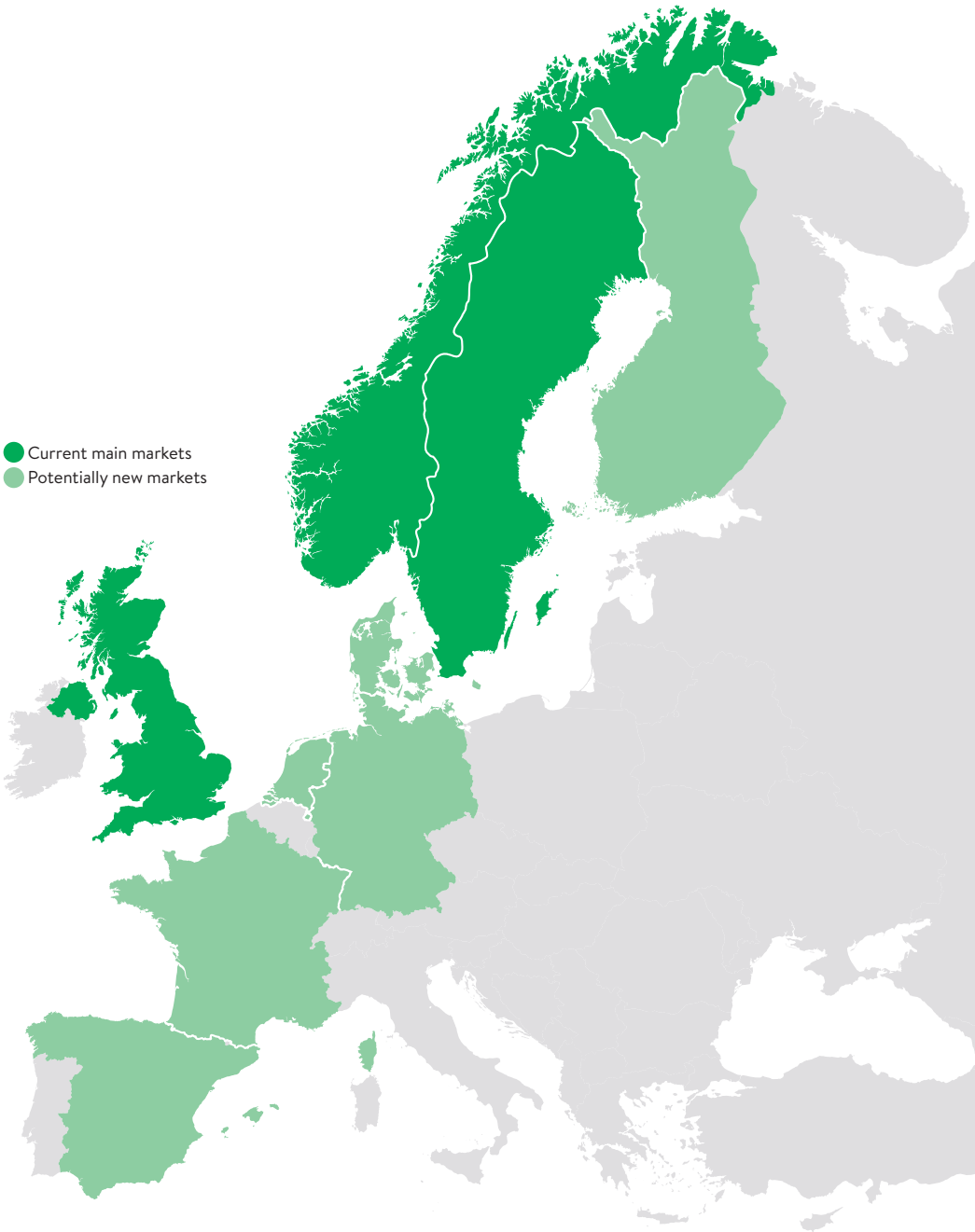
A wider market. Seniors who need home assistance are a growing group who want to live an active life and who, with increasing familiarity with technology, will be seeking out new applications that make everyday life easier. This also includes offers that link the senior with relatives. Doro Care is also

gradually developing offers for assisted living, where municipal or private carers provide care for seniors who are in greater need of assistance. One success factor is that we are well known among care givers, via social alarm assignments and connected seniors.

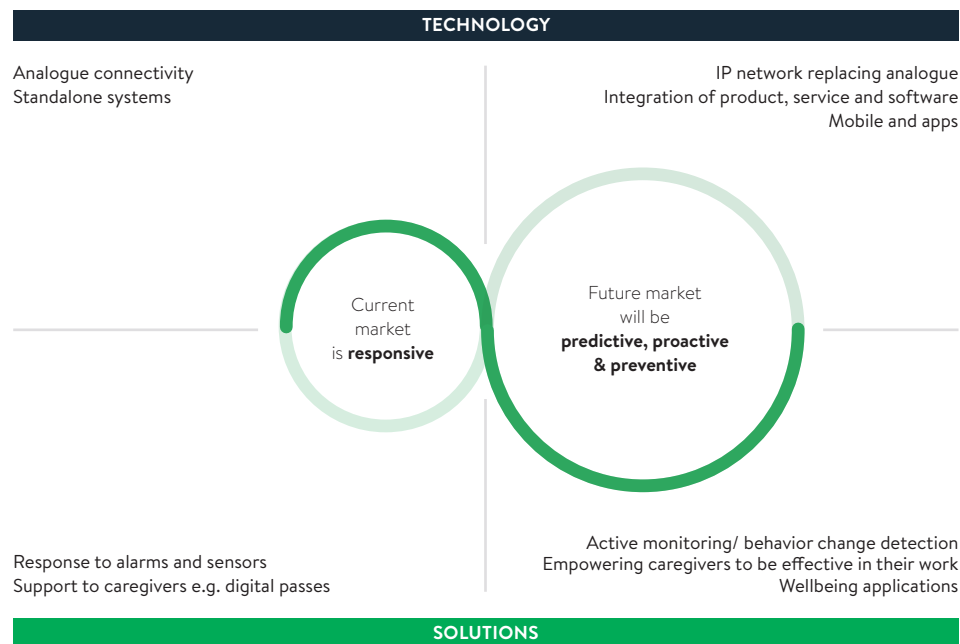
MARKET OPPORTUNITIES



Current main markets
Potentially new markets



NEXT GENERATION SOLUTIONS TO TRANSFORM THE MARKET



Widening the scope. The current and the next generation of telecare will also be increasingly predictive, proactive and preventive. Technology enabled care that can monitor chronic diseases such as COPD, heart failure, diabetes, hypertension, asthma, coronary artery disease or kidney disease can make the care of seniors at home more effective.

Doro Care is constantly evaluating services and products that offer assistance within prediction and prevention.

In order to further broaden our services and increase growth, we will also work with strategic partners.

Recurring service revenues. Doro Care intends to link services to its portfolio of offerings for elderly care in the home as well as in assisted living.

Elderly care in our main and identified emerging markets is a public procurement-driven operation, with average contract periods of between four and five years. The aim is for sales of services to make up approximately 80 per cent and associated product sales 20 per cent. The service offering comprises a combination of hardware, software, contact centres and field staff. Product sales can be both proprietary products and carefully select-

ed products from partners. With secure contract periods and extensive offerings, the opportunities for both upsell per customer and recurring service revenues are significant, driving profitability for Doro and providing more a coherent service for our customers.

Our own market-leading platform. An important part of Doro's strategy is to establish a new, flexible and modular platform for software and systems. The platform should collect all Doro's service offers and provide the hub and the common inter-

face for customers and users. Doro has extensive experience of specifying and developing systems, products and service applications for the senior market. We will continue to do this. An important step during 2020 was the acquisition of the Spanish company Victrix, the first fully digital, cloud-based platform for technology enabled care on the market. The platform is providing Doro with new opportunities to develop and offer coordinated and proactive services within both individual and assisted living.



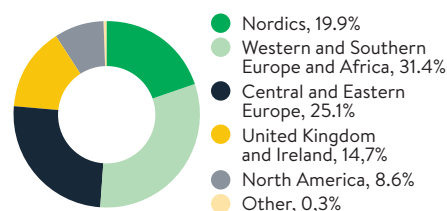
Leader in senior phones Yesterday. Today. Tomorrow.

Doro Phones is the European market leader in senior phones. Our phones are adapted to the needs and circumstances of seniors – with extra clear sound, extremely good user friendliness, large buttons and high contrast, and all the phones are equipped with an alarm button. It should feel secure to own a Doro phone.

With a new strategy, business area Doro Phones will defend its position of strength as a European market leader.

KEY FIGURES	2020	2019
Net sales, SEK million	1,165.2	1,586.3
EBIT, SEK million	71.5	105.7
EBIT margin, %	6.1	6.7

Sales by market, %





EVERYONE IS GETTING OLDER – AND THE NUMBER OF ELDERLY PEOPLE IS GROWING

Today, life takes place largely on mobile phones and on the Internet. This is where we communicate with each other, and this is where we participate in the outside world. 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.

We are living longer and longer, and the number of seniors is increasing. As a result, there is also an increasing need to be able to communicate on seniors' terms. Seniors are far from a homogeneous segment, and we are therefore constantly examining the market in order to identify seniors' needs. Thanks to our insights, we are able to develop and offer a range of products and services that better meets their needs, no matter where in life these may arise.

Hearing, vision and motor skills are often affected with age. But the same is also true of confidence in respect of technology. With smart and customised products, we make it easier to participate actively in changes. Our focus is on features that make day-to-day life easier and safer.

CHALLENGES REQUIRE SOLUTIONS

Our mobile phones are both smart and easy to use, and our customers choose for themselves if they want many or few features. However, all the phones are adapted to the needs and circumstances of seniors – with large buttons, clear sound, easy-to-read screens and security buttons.

Doro Feature phones. Doro's classic mobile phones are logical and designed to be easy to use. Functions include sound that is tailored to the correct frequency to match the way seniors' hearing changes over the years, a security button on the back of the phone and clear, easy-to-read menus. The mobile phones are easy to hold and use, making it easy to both make and receive calls and messages. All the models are also equipped with a camera and several also have the option of social media.

Doro Smartphones. Doro's smart mobile phones enable the user to easily listen to music, make video calls and watch films on the phone. It is also easy to adapt the number of features on the phone and keep in touch with friends and relatives via calls and text. Doro's smart mobile phones have a sleek and user-friendly design, and in our newer models it is also possible for the user to control the phone with their voice using Google Assistant.



“Overall, I am extremely proud that Doro Phones delivered such strong results, even though customers in general and seniors in particular stayed away from our stores – those stores that were open, at any rate.

Jörgen Nilsson,
Group Director, BA Doro Phones.

2020 – A YEAR AFFECTED BY THE PANDEMIC

Doro Phones has been heavily affected by COVID-19, as the majority of our main markets have been fully or partially locked down.

- Sales decreased by 28 percent compared to 2019. Part of this decrease was due to the previously announced decision to leave less profitable markets such as North America and southern Europe.
- Doro Phones acted early and, through good cost control, we have delivered a strong operating profit and a good margin despite COVID-19.

MARKET LEADER IN SENIOR PHONES

Doro Phones is the European market leader in senior phones, with approximately 2 million phones sold in 2020. Proprietary phones and mobile phones tailored to seniors are sold through a network of more than 300 telecom operators, distributors, specialists and dealers. On Europe's largest markets*, the market share for senior mobile phones is almost 50 per cent. 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 increasing competition from traditional manufacturers of mobile phones with applications that are suitable for seniors.

While the mobile phone market continued to decline during the year, particularly due to the negative effects of COVID-19, and is expected to remain challenging, Doro's leading position represents a valuable platform for winning additional market share.



*United Kingdom, France, Germany and Sweden.

SAFE AND DURABLE PHONES

In addition to Doro Phones' products giving seniors and people with disabilities the opportunity to continue to live an active and safe life, they need to be able to rely on products from us. Information security and protection of user and customer privacy are guaranteed. We are aware of our responsibility to develop sustainable products and to help our customers to keep them for a long time. A long life-time is the most important environmental improvement that can be made when it comes to phones. The majority of Doro's phones have replaceable batteries, which extends product life, although the company's smartphones follow the market trend of fixed batteries. We conducted a customer survey in 2020, which showed that of our feature phone users, 70 per cent use them for more than 3 years (40 per cent for more than 5 years), while of our smartphone users, 30 per cent use them more than 3 years.

» Read more about our sustainability work on pages 26-34.

A NEW STRATEGY TO DEFEND OUR POSITION OF STRENGTH

Doro Phones has a strong position as the market leader in senior mobile phones. This position will be defended. As competition intensifies and price pressures also increase in the senior segment, the requirements for Doro's products are increasing even more. Doro will benefit from its knowledge of seniors together with the properties

that Doro's products are equipped with. We have restructured our operation during 2020, primarily in business area Doro Phones, to ensure long-term profitability and cash flow. The new structure will provide a solid foundation for the further expansion of our market-leading position in both business areas, as well as the development of new products and services designed to suit the needs of the elderly. Annual operating expenses are expected to decrease by SEK 110–130 million compared to 2019 levels. We have implemented savings of SEK 82 million in Doro Group during 2020. We expect to implement the remainder of the savings during 2021, with full effect by the end of the year. Total estimated restructuring costs amount to SEK 20–30 million, of which SEK 15.0 million relates to 2020.

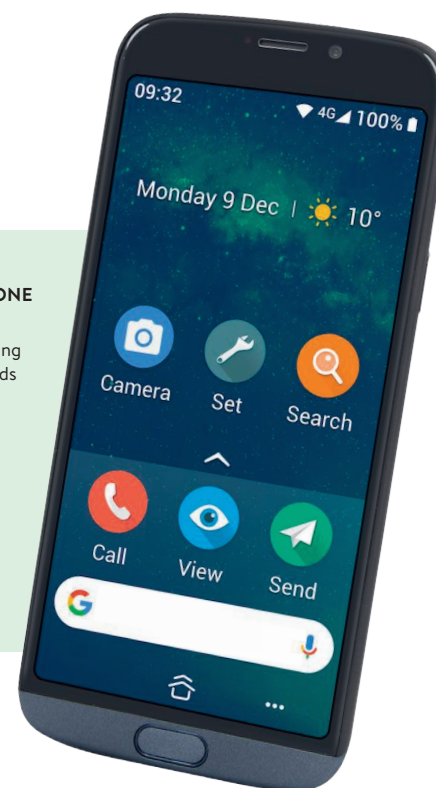
DORO 8050 – AN INCREDIBLY SIMPLE SMARTPHONE WITH AN INTUITIVE INTERFACE

Several years of close cooperation with seniors, providing us with the assurance that our products meet their needs and wishes, led us to create the Doro 8050. An incredibly simple Android smartphone. It doesn't just deliver loud and clear sound, but also offers an outstanding image experience and an easy-to-use camera. It is also equipped with an intuitive interface that simplifies everything the senior wants to do. Thanks to Doro's classic security button, help is always within reach, providing peace of mind for both the senior and their relatives. The Doro 8050 was launched in 2020.



PREMIUM RESPONSE SECURITY SERVICE

Response Premium by Doro is a subscription security service that is designed to give seniors and their relatives extra security in everyday life. With a simple press of the phone's security button, the user can quickly send alerts and get help. The alarm goes first to the user's relatives and then on to Doro's alarm centre. The security button works with selected mobile phones from Doro.





Life is easier with Doro's GPS watches

“ We can provide the elderly with the confidence that they can raise the alarm if something should happen.

Åsa Trolle, former Head of Unit, Östersund Municipality.

In Östersund, the municipality has worked hard to make technical aids such as cameras and GPS alarms a part of the seniors' day-to-day lives.

One aid that is particularly appreciated by the citizens of Östersund is the Doro Secure® 480 GPS watch. This has a position alarm and a built-in speaker to communicate with the person wearing the watch.

“We can give the seniors a GPS watch and the security of knowing that they can alert us if anything happens.

The positioning function means that we can both locate and contact the person. This product really only has advantages,” says Åsa Trolle, Head of Unit at Östersund Municipality.

The Doro Secure® 480 GPS watch is currently helping more than 420 users in Östersund, and this figure is growing rapidly.

There are numerous examples of how it has made life easier for both users and relatives. During a holiday in Spain, for example, one couple – where the man suffers from dementia – were able to temporarily change their home address to the address of the hotel directly on the watch, with the aid of the municipality.

“The wife called and told me that she had never had such a good holiday, and that she had been able to relax for the whole trip. She was almost in tears at how good it had been. That's how we know we've found the right solution,” says Åsa Trolle.

Doro is social sustainability

Technology enabled care is not a matter of replacing human welfare resources with technology and automation. Technology enabled care is first and foremost about creating security, freedom and independence for people with physical and cognitive limitations. The elderly make up the majority of these people. It is a matter of creating the best conditions for a full and dignified life for a group that has a weaker voice.

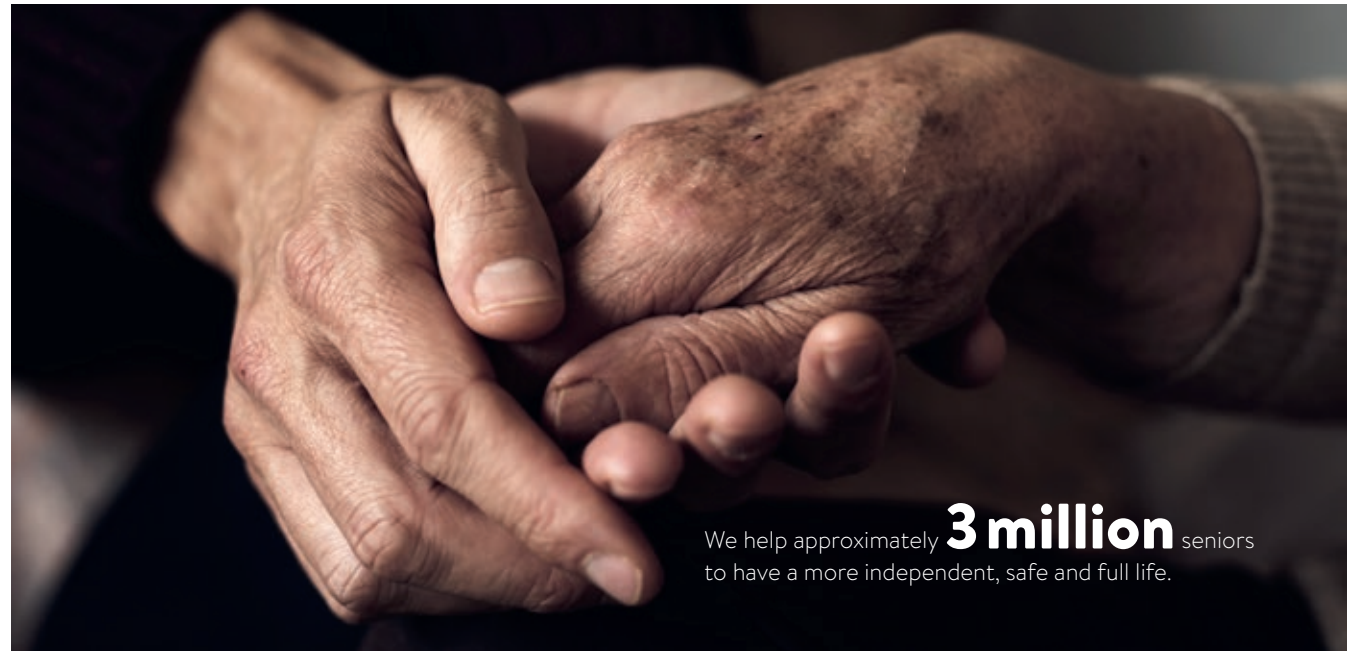
Secondly, technology enabled care entails more effective care. Where those providing the care can make better use of limited tax revenues. Where care staff gain a better working environment and greater potential to devote their time to valuable meetings with the elderly.

Properly designed technology enabled care generates social sustainability and lives up to the future challenges that the growing proportion of elderly people represent.

Doro is a leading European player in the field of technology enabled care, with one of the strongest brands in the sector. Our entire value base, vision and mission revolve around ensuring a better life for seniors as well as more sustainable welfare.

Doro contributes to sustainable social development. Doro is social sustainability.

» Read more about our sustainable strategy in sustainability note 2.



We help approximately **3 million** seniors to have a more independent, safe and full life.

THE LONELINESS COMMISSION: NO ONE SHOULD HAVE NO ONE.

The coronavirus pandemic has hit the elderly particularly hard, but even before the pandemic, 300,000 people in Sweden reported feeling lonely. In the group aged 75 and over, more than ten per cent are “socially isolated”, which means that they live alone and do not meet relatives, friends or acquaintances more than once a month. The Loneliness

Commission is a politically unaffiliated initiative that aims to work broadly to combat loneliness among the elderly 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 qualified researchers

regarding 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. Carl-Johan Zetterberg Boudrie represents Doro as the initiator and founder of the Loneliness Commission. The Commission will chart loneliness,

raise awareness of the problem and develop policies and proposals for improvements. 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.



Doro's contribution to a sustainable society

We help seniors live a better life. This statement permeates everything we do and is a guiding principle for our sustainability work. It is within social sustainability, the use of our products and services by customers, that Doro has its greatest impact. This is where Doro makes a difference.

Doro's contribution to sustainable social development is to provide an opportunity for seniors and people with disabilities to have a more independent, safer and better life with the aid of technology. We provide our community customers with the tools they need for the effective use of resources.

We reach our mission by offering products and security care to trust, as well as resource efficiency.

A responsible business foundation forms the basis for the governance of other sustainability issues, such as occupational health and safety, equality, supplier control, environmental governance and legal issues.

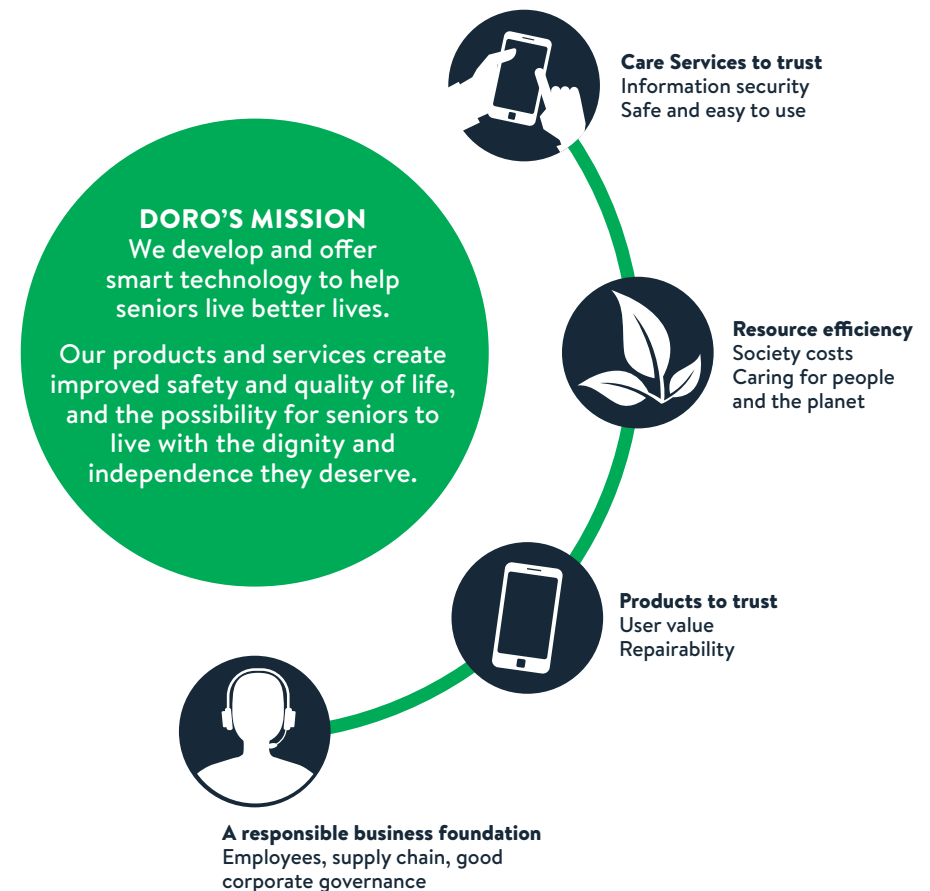
» Read more about sustainability impact in our materiality analysis (Sustainability note 3).



Doro supports Agenda 2030 and the UN's 17 Global Sustainable Development Goals. Doro's greatest potential to support these goals lies within Goals 8, 10 and 12.

The global challenges that Doro considers to be most relevant in relation to its operations are:

- Growing proportion of elderly people
- Shortage of resources
- Emissions
- Climate change
- Human rights



Doro creates sustainable values. Every day.

In 2020, Doro helped and supported around 3 million seniors. Doro has 400,000 connected users who rely on Doro's employees, services and products every day. Every year, Doro sells more than 2 million mobile phones to seniors and people with disabilities, to facilitate their ability to continue living

an active and safe life. Doro's services, products, competence and employees create sustainable values by promoting security and well-being. Doro's extensive offering also creates value, through the efficient use of the resources available today, for health and social care.



HOW DORO CREATES VALUE FOR ITS STAKEHOLDERS

Stakeholder	Dialogue	How Doro creates value
Care end users	Seniors associations. Relatives. Municipal care administrations. Direct dialogue during product development.	Security and independence for 400,000 end users.
Care direct customers (municipalities, organisations, private individuals)	Requirements in public procurement. Audits by SKR etc.	Support for employees in the care sector. Resource efficiency in the use of tax revenue. Quality of health and social care.
Phones' end users	Analysis of needs and field tests with seniors during the development of new products.	Ease-of-use for millions of users of Doro phones. Social inclusion through products customized for the elderly.
Phones' direct customers (mobile operators, electronics chains, private individuals)	Quotes. Sales meetings and trade fairs. Sustainability assessments.	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. Staff appraisals. Employee satisfaction measurement and other surveys.	Job opportunities for more than 1,000 employees. Good working environment without harassment or discrimination. 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. Contribution to achieving the UN's global goals.
Suppliers	Follow-ups. Audits. Meetings.	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	Annual general meeting. Board meetings. Dialogue with investors.	Long-term financial sustainability. Balanced risks, which require good governance of both finances and sustainability issues.

Reliable products and services



Doro's services and products provide the opportunity for greater inclusion in society and a safer and more independent life for seniors and people with disabilities.

10.2 By 2030 empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

INFORMATION SECURITY

Doro's 24/7/365 alarm receiving centres handle high volumes of emergency calls from customers who depend on us at the press of a button. To ensure our systems remain available and customer data is kept secure and confidential we adopt the best practice approach of our ISO27001 certification across all our alarm receiving centres. Our centrally managed Information Security Management System provides the framework that enables us to manage, monitor and improve our information security practices. Following an alarm receiving centre acquisition, work begins to integrate the new business into the Group's management system for information security. Doro certified its existing alarm centres back in 2017 in accordance with ISO 27001. Work is currently underway to add two recently



Doro strives to be an employer that offers good working conditions and development opportunities. Doro's care solutions can provide support to employees working in care and resource efficiency in the use of tax revenues.

8.2 Achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labor-intensive sectors.

acquired alarm centres in the UK to the certification, one of which will be carried out during Q1 2021.

ISO 27001 places high demands on Doro's systematic management of information security, in order to ensure:

- Confidentiality (protection against unauthorised access)
- Integrity (protection against unwanted change)
- Availability (access for the authorised person at the right time)
- Traceability (ability to track changes)

To minimise exposure to security threats, all employees are required to follow Doro's information security policies and guide-



lines, as well as participating in continuous security awareness training. The training provides employees with a better understanding of information security risks and increased awareness of how everyone can contribute to a secure operation.

Proactive system testing is performed to identify threats, weaknesses and risks. Non-conformities, risks, measurements, etc., are handled in accordance with management processes and are followed up quarterly by the group's information security team. Doro has a high focus on risks and work is constantly being carried out to reduce the risks.

QUALITY OF DORO'S SERVICES

ISO 9001 and ISO 27001 certifications support secure processes and improve working methods to maintain the agreed service level. In the UK, the local TSA standard specifies quality requirements in the alarm chain, and all of Doro's alarm centres in the country have this certification. Doro has also been certified according to the local Chainmark standard in the Benelux countries during the year.

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

Emergency procedures and testing

are important to check that the services can be maintained, even in the event of disruptions. In the alarm centres, business continuity processes are regularly reviewed and practiced in different scenarios, at least every 2 months, to simulate both natural and man-made disasters. Our own IT staff are on standby 24/7 to ensure the operation of the alarm services and to take action in the event of any disruptions. Continuity arrangements have been invaluable during the pandemic, ensuring that workplaces could be organised with safe distancing and minimising the risk of the virus spreading amongst the alarm operators.

SUPPLIER CONTROL

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

If a supplier violates the policy or any other requirement, Doro makes it clear that this is not acceptable. For continued cooperation, Doro demands that the supplier develops an action plan for improvement. Should the supplier still fail to meet the requirements, Doro has the right to suspend the cooperation.

Risk assessments of the suppliers have resulted in Doro focusing on the 7 major suppliers in China for the production of phones and alarm equipment.

- All have ISO 9001 quality certificates.
- Four have ISO 14001 environmental certificates, and the other three are working towards certification.
- Four have ISO 45001 occupational health and safety certificates, and the other three are working towards certification.
- CSR audits have been carried out at six of them. One has been postponed until Q1 2021 due to pandemic-related restrictions. Identified non-conformities have been corrected or are planned for correction.
- All have policies regarding conflict-free minerals, four of them have been audited in respect of conflict minerals and two more will start doing audits in 2021.

PRODUCTS AND PRODUCT DEVELOPMENT

For all deliveries from the product suppliers, a quality check is performed by one of Doro's quality inspectors. In 2020, 2,391 such quality inspections were carried out.

Doro's product development is quality certified according to ISO 9001, and has clear processes and structures for the development of products and services, to 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 done to ensure that the products are safe and user-friendly.

During 2020, a project has been carried out to reduce the environmental impact of packaging for mobile phones. Reductions are implemented gradually on different phone models.



Motivated employees

Doro's employees are important at every level, but are crucial for every single senior who contacts an alarm centre or who uses Doro's products.

2020 has been an unusual year, where health has been central to everyone's lives more than ever. The pandemic has given rise to completely new circumstances.

At Doro, it has been important to put the health and well-being of employees at the centre with a safe and secure working environment. A crisis team was appointed in February, and ongoing communications were sent to staff regarding the pandemic. Office staff worked from home from early on in all the countries where we have operations, while the employees in the alarm centres spread out in the premises to achieve increased distancing.

In order to support our staff working from home, Doro has provided information about what they ought to consider regarding ergonomics, as well as giving them the opportunity to take their equipment home. The company has also encouraged movement, both individually as well as through activities within the teams in an outdoor environment. To combat social isolation, video meetings have become an important tool for daily contact between colleagues.

EMPLOYEES

Doro aims to be an attractive and stimulating workplace for the wide range of professional groups that our employees represent, including engineers, developers, nurses, economists and marketers.

Recurring staff surveys have been conducted over the past year, taking the study on four occasions during the year to initiate more frequent following-up. The average response rate in 2020 was 73 per cent. 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.

A major restructuring of the business has been carried out in 2020. Two distinct business areas have been introduced: Doro Phones and Doro Care. At Doro Phones, the number of employees (FTE) has decreased from 121 to 97, with the cut-backs affecting the organisation globally. This work has been carried out responsibly in dialogue with the trade unions and in accordance with the law. 2021 is starting out with the right conditions, a focused organisation with expertise that can



1,081

Number of employees at year-end*

* Read more about staff details for 2020 in Sustainability note 4 on page 87.



50%

Proportion of female managers, year-end*

DORO'S KEY SUSTAINABILITY POLICIES

- Business ethics
- CSR policy for suppliers
- Statement for Modern slavery
- Environment policy
- Quality policy
- Information security policy
- Health and Safety

- » Owners and the follow-up of our policies are described in Sustainability note 1 on page 85.
- » Significant risks regarding sustainability are listed together with other risks on page 40.

* Read more about staff details for 2020 in Sustainability note 4 on page 87.

strengthen the business area's position, as well as the opportunity to be the market leader in Europe.

CULTURE

Work on our values was carried out in 2019, in which new values were developed and launched: "we care", "we are trustworthy", "we are visionary". This implementation work has continued in 2020.

In addition to the day-to-day work with the core values, they constitute a basis in staff appraisals. They are also incorporated into the leadership programme as well as staff surveys.

DEVELOPMENT

Doro has a flat organisation with the aim of creating good conditions for knowledge transfer, high ceilings and creative ideas. The leadership programme has been launched in 2020, despite new circumstances due to COVID-19. The ambition is to build networks between managers, to equip leaders to assume an important role

in the development and transformation of the organisation, as well as to create job satisfaction for all employees. The leaders need a toolbox that provides good conditions for success, and are also being challenged to grow stronger in their role.

All employees must have annual staff appraisals with their immediate manager. During the last round, the proportion of completed appraisals was only 76 per cent of the Group's employees, as a result of reprioritisations due to the pandemic.

In order to promote Doro as an employer, a career page has been launched providing, for example information about values, the link to the UN's sustainability goals and references from employees. Doro aims to provide new employees with a good first impression as well as an early introduction to the company's values, carried out through pre- and onboarding which have recently been implemented. Here you can find e.g.: Doro's whistleblowing policy, Doro Business Ethics and Mission, vision and values.

When employees leave the company, their experiences are absorbed by implementing digital exit interviews in the shape of a web form. This is all done with the aim of developing as an employer.

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. In order to involve all employees and ensure that they acquaint themselves with and understand Doro's business ethics, a digital course has been developed and sent to all employees during the year.

All buyers have received a targeted digital course in business ethics, which 95 per cent have completed. All sales staff have received a digital course focused on business ethics in conjunction with sales, which 85 per cent have completed.

Active environmental work



Doro selects the materials in its products for good environmental performance throughout the life cycle, from raw material to recycling. Products offering a high proportion of reuse have been a matter of course for many years within Care. Doro is also working to reduce the environmental impact of transportation and journeys.

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

CIRCULARITY

The majority of Doro’s phones have replaceable batteries, which extends product life, although the company’s smartphones follow the market trend of glued batteries, making repair and recycling more difficult.

In the care activities, the products are developed as far as possible to facilitate sanitising, repair, updating and reuse. This includes for example replaceable armbands on social alarms or design developments that allow easy sanitising.

FREIGHT TRANSPORT

The 2020 target was for flights to be limited to 40 per cent of freight flows. It

has been difficult to plan stock levels due to the impact of the pandemic, and it has therefore not been possible to achieve this target. The proportion of flights in 2020 was 65 per cent.

INTERNAL ENVIRONMENTAL WORK

The operations in Doro Care are environmentally certified. Doro’s ongoing goal is for acquired alarm centres to be added to Doro’s central ISO 14001 certificate within 18 months. It has not been possible to achieve this in 2020, because the focus has had to change during the pandemic. The plan is for the two most recently acquired alarm centres to be added in 2021. One of these already has a local environmental certificate.

Doro’s social alarm operations differ from country to country. In Norway and the UK, the offer also includes visits to the user, which to a large extent are carried out by car. Doro works in various ways to minimise the climate impact caused by car travel. Over time, Doro will replace the car fleet in Oslo with electric cars; four cars have been replaced during 2020. The company will also conduct training in eco-driving; a target for this existed in 2020, but could not be implemented due to lockdowns associated with the pandemic, so the target is being transferred to 2021.



The unit in Eastbourne, which is heated with direct electricity, has been switched over to fossil-free electricity in 2020. This is having a positive impact on greenhouse

gas emissions, as the electricity mix in the UK is largely made up of fossil energy. One goal for 2021 is for two more offices in the UK to switch to green electricity.

Emissions, tonnes of CO ₂ e (CO ₂ equivalent)	
Direct greenhouse gas emissions, scope 1	305
Indirect greenhouse gas emissions, scope 2	68
Emissions from the transport of goods, scope 3	2,990

Calculation methods and delimitations, as well as figures for energy consumption and other environmental facts relating to Doro’s offices, can be found in sustainability note 5. Figures for energy consumption and other environmental facts relating to Doro’s offices can be found in sustainability note 6. Goals for CO₂ in relation to offices can be found in sustainability note 7.

Human, economic and environmental benefits of camera monitoring

During 2020, Doro has conducted a life cycle analysis for its camera system (Eliza, Enzo, Visit, router). The analysis shows clear environmental benefits, alongside the benefits the system provides, for the elderly and for the efficient use of resources.

Human, economic and environmental benefits

Doro offers effective camera monitoring within home care, generating security for the elderly, safety and the efficient use of resources for the home care provider.

An alarm operator starts the camera at agreed times and checks that everything is looking good. When the camera is not in use, it is pointed towards the ceiling in order to protect the privacy of the elderly person. The alternative to the camera system is supervision by home care staff. Night-time visits are frequently made for no other purpose than supervision.

There are many positive effects. This helps to save the environment as unnecessary travel can be avoided, particularly in sparsely populated municipalities. The working environment for home care staff is improved when fewer staff are required to work at night. The elderly gain more secure supervision with less intrusion into their night's sleep. In addition, the financial impact for the home care provider is considerable, with the result that resources can be used for other personal care for the elderly.

The life cycle analysis, which compares traditional supervision with Doro's camera system, demonstrates the clear environmental benefits. More than 300 kg of CO₂ equivalents can be saved on average per user per year, which corresponds to approximately one return flight between Sweden and Greece.



LIFE CYCLE ANALYSIS

The calculations have been carried out in accordance with ISO 14044:2006 in the unit of carbon dioxide equivalents, CO₂e, a common measure of the overall climate impact in life cycle analyses.

The negative impact for Doro's camera system has been calculated in production – transport – use – recycling.

The calculation for traditional supervision has been carried out on the basis of a report from the Swedish National Board of Health and Welfare, using information about how many visits could be avoided with the aid of camera monitoring. Only night-time visits with no action other than supervision have been included.

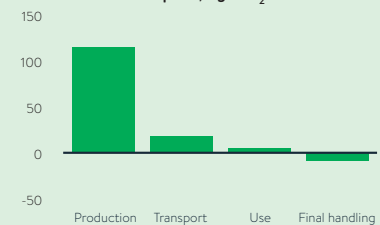
Of the total environmental impact, the vast majority comes from production, which also includes material extraction. The most effective thing Doro can do to reduce the environmental impact of production is to ensure the products have a long life-time, which has been a focus area for Doro's improvement work for many years. The annual environmental impact of the camera system decreases sharply when the products have a longer life-time.

» Read more about the entire life cycle analysis on Doro's website, www.doro.com.

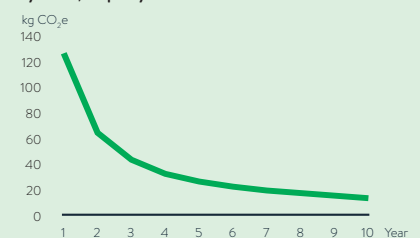


Life-time climate impact from camera monitoring compared to night-time supervision visits.

Environmental impact, kg CO₂e



Annual emissions by the camera system, at per years of service



The annual impact of the camera system decreases sharply when the products have a longer life-time.



AUDITOR'S STATEMENT ON THE STATUTORY SUSTAINABILITY REPORT

To the annual general meeting of Doro AB (publ), corp. reg. no. 556161-9429

Assignments and distribution of responsibility

It is the board that is responsible for the sustainability report for the year 2020 on pages 26-34 and 85-88 and for ensuring that it is prepared 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, March 29, 2021
PricewaterhouseCoopers AB

Magnus Willfors
Authorised Public Accountant
Chief auditor

Johan Rönnbäck
Authorised Public Accountant

Interconnected alarms for increased security

” This is one of the best and most secure measures we have implemented in Västervik municipality when it comes to protection against accidents and against fatal fires, which are so difficult to access.

Jakob Dahlqvist,
fire engineer at the emergency services in Västervik.

Fire is by far one of the most serious threats to people in the home. Around 100 people die in fires in Sweden every year – most in connection with fires in the home – and the vast majority are elderly.

Many people become physically weaker with age and suffer from impaired vision and hearing, and as a result many elderly people cannot get to safety on their own.

Smoke detectors can be connected to social alarms as a preventive measure, and as a result belong to the same alarm centre. Forwarding the alarm signal to home care or relatives can be one step towards increasing the potential for those who need help to get out.

In a collaborative project between the emergency services and the municipal social services in Västervik municipality, the eventual goal is to supply all the municipality's social alarms with fire detection. Almost 300 smoke detectors have been installed at present, and the reactions have been positive.

The link between social alarms and smoke alarms means that an alarm signal is sent directly to the alarm operator, who then contacts the user.



According to Jakob Dahlqvist, fire engineer at the emergency services in Västervik, this makes the work of the emergency services easier.

“With automatic alarms, we are often called out in situations where someone has accidentally burnt food on the stove, for example. With an alarm operator that has the opportunity to find out more, we avoid many unnecessary call-outs of this type and can instead be available for really serious incidents.”

In addition to generating increased security for the elderly, their relatives and the home care staff, the collaboration has also led to other synergies, considers Jakob Dahlqvist.

“When our firefighters install the smoke alarms in people's homes, we also have the opportunity to review the safety of the homes in general, for example in relation to carpets and thresholds. We can't stress enough how satisfying it is to be able to sort this out. This is one of the best and most secure measures we have implemented in Västervik municipality when it comes to protection against accidents and against fires, which otherwise are so difficult to access.”



Directors' Report 2020

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 2020. Comparisons in brackets refer to the previous year.

INFORMATION

Doro AB ("Doro", "the company" or "the group") develops services and products for seniors to live independent, fulfilling lives. Doro is the market leader in social alarms in Sweden, Norway and the United Kingdom, and European market leader in mobile phones for seniors. Doro's wide portfolio of security and care solutions digitally connect generations and provide solutions for independent living, both inside and outside the home.

MARKET

The addressable European technology enabled care market is expected to grow by around 11-13 over the next five years, which corresponds to a market of 50 billion by 2025. The next generation of telecare is increasing in terms of share and interest compared to traditional technology. Business area Doro Care's goal is to be the market leader in technology enabled care in Europe.

Doro Phones is the European market leader in senior phones, with 2 million phones sold in 2020 in approximately 28 countries. Proprietary phones and mobile phones tailored to seniors are sold through a network of more than 300 telecom operators, distributors, specialists and dealers. In Europe's largest markets (the United Kingdom, France, Germany and Sweden), the market share for senior mobile phones is almost half. With a new strategy, business area Doro Phones will defend its position of strength as a European market leader.

THE SHARE

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR:

- Doro acquired Eldercare UK Ltd in August 2020 (see note 18).
- Doro acquired Victrix SocSan in September 2020 (see note 18).
- Doro acquired Connexus Careline in October 2020 (see note 18).
- Doro is restructuring the business into two separate business areas, Doro Care and Doro Phones. Doro Phones is also being restructured to ensure long-term profitability.

- Launch of the new Doro Eliza: a unique, innovative welfare hub, specially developed to make full use of both current and future opportunities in the field of technology enabled care and digital technology.
- A number of new phones were launched during the year, including our new 8050 smartphone and our 780X and 731X feature phones.

NET SALES AND PROFIT

Doro's income amounted to SEK 1,689.3 million (2,063.0) during the year, an decrease of 18.1 per cent compared to 2019. Sales for business area Doro Care amounted to SEK 524.1 million (476.7), an increase of 9.9 per cent compared to 2019. Growth has been positive in the UK and Ireland, thanks to the acquisitions of Eldercare UK Ltd and Connexus Careline. Sales for business area Doro Phones amounted to SEK 1,165.2 million (1,586.3), an increase of 26.5 per cent compared to 2019. The business area has lost sales during the year as a result of the pandemic and the lockdowns that have affected our main markets.

EBIT amounted to SEK 85.7 million (112.1), giving an EBIT margin of 5.1 per cent (5.4). The decreased margin is a direct consequence of the decrease in sales due to the pandemic, which has not been fully

mitigated by cost savings. Profit for the year amounted to SEK 49.1 million (77.9). Net financial items amounted to SEK -17.1 million (-4.8).

CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

Cash flow from current activities amounted to SEK 243.9 million (242.6). The Group's net cash flow, which amounted to SEK -27.9 million (64.2) during the year, was affected by company acquisitions of SEK -38.2 million (-18.7) and investments of SEK -63.5 million (-123.9). The investments are primarily attributable to product development. No dividend was paid. At year-end, Doro had an interest-bearing liability of 201.5 million (330.4) and cash and cash equivalents of SEK 170.6 million (198.5). The equity/assets ratio increased to 50.9 per cent (46.6) at the end of the period.

THE BOARD

The board consists of the chair Lennart Jacobsen, deputy chair Henri Österlund, Towa Jexmark, Josephine Salenstedt, Juha Mört, Cecilia Ardstrom and Mona Sahlberg (employee representative). CEO Carl-Johan Zetterberg Boudrie also participates in board meetings. The company's CFO Linda Nilsson has been co-opted to the Board as Secretary.

REMUNERATION TO SENIOR EXECUTIVES

These guidelines include the company's CEO, the members of the group's senior management team and remuneration to board members in addition to board fees (e.g. 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 2020 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 2020 mainly means that salaries and other remuneration conditions for the management shall be at market levels. In addition to a fixed base salary, management may also receive variable remuneration and bonuses, which will have a predetermined ceiling and be based on the results achieved in relation to established performance targets (and in some cases other key figures). 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 will be determined annually at an amount that includes all 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 are able to allocate parts of their fixed and variable remuneration for other benefits, such as pension benefits. The management's pension plans will mainly be defined contribution. In the event of termination of employment by the company, senior executives may be entitled to severance pay, which in such cases will 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 commences.

For 2020, the Group's costs for development work amounted to SEK 43.4 million (50.6).

INVESTMENTS

Investments are made in design, mould tools, certification processes, control

equipment, inventory, leased alarm units, computers and software systems. Investments amounted to SEK 63.5 million (123.9). 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 follow-up of suppliers' quality is performed using the "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 routines and responsibilities ensures that the company's products are at least equivalent to the applicable laws and government requirements on the markets in question, 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 40-42.

SUSTAINABILITY

Doro's sustainability report, in accordance with the requirements of the Annual Accounts Act, may be found on pages 26-34.

DIVIDEND AND FINANCIAL GOALS

The board has decided not to propose any dividend for 2020.

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. AB had sales of SEK 1,266.8 million (1,566.0). Profit after financial items was SEK 34.8 million (56.6). Doro AB is responsible for the financing of the subsidiaries. The parent company's net cash as of December 31, 2020, amounted to 3.6 million (-146.0). Equity amounted to SEK 542.3 million (510.9).

ANNUAL GENERAL MEETING

The annual general meeting will be conducted via postal voting in order to reduce the spread of COVID-19. The meeting will be held on 29 April 2021.

PROPOSED ALLOCATION OF THE COMPANY'S PROFIT

The following funds in the parent company are at the disposal of the annual general meeting:

Share premium reserve	200,869,040.50
Reserve for fair value	-4,612,900.50
Profit brought forward	141,807,267.90
Profit for the year	23,499,067.67
	361,562,475.57

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

- In February, Doro acquired FirstCall 24/7. Net sales for FirstCall 24/7 for the 2019/20 financial year amounted to GBP 0.5 million (approximately SEK 5.7 million). The acquisition will be consolidated in the Doro group as of 1 February 2021, and is expected to have a negligible impact on earnings per share in 2021, including transaction costs.
- In February, it was announced that Doro intends to separately list business area Doro Care. In order to prepare for this separate listing, work will be initiated on separating business area Doro Care, with the aim of proposing a separate listing to a general meeting during the year. There is no guarantee that a decision will be made regarding an actual listing of business area Doro Care.

Overview of risks

Doro has a general risk assessment model adaptable for different types of risk assessments, through clear criteria for evaluation of probability and consequence. Risks are assessed at several levels, by different groups.

The risks are issued with colours based on their severity, and are mitigated over time. Red risks should normally not be allowed to exist for long, green risks do not need to be addressed, and in the case of yellow risks it is up to the risk owner to determine whether action should be taken.

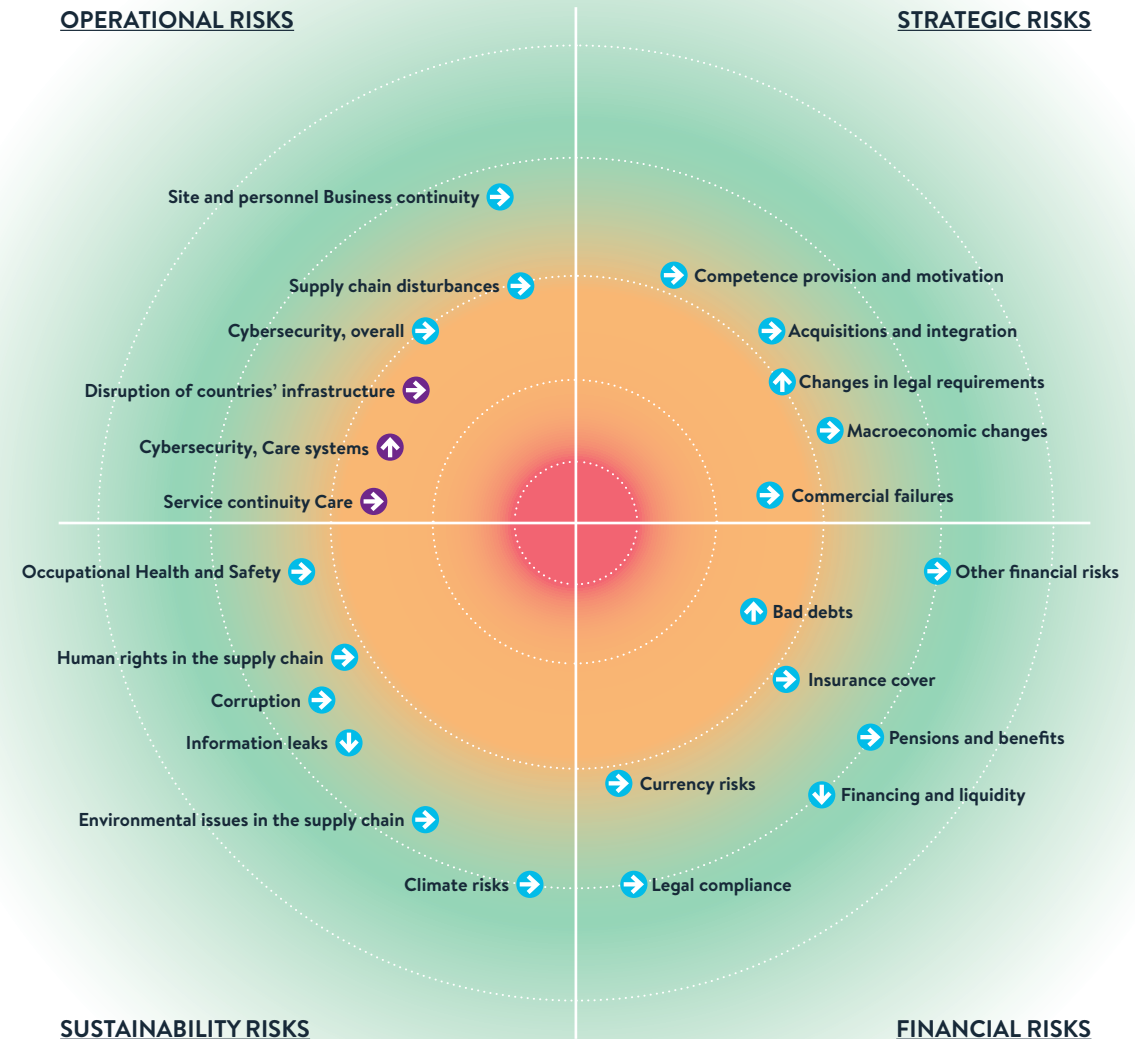
All risks have an owner. The risk owner is the party that has the financial responsibility for the area to which the risk relates. Risk reduction is planned and implemented on the basis of the severity of the risk.

Doro's top risks have been assessed and followed up by the Group management and have the following distribution.

The risk is attributable to: Risk level compared to 2019:

- Group*
- Care
- ↑ Up
- Unchanged
- ↓ Down

* The Group's risks consist of risks that are common to Doro Care and Doro Phones.



Risk management 2020

RISK MANAGEMENT DURING THE PANDEMIC

During the year, the company's business continuity procedures were used to deal with the pandemic. A central crisis team was activated in February, and risks were documented based on the information that was available at the time. The team has continued to meet and the risk assessment added to, with documentation regarding mitigated and new risks. Temporary rules for the employees have been communicated in several versions. Risks and measures have also been discussed in office manager meetings and locally at the various workplaces, when necessary on a daily basis.

Risks of not being able to keep the alarm centres running to a sufficient extent were considered to be a major risk early on, with potential dangers for society. As a result, measures were implemented to protect staff against infection and to keep parts of the business running, even if infection might knock out an alarm centre or if countries' lockdown rules might hinder operations. These measures were successful, and it has been possible to run the alarm operations without the alarm users being affected.

Another important risk related to alarm users being infected. In several countries, Doro personnel make visits to install and inspect equipment, and in Norway, care visits are made. Procedures were put in

place to protect the vulnerable alarm users, and Doro succeeded to a large extent in securing access to masks etc. During the year, no cases have been reported where Doro's staff have infected an alarm user.

For the staff as a whole, the risk assessment led to home-working being introduced at an early stage and then continuing. No cases have been found where an employee has been infected at work.

STRATEGIC RISKS

Commercial failures include failing to put profitable services and products on the market and failing 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 mitigated during the project, and are taken into account 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. As

Doro has a clear strategy for acquisitions and has acquired and integrated several companies during 2020, it is important to make the right decisions and to succeed in integrating these companies effectively.

Skills provision and motivation include attracting and retaining staff and keeping them motivated. This is described in the employee section on page 30-31.

Compliance with legal 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 and are managed over time. This was really tested in 2020, with cutbacks due to the global economic crisis associated with the pandemic.

OPERATIONAL RISKS

Cybersecurity in the emergency services and other information security risks are handled in the information security management system. The ISO 27001 certification focuses on the alarm centres, as they are the most sensitive parts of the company in terms of information security. The risks are assessed in a highly structured manner in accordance with standard requirements. Relevant risks have action plans that are followed up regularly, by

risk owners and by the information security steering group.

Cybersecurity in general is a lower risk than cybersecurity in the emergency services, because failure of these can mean danger to society.

Service continuity Care, is crucial for Doro's Care operations. Although stringent measures are implemented to safeguard the services, this risk is relatively high as the consequences of failure would be very serious. As a result, this risk is constantly in focus.

In all alarm centres, business continuity is tested through drills according to various scenarios at least every other month.

Proactive system testing is performed to identify weaknesses and risks.

Infrastructure in each country, such as electricity, the Internet and national telecommunications networks, is required for the operation of phones and social alarms. Doro's alarm centres have backup functions and a high degree of redundancy in critical infrastructure. If the national infrastructure is seriously damaged, however, there is a risk of alarm chains not working.

Supply chain disturbances are a phenomenon that happens regularly. 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 communications have been strengthened during 2020 to counteract these risks.

Site and personnel Business continuity

include illnesses, traffic accidents, fires and emergencies that affect the offices. Procedures are in place to manage these risks. This area also includes the risk of an epidemic, which was considered a low risk in 2019, but which proved to exist in the form of a pandemic.

FINANCIAL RISKS

Bad debts are increased due to the economic effects of the pandemic. The financial processes within Doro have been improved during 2020, and this risk will hopefully decline during 2021 without Doro taking any further action.

Other financial risks, see Note 23.

SUSTAINABILITY RISKS

Occupational health and safety risks are assessed per workplace, in accordance with local legislation and in accordance with Doro's guidelines. An annual summary is reported to the group management.

Working in an alarm centre can be stressful and psychologically demanding, as the needs of the alarm users are at the

heart of the operation. This is managed with the support of team leaders and by focusing on having a good workplace. A good introduction and clear procedures support the employees in their day-to-day work.

Supply chain risk in respect of human rights and the environment are addressed through evaluations of suppliers and contract requirements. During 2020, the CSR policy used for supplier requirements has been updated. 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 evaluated in greater detail than previously during 2020. New digital training has been developed and sent to all Doro employees who are involved in purchasing decisions and sales. Doro's whistleblowing policy can be found on the company's website; no reports of corruption have been received in 2020.

Climate risks are mainly associated with the fact that Doro's products are manufactured in Asia and then shipped to the market in Europe, with a climate impact from both production and transport.

The risk of the changing climate affecting Doro lies primarily in risks linked to disruptions in the supply chain.

A society that has a greater focus on climate issues could represent an opportunity for Doro, as demand for digital services is likely to increase if travel has to be cut back.

RISK FOCUS 2021

Focus area	Why?
Commercial challenges	We need to ensure that we run projects and initiatives as well as possible to ensure the best possible results and to minimise potential losses.
Acquisitions and integration	Acquisitions are a part of our strategy and an area we work with actively. To ensure service quality and desired profitability after the acquisition, we have to be good at integrating acquired companies.
Competence provision and motivation	Competent, motivated staff are important when it comes to succeeding with our ambitions.
Cybersecurity, care systems	Our care services should offer security for the most vulnerable individuals. A potential failure in our systems puts people's lives and Doro's reputation at risk.



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 Doro AB's board in accordance with the Annual Accounts Act and the Swedish Corporate Governance Code ("the Code") and is part of the company's formal annual report and is scrutinised 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 December 31, 2020, Doro AB had 6,267 shareholders. Of the total number of shares, foreign shareholders accounted for 52.5 per cent. On December 31, 2020, the number of shares in Doro AB amounted to 24,204,568 and, on the same date, Doro's market capitalisation amounted to SEK 1,121 million. Doro's largest shareholder is Accendo Capital, which owns 15.5 per cent 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 direc-

tors 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.

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.

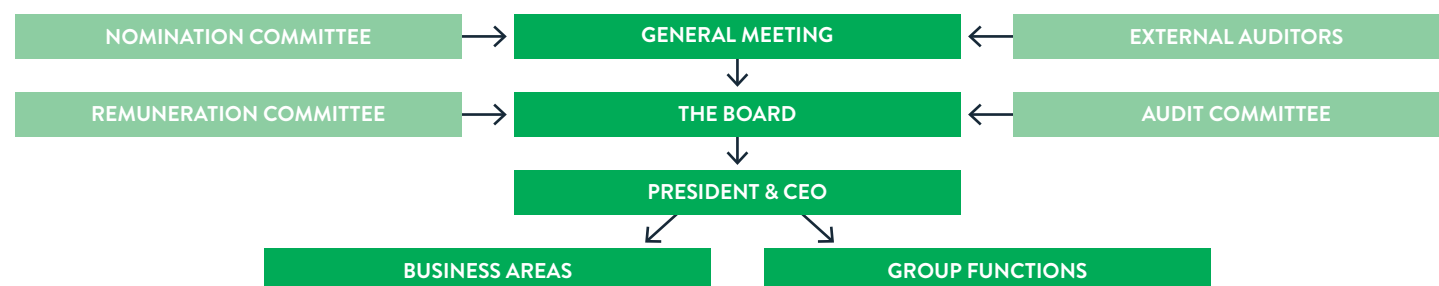
Prior to the 2021 annual general meeting, the nomination committee is made up of the chair, Mark Shay (Accendo Capital), Christoffer Häggblom (Rite Ventures) and Erik Durhan (Nordea Fonder), as well as Lennart Jacobsen, chair of the board of Doro AB, who has been co-opted to the nomination committee.

THE BOARD OF DIRECTORS

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

Doro AB's board consists of six members elected by the annual general meeting on 24 April 2020 and employee representative. Lennart Jacobsen was elected chair of the board. The six members are independent of the company and its manage-



ment. Two of the board members, Henri Österlund and Josephine Salenstedt, are dependent in relation to the company's largest shareholders. Doro thus meets the 2020 requirements of the Stockholm Stock Exchange and the rules in the Swedish Corporate Governance Code regarding the independence of board members. The composition of the board and a detailed presentation of each member may be found on page 47.

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 shareholders, the public, authorities and other organisations and interest groups. The board is responsible for executing deci-

sions 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 14 times in 2020. CEO Carl-Johan Zetterberg Boudrie is present at all board meetings. Doro's CFO Linda Nilsson attends the board meetings and is the board's secretary. 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 about business and

the company's financial results. 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 2020 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 monthly reports on an ongoing basis.

Evaluation of the work of the board

Doro's chair Lennart Jacobsen is responsible for ensuring that an evaluation of the Board's work, including its committees, is carried out. The evaluation is carried out annually together with an independent party.

Remuneration for the board

Remuneration for board members, the chair of the board and for committee work is decided annually by the annual general meeting. Proposals for fees are prepared by the company's nomination committee. Remuneration to the board during the year has been paid as follows:

- Chair Lennart Jacobsen received SEK 670,000 for the chairmanship of Doro's board of directors.
- Deputy chair Henri Österlund received SEK 410,000 for the deputy chairmanship of Doro's board of directors.

- Josephine Salenstedt and Towa Jexmark have each received a board fee of SEK 250,000.
- Juha Mört and Cecilia Ardström have each received a board fee of SEK 167,000 resp. SEK 220,000.
- Niklas Savander who left the board at the annual general meeting, April 24 2020, received a board fee of SEK 83,333.

In total, the remuneration for the board and committee work amounted to SEK 2,050 thousand (1,683), which follows the decision of the annual general meeting.

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 determine that the board is responsible for the company's governance, supervision of the ongoing operations, organisation, strategies, internal control and policies. The

Name	Board meetings	Audit committee	Remuneration committee
Number of meetings in 2020	14	3	4
Lennart Jacobsen	14	3	4
Henri Österlund	14		4
Josephine Salenstedt	12		
Towa Jexmark	13		
Juha Mört	10		
Cecilia Ardström	9	3	
Niklas Savander	4		
Mona Sahlberg	14		

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 has appointed an audit committee consisting 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. Investigation of quarterly financial statements as of 30 September, investigation of the company's internal control and audit of annual financial statements are reported to the audit committee. The audit's focus and scope are presented by the company's auditor. The audit committee has held three minuted meetings during the year, which have been 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 its own remuneration committee, made up of Henri Österlund, chair, and Lennart Jacobsen, member. The remuneration committee prepares questions and supporting documentation for the Board. The committee has held four minuted 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 must approve the terms and conditions for managers who report to the CEO. The board determines the remuneration for the CEO.

AUDITOR

The auditors follow and investigate how the company is led by its board and CEO, as well as the quality of the company's financial reporting. The 2020 annual general meeting appointed the auditing company PricewaterhouseCoopers AB as Doro AB's auditors for a period of one year, with Magnus Willfors as chief auditor. For the past three years, fees for audit work in the Doro group have amounted to SEK 2.6 million (2020), SEK 2.9 million (2019) and SEK 1.6 million (2018) for each year.

PRESIDENT, CEO AND GROUP MANAGEMENT

Doro's group management consists of Doro's President and CEO and five other managers. The composition of group management and a detailed presentation of the President and CEO and the respective managers may be found on page 48.

Remuneration to group management

The annual general meeting on 24 April 2020 decided on guidelines for remuneration to the CEO and other senior executives for the 2020 financial year. The total remuneration will 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 per cent 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 per cent. Decisions regarding such remuneration must be made by the board of directors following a proposal by the remuneration committee. The company's present CEO received a salary of SEK 4,377 thousand for his work during 2020. Variable remuneration of SEK 722 thousand has been paid for 2020. 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. Salaries to the other members of the group management amounted to SEK 9,443 thousand. Variable remuneration of SEK 971 thousand has been paid for 2020. All members of the group management team, including the CEO, are offered a benefit in the form of a company car if desired. The company's other senior executives have a notice period of six months.

GOVERNANCE OF SUBSIDIARIES

The 18 subsidiaries are controlled and supervised by their own boards in each country, which mainly consist of representatives of Doro AB in Sweden. Doro AB's President and CEO or CFO is chair of each subsidiary. The subsidiaries report to Doro

AB's board of directors at all meetings. The reports contain information on the respective company's development and financial position.

THE BOARD'S REPORT ON INTERNAL CONTROL FOR THE 2020 FINANCIAL YEAR

The board must, according to the Swedish Corporate Governance Code, ensure that the company has good internal control, and must continuously keep itself informed about as well as evaluate how the company's internal control system is functioning. The board will also report on the organisation of internal controls relating to financial reporting and, if there is no internal audit, evaluate the need for such a function and justify its decision.

CONTROL ENVIRONMENT

In order to create and maintain a functioning control environment, the board has established a number of basic documents relevant to financial reporting, including in particular the board's rules of procedure and instructions to the CEO and 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 section Risk management on pages 40-42. 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 built into each process, and different methods are used to evaluate and limit risks and to ensure that the risks to which Doro is exposed are managed in accordance with established regulations, instructions and follow-up procedures. The purpose of this is to reduce any risks and promote correct accounting, reporting and information disclosure.

CONTROL ACTIVITIES

Control activities are intended to manage the risks that the board of directors and the company's management deem significant for 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 receives financial reports regarding the group's position and profit development on a monthly basis. 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. The external information and communication are governed, for example, by the company's information policy, which

describes Doro's general principles for information disclosure.

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 internal control at the group's subsidiaries every year. 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, March 2021

Board of Directors of Doro AB

Board of directors



LENNART JACOBSEN
Chair of the Board

Main occupation: Board and committee memberships.

Education: MSc, Royal Institute of Technology, Stockholm.

Elected: 2019.

Born: 1966.

Nationality: Swedish.

Other assignments: Chair: Qliro AB, Playground Group AB, Board member: Oryx Holding, Swedish bank Robur Fonder AB.

Previous experience: Head of Retail Banking, Country Senior Executive and Executive VP at Nordea, CEO Nordics at GE Capital Global Banking.

Dependence: Independent in relation to the company and its management. Independent of the company's largest owners.

Own and closely related parties' shareholdings: 10,000 shares.



HENRI ÖSTERLUND
Deputy Chair of the Board

Main occupation: Managing Partner, Accendo Capital.

Education: Degree in business administration School of Economics in Helsinki.

Elected: 2015.

Born: 1971.

Nationality: Finnish.

Other assignments: Founder and Partner: Accendo Capital. Board and committee memberships: Remedy Entertainment Oy.

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

Dependence: Independent in relation to the company and its management. Not independent of the company's largest owners.

Own and closely related parties' shareholdings: 6,830 shares and 3,743,092 shares (Accendo Capital).



TOWA JEXMARK
Board member

Main occupation: Head of Innovation, Ramsay GdS.

Education: Medical degree, Umeå University, Physiotherapy degree, Lund University.

Elected: 2019.

Born: 1971.

Nationality: Swedish.

Other assignments: –

Previous experience: Many years of experience of health care, both as a specialist doctor and a manager. In recent years has worked on digitalisation and innovation.

Dependence: Independent in relation to the company and its management. Independent of the company's largest owners.

Own and closely related parties' shareholdings: –



JUHA MÖRT
Board member

Main occupation: CEO of Innohome Group Oy.

Education: Civil engineer from Oulu in Oulu, Finland.

Elected: 2020.

Born: 1972.

Nationality: Finnish.

Other assignments: CEO of Innohome Group Oy, Chair of the Board: Teknos Group.

Dependence: Independent in relation to the company and its management. Independent of the company's largest owners.

Previous experience: Solid background in the telecom sector, where he has held senior positions within Filtronic Wireless Infrastructure, Elektrobitt Group, Powerwave Technologies and Prism Microwave.

Own and closely related parties' shareholdings: –



JOSEPHINE SALENSTEDT
Board member

Main occupation: Partner, Rite Ventures.

Education: Degree in business administration, Stockholm School of Economics.

Elected: 2018.

Born: 1984.

Nationality: Swedish.

Other assignments: Board member: Nelly Group, CDON, Paradox Interactive Chair of the Board: Söder Sportfiske AB.

Dependence: Independent in relation to the company and its management. Not independent of the company's largest owners.

Previous experience: Approximately 15 years of experience of technology companies and active ownership in growth companies.

Own and closely related parties' shareholdings: 2,486,572 shares (Rite Ventures).



CECILIA ARDSTRÖM
Board member

Main occupation: Acting CEO of AMF Fonder.

Education: Economics and business administration studies from the School of Business, Economics and Law at the University of Gothenburg.

Elected: 2020.

Born: 1965.

Nationality: Swedish.

Other assignments: Board member: AB Svensk Exportkredit, Teracom AB and AMF Fonder AB.

Dependence: Independent in relation to the company and its management. Independent of the company's largest owners.

Previous experience: Head of Asset Management for Folksam Group. Head of Group Treasury for Tele2 and CFO/Asset Management Manager for Länsförsäkringar AB.

Own and closely related parties' shareholdings: 1,565 shares.



MONA SAHLBERG
Employee representative

Trade union: Akademikerna.

Elected year: 2018.

Born: 1966.

Nationality: Swedish.

Own and closely related parties' shareholdings: 100 shares.

MAGNUS WILLFORS
Auditor

PricewaterhouseCoopers AB.

Born: 1963.

Other assignments: Carl Bennet AB, Arjo AB, Elanders AB, Haldex AB and Arise AB.

Management



CARL-JOHAN ZETTERBERG BOUDRIE
President and CEO

Education: MSc, Royal Institute of Technology and MBA, Stockholm University.

Employed since: 2016.

Born: 1978.

Nationality: Swedish.

Previous experience: CFO at Doro, VP Public Care at Doro, CFO at Lekolar, Vice President Business Development at Beijer Electronics, Management Consultant at Capgemini Invent.

Own and closely related parties' shareholdings:
7,950 shares (via company),
121,100 options.



LINDA NILSSON
CFO

Education: Degree in business management, Växjö University.

Employed since: 2020.

Born: 1978.

Nationality: Swedish.

Previous experience: Management Control Director at Skånemejerier Group Lactalis, Business Control Director at Sandvik SMRT, Group Controller at European House of Beds, Business Controller at Oriflame, Commercial Planning Manager at Orange.

Own and closely related parties' shareholdings: –



ANNIKA RAMSING
Chief Human Resources Officer

Education: Bachelor's degree in behavioural sciences, Lund University.

Employed since: 2018.

Born: 1972.

Nationality: Swedish.

Previous experience: Group HR Manager, TwentyFourSevenGroup AB, HRBP, Grontmij AB, HR Manager, Hi3G A/S, Consultant Manager Ajilon AB, HR Advisor Orange AB.

Own and closely related parties' shareholdings:
42,000 options.



JÖRGEN NILSSON
Group BA Director Phones

Education: Bachelor's degree in Systems Analysis, Lund University.

Employed since: 2015.

Born: 1970.

Nationality: Swedish.

Previous experience: Director Category Management, Doro, Category Manager Feature Phones, Doro, Commercial Advisor Viva, STC Kuwait, Programme Manager Telenor Thailand, Programme Manager Orange Egypt, Consultant Cap Gemini, Ernst & Young.

Own and closely related parties' shareholdings:
6,000 shares, 70,000 options.



JONAS NORBERG
CTIO

Education: Master's degree in Electrical Engineering, Faculty of Engineering, LTH. Corporate and market law, Malmö University.

Employed since: 2020.

Born: 1972.

Nationality: Swedish.

Previous experience: Director at Axis Communications AB, Site Manager and Senior Director at BlackBerry Sweden, COO at TAT The Astonishing Tribe.

Own and closely related parties' shareholdings: –



PATRIK HARTVIG
Group BA Director Care

Education: Master's degree in Economics, Växjö, IHM Business School Stockholm.

Employed since: 2020.

Born: 1973.

Nationality: Swedish.

Previous experience: Chief Marketing Officer at Ascom, VP Global Product Line Mobility at Ascom, Director and Head of Portfolio Planning at Sony Mobile Europe and Global Portfolio Planner at Sony Mobile Japan.

Own and closely related parties' shareholdings: –

Remuneration report

The board of directors, in accordance with Chapter 8, Section 53 a of the Swedish Companies Act, presents a report below regarding remuneration to board members, the CEO and the Deputy CEO (the Report). Remuneration to board members over and above board fees is also covered in this report, where applicable. The report describes how the guidelines for remuneration for senior executives at Doro AB, as adopted by the 2020 annual general meeting, were applied during 2020. The report also contains information about 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's **Rules on remuneration to senior executives and on incentive programmes.**

Further information about remuneration to senior executives can be found in Note 5 (Employees and staff costs) on pages 68-69 in the 2020 annual report. Information about the work of the remuneration committee during 2020 can be found in the corporate governance report on pages 43-46 of the 2020 annual report.

Board fees are not covered by this report. Such fees are determined annually

by the annual general meeting and are presented in Note 5 on pages 68-69 in the 2020 annual report.

DEVELOPMENT IN 2020

The CEO summarises the company's overall results in his statement on pages 9-10 of the 2020 annual report.

The main purpose of the Report is to provide shareholders with the opportunity to form an opinion on the application of the guidelines in respect of such remuneration that is covered by the guidelines under chapter 8, Section 51 of the Swedish Companies Act, i.e. guidelines for salary and other remuneration to board members, the CEO and the Deputy CEO.

The principles and the 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 the avoidance of conflicts of interest.

It may be noted that CEO Carl-Johan Zetterberg Boudrie still holds this position, and that no Deputy CEO has been registered. At the 2020 annual general meeting, board member Niklas Savander left his position and Juha Mört and Cecilia Ardrström were appointed board members.

EXCERPTS FROM THE POLICY ARE MARKED WITH ““ BELOW, FOLLOWED BY A REPORT 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 be able to carry out the implementation of the company's business strategy as described on its website, and to safeguard the company's long-term interests, including its sustainability, the company must be able to recruit, retain and continue to motivate qualified employees.

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. This process takes into account not only “what” is delivered, but also “how” it is delivered, i.e. performance in combination with behaviour. Decisions regarding the payment of remuneration should only be made on the basis of the guidelines set out in policies and instructions. Discrimination relating to factors such as race, gender, age, religion or ethnicity is not permitted under any circumstances.

The remuneration to senior executives and employees normally consists of:

- Fixed basic salary
- Short-term variable remuneration paid in cash (key individuals)
- The potential to participate in long-term incentive plans (key individuals) and
- Pension and other customary benefits

TABLE 1 – TOTAL REMUNERATION TO THE CEO IN 2020 (SEK THOUSAND)*

CEO	Fixed remuneration	Variable remuneration	Other benefits	Pension cost	Total remuneration	Share of fixed or variable remuneration**
Carl-Johan Zetterberg Boudrie	2,725	722	75	855	4,378	82/18

* The table presents remuneration payable in 2020. 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

The fixed basic salary should consist of a fixed annual cash salary corresponding to remuneration for the role and the position. The size of the remuneration is influenced by: the complexity of the work, responsibility, performance, local market conditions and the way in which it contributes to achieving the business goals. Since the fixed salary should reflect the performance of the employee, it is individual and differentiated.”

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

Furthermore, it is noted that there have been no deviations from the decision-making process provided for in the guidelines for determining the remuneration.

A fixed term, variable remuneration must be based on the achievement of

predetermined targets, and the variable remuneration must have a predetermined ceiling. The outcome must be linked to measurable targets (qualitative, quantitative, general and individual). No remuneration can be paid if there is no clear link to the achievement of the targets. In the case of financial targets, the assessment must be based on the latest financial information published by the company.

A short-term programme with variable salary aims to safeguard the company’s long-term sustainability, and a maximum cost including social security contributions for variable remuneration may not exceed the fixed remuneration of the company’s senior executives.

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 per cent 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 per cent. Decisions regarding such remuneration must be made by the board of directors following a proposal by the remuneration committee.

Additional variable cash remuneration may be paid in extraordinary circumstances, provided that such extraordinary arrangements are for a limited time period and are only made at an individual level, either for the purpose of recruiting or retaining employees, or as remuneration for extraordinary work over and above the person’s regular 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 by being market-based and founded on predetermined targets. The CEO’s remuneration is a consequence of the achievement of measurable goals (qualitative, quantitative, general and individual). These goals are set out in the Policy and the process presented therein, in accordance with the follow-up and assessment thereof carried out by the board of directors.

During the period, the company has not recovered any variable remuneration. The company’s process regarding the payment of variable remuneration is such that payment is only made following verification that the relevant targets have been achieved,

but provides the potential for recovery if a situation arises that brings the issue to the fore.

““Long-term incentive plans

These can be introduced for some of the company’s employees to generate confidence in and commitment to the group’s long-term financial results. The drawing up of a long-term incentive plan is proposed by the board of directors and will be decided at the annual general meeting.

The 2018 annual general meeting decided on the implementation of a new options programme and issue of warrants (“The Options Programme that is presented on the website”). It was proposed that a total not exceeding 1,000,000 warrants be issued in the Options Programme, which includes senior executives and other employees. The entitlement to subscribe for warrants was added for the wholly owned subsidiary Doro Incentive AB, for subsequent transfer of the options to employees in the group. The warrants were issued free of charge to Doro Incentive AB. Warrants have been transferred to the participants at a price corresponding to the market value of the warrants (i.e. the option premium), calculated in accordance with the Black & Scholes formula. The valuation of the options has been carried out by an independent valuation institution or audit company.””

No changes have been made to the terms and conditions during the year.

EXCERPTS FROM THE POLICY

““Preparation and decision-making process

A remuneration committee exists within the board of directors. The committee’s duties include preparing principles for remunera-

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

	2015–2016	2016–2017	2017–2018	2018–2019	2019–2020	2020
Remuneration to the CEO*	-140 (-3%)	-1,071 (-22%)	+413 (+23%)	+1,555 (+37%)	-2,294 (-40%)	3,447
Group operating profit	-47,517 (-50%)	+44,245 (+93%)	+30,374 (+33%)	-10,242 (-8%)	-26,440 (-24%)	85,662
Average remuneration based on the number of full-time equivalent employees in the parent company**	-17.8 (-3%)	-28 (-5%)	-122.5 (-23%)	+14.2 (+3%)	-4.0 (-1%)	421.1

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

** Excluding members of the group management.

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	10.08.2018	121,100	0	121,100

* During 2020, there were no changes to the Share Programme 2018/2021, in which the CEO holds 121,100 options.

tion to the group management and for the board's decision regarding proposed guidelines for remuneration to senior executives. New guidelines will be drawn up at least every four years and be submitted for a decision at the annual general meeting. The guidelines always apply until new guidelines have been adopted by the general meeting.

The remuneration committee will also follow and evaluate programmes for variable remuneration to the group management, the application of guidelines for remuneration to senior executives and applicable remuneration structures and remuneration levels within the company. The CEO's remuneration will be determined within the framework of approved principles by the board of directors following preparatory work and a recommendation by the remuneration committee. The CEO's decision regarding remuneration to other senior executives will 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 the group management. The CEO or other members of the group management, to the extent that they are affected by the issues, are not present during the board's discussion of and decisions on remuneration-related matters.

Departures from the guidelines

The board may decide to temporarily 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.”

It can be seen from Chapter 8, Section 52, Subsection 2(6) of the Swedish Companies Act, that the guidelines for remuneration to senior executives must include a description of the decision-making process that is applied in order to establish, review and implement the guidelines, as well as the measures taken to avoid or manage conflicts of interest. At the same time, the board of directors is given the opportunity, under certain conditions, to deviate from these temporarily and in individual cases, in accordance with Chapter 8, Section 53 of the Swedish Companies Act, if there is support for this in the guidelines. However, there have not been any deviations from the guidelines or from the decision-making process. The auditor's statement on the company's compliance with the guidelines can be found on the company's website <https://www.doro.com/sv-se/corporate>.

In connection with a shareholders' meeting decision on an earlier 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.



Security. 24 hours a day.

” Just getting in touch to let you know you saved my father’s life tonight. He pressed the emergency button at 2.30, and by 6.30 he had been taken to the nearest cardiac intensive care department and had stents implanted, and is now recovering well. Without his phone, he probably wouldn’t be here now. /Kathy

Response Premium by Doro means that professional help is just the push of a button away. All of our unique phones have specially designed features, enabling you to continue to enjoy an active and independent lifestyle.



” Hi, I just want to say how amazing Doro’s phones have been for us. This was my Mum’s second one, and we had it set up so that she could use the emergency button so we could check her location, as well as call us and the local taxi company. She used it normally to start with, but towards the end she often simply pressed the emergency button to talk to us. When she was in hospital and at a nursing home, this gave her the confidence of knowing that we were always on hand. I have recommended this phone to everyone I know who has an elderly relative, and will continue to do so. Many thanks, Debbie.

Doro 780X: With a focus on simplicity and safety

The new Doro 780X comes with only the most basic features, and is a niche product for those who need the simplest phone possible. Three large, clearly visible buttons can be pre-programmed with the desired contacts so that the user can call them with the touch of a button. For greater security, the Doro 780X has excellent safety features, such as a safety timer and a dedicated security button linked to the Response by Doro® service. The user simply needs to press the button once to get in touch with predefined contacts, such as their own family, or with Doro’s alarm centre if you subscribe to the Premium version.



Consolidated Income statement

The Group

SEK m	Note	2020	2019
Net sales	2,3	1,689.3	2,063.0
Cost of goods and services sold		-1,119.3	-1,413.5
Gross profit		570.0	649.5
Selling, distribution and marketing expenses		-224.4	-284.7
Research and development expenses		-108.4	-98.7
Administration expenses		-160.9	-156.1
Other income and expenses	2	9.4	2.1
Operating profit/loss	4,5,29	85.7	112.1
Profit/loss from financial items			
Financial income	6	1.1	5.9
Financial expenses	6	-18.2	-10.7
Profit/loss before taxes		68.6	107.3
Income tax expense	17	-19.5	-29.4
PROFIT/LOSS FOR THE YEAR		49.1	77.9
Attributable to:			
Parent company's shareholders		49.1	77.9
Key figures			
Average number of shares, thousands	11	23,890	23,766
Average number of shares after dilution, thousands		23,890	23,766
Earnings per share before dilution, SEK		2.06	3.28
Earnings per share after dilution, SEK		2.06	3.28

Statement of comprehensive Income

The Group

SEK m	2020	2019
PROFIT/LOSS FOR THE YEAR	49.1	77.9
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Translation differences	-34.4	22.4
Effects from cash flow hedges	-3.3	-2.5
Deferred tax	0.7	0.5
Other comprehensive income	-37.0	20.4
Total result	12.2	98.3
Attributable to:		
Parent company's shareholders	12.2	98.3

Balance Sheet

The Group

Assets, SEK m	Note	2020	2019
ASSETS			
NON-CURRENT ASSETS			
Goodwill	7	556.7	513.5
Customer register and distribution agreements	7	34.1	32.3
Trademarks	7	1.1	1.7
Capitalized expenditure for development work	7	160.7	149.8
Rented premises	7	0.0	0.9
Right-to-use assets	4	71.2	62.6
Equipment, tools and rental equipment	8	51.8	60.5
Long-term receivables	4	3.8	5.2
Other financial non-current assets		0.4	0.6
Deferred tax asset	17	13.9	16.7
		893.7	843.8
CURRENT ASSETS			
Inventories	19	224.4	244.4
Prepayments to supplier		0.9	3.4
Accounts receivable – trade	23	233.7	329.7
Other current receivables	4,10	22.2	22.4
Prepaid expenses and accrued income	10	35.8	35.3
Cash and bank balances	12,23	170.6	198.5
		687.6	833.7
TOTAL ASSETS		1,581.3	1,677.5

Shareholders' equity and liabilities, SEK m	Note	2020	2019
SHAREHOLDERS' EQUITY			
Share capital	11	24.2	24.2
Other allocated capital		284.9	284.9
Reserves		1.4	38.3
Profit/loss brought forward		444.9	356.5
Profit/loss for the year		49.1	77.9
Total shareholders' equity		804.5	781.8
LONG TERM LIABILITIES			
Interest-bearing liabilities			
Provisions for pension	21	43.0	47.8
Liabilities to credit institutions	24	86.4	220.0
Leasing liabilities	4	50.4	42.6
Total interest-bearing liabilities		179.8	310.4
Non interest-bearing liabilities			
Other provisions	22	38.5	35.5
Other long term liabilities	18	40.9	0.0
Total non interest-bearing liabilities		79.4	35.5
CURRENT LIABILITIES			
Interest-bearing liabilities			
Leasing liabilities	4	20.8	20.0
Total interest-bearing liabilities		20.8	20.0
Non interest-bearing liabilities			
Provisions for guarantees	20	38.6	48.4
Accounts payable – trade		198.9	229.5
Other liabilities		55.9	23.1
Current tax liability		14.4	19.4
Accrued expenses and prepaid income	13	189.0	209.4
Total non interest-bearing liabilities		496.8	529.8
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,581.3	1,677.5

Changes in shareholders' equity

The Group

	Share capital	Other allocated capital	Reserves ¹⁾	Profit brought forward	Total share-holders' equity
Shareholders' Equity December 31, 2018	24.2	285.1	17.9	356.5	683.7
Profit/loss for the year				77.9	77.9
Other comprehensive income			20.4		20.4
Total result	0.0	0.0	20.4	77.9	98.3
Repurchase of warrants	0.0	-0.2			-0.2
Total transactions with shareholders	0.0	-0.2	0.0	0.0	-0.2
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			-37.0		-37.0
Total result	0.0	0.0	-37.0	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

1) Specification of reserves.

	2020	2019
Accumulated translation differences, January 1	40.3	17.9
Translation differences for the year	-34.4	22.4
Accumulated translation differences, December 31	6.0	40.3
Accumulated effects of cash flow hedges, January,1	-2.0	0.0
Effects of cash flow hedges for the year	-3.3	-2.5
Deferred tax in effects of cash flow hedges	0.7	0.5
Accumulated effects of cash flow hedges, December 31	-4.6	-2.0
Total reserves, December 31	1.4	38.3

Cash flow statement

The Group

SEK m	Note	2020	2019
CURRENT ACTIVITIES			
Operating profit		85.7	112.1
Adjusted for items not in cash flow			
Change in provisions	20,21,22	-20.0	-1.4
Depreciation and write downs	7,8,29	118.3	97.2
Unrealized exchange differences in cash flow hedges		0.7	5.8
Total adjustment for other non-cash items		99.0	101.6
Interest received		1.1	0.5
Interest paid		-7.4	-7.2
Taxes paid	17	-26.7	-28.1
Cash flow from current activities before changes in working capital		151.7	178.9
Change in working capital			
Change in stocks	19	21.1	26.8
Change in receivables		103.8	17.5
Change in non-interest-bearing liabilities		-32.7	19.5
Cash flow from current activities		243.9	242.7

SEK m	Note	2020	2019
INVESTMENT ACTIVITIES			
Acquisitions of subsidiaries	18	-38.2	-18.7
Acquisition of intangible assets	7	-47.1	-91.6
Acquisition of tangible fixed assets	8	-16.4	-32.3
Cash flow from investment activities		-101.7	-142.6
FINANCING ACTIVITIES			
Repurchase of shares			
Warrant program, new issue		0.0	-0.2
Warrant program, buy back		-155.3	-37.5
Amortization of loans		0.0	0.0
Loans raised		-155.3	-37.7
Cash flow from financing activities		-13.1	62.4
Cash flow for the year		198.5	134.2
Liquid assets at start of year		198.5	134.2
Exchange rate difference in liquid assets		-14.8	1.9
Liquid assets at end of year	23	170.6	198.5

Income statement

Parent company

SEK m	Note	2020	2019
Net sales	2,3	1,266.8	1,566.0
Cost of goods and services sold		-853.3	-1,087.5
Gross profit		413.5	478.5
Selling, distribution and marketing expenses		-111.2	-142.4
Research and development expenses		-101.3	-92
Administration expenses		-156.6	-188.7
Other income and expenses		3.9	-0.6
Operating profit/loss	4,5,29	48.3	54.8
Profit/loss from financial items			
Financial income	6	6.2	21.9
Financial expenses	6	-19.7	-20.1
Profit/loss after financial items		34.8	56.6
Income tax expense	17	-11.3	-15.6
PROFIT/LOSS FOR THE YEAR		23.5	41.0

Statement of comprehensive income

Parent company

SEK m	2020	2019
PROFIT/LOSS FOR THE YEAR	23.5	41.0
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Effects from cash flow hedges	-3.3	-2.5
Deferred tax	0.7	0.5
Other comprehensive income	-2.6	-2.0
Total result	20.9	39.0

Balance Sheet

Parent company

Assets, SEK m	Note	2020	2019
FIXED ASSETS			
Intangible assets			
Capitalized expenditure for development work	7	131.1	149.8
Goodwill	7	161.0	173.8
Customer register	7	0.0	0.2
Tangible assets			
Equipment, tools and rental equipment	8	21.3	19.4
Financial assets			
Participations in Group companies	9,25	307.5	246.3
Receivables from Group companies		91.9	53.6
Deferred tax asset	17	3.0	3.1
Total fixed assets		715.8	646.2
CURRENT ASSETS			
Inventories			
Goods for resale	19	181.3	183.8
Advanced payment to suppliers		0.0	0.4
Current receivables			
Accounts receivable – trade		170.0	246.7
Receivables from Group companies		236.5	283.9
Other current receivables	10	16.3	13.9
Prepaid expenses and accrued income	10	10.1	9.5
Cash and bank balances	12,23	109.9	104.6
Total current assets		724.1	842.8
TOTAL ASSETS		1,439.9	1,489.0

Balance Sheet

Parent company

Shareholders' equity and liabilities, SEK m	Note	2020	2019
SHAREHOLDERS' EQUITY			
Restricted equity			
Share capital	11	24.2	24.2
Revaluation reserve		0.5	0.5
Other allocated capital		55.5	55.5
Reserve for development expenses		100.5	116.8
Total restricted equity		180.7	197.0
Non-restricted equity			
Share premium reserve		200.9	200.9
Fair value reserve		-4.6	-2.0
Profit/loss brought forward		141.8	74.0
Profit/loss for the year		23.5	41.0
Total non-restricted equity		361.6	313.9
Total shareholders' equity		542.3	510.9
PROVISIONS			
Provisions for guarantees	20	32.0	40.0
Other provisions	22	35.0	34.5
Total provisions		67.0	74.5

Shareholders' equity and liabilities, SEK m	Note	2020	2019
LONG-TERM LIABILITIES			
Interest-bearing liabilities			
Liabilities to Group companies		85.0	220.0
Total interest-bearing liabilities		85.0	220.0
Non interest-bearing liabilities			
Other long-term liabilities	18	40.9	0.0
Total non interest-bearing liabilities		40.9	0.0
CURRENT LIABILITIES			
Interest-bearing liabilities			
Liabilities to Group companies		21.3	30.6
Total interest-bearing liabilities		21.3	30.6
Non interest-bearing liabilities			
Accounts payable – trade		184.9	206.7
Liabilities to Group companies		329.2	282.2
Other liabilities		36.7	12.0
Current tax liability		19.8	27.7
Accrued expenses and prepaid income	13	112.8	124.4
Total non interest-bearing liabilities		683.4	653.0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,439.9	1,489.0

Changes in shareholders' Equity

Parent company

Changes in shareholders' equity 2020, SEK m	Share capital	Revaluation reserve	Statutory reserve	Development expenses reserve	Share premium reserve	Fair value reserve	Retained earnings	Total shareholders' equity
Shareholders' equity 31 December 2018	24.2	0.5	55.5	70.6	200.9	0.0	120.2	471.9
Profit for the year							41.0	41.0
Other comprehensive income						-2.0		-2.0
Total result	0.0	0.0	0.0	0.0	0.0	-2.0	41.0	39.0
Allocation of earnings to development expenses reserve				46.2			-46.2	0.0
Shareholders' equity 31 December 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
Allocation of earnings to development expenses reserve				-16.3			16.3	0.0
Company acquisition paid with own shares, Note 18							10.5	10.5
Total transactions with shareholders	0.0	0.0	0.0	0.0	0.0	0.0	10.5	10.5
Shareholders' equity 31 December 2020	24.2	0.5	55.5	100.5	200.9	-4.6	165.3	542.3

Cash flow statement

Parent company

SEK m	Note	2020	2019
OPERATING ACTIVITIES			
Operating profit		48.3	54.8
Adjusted for items not in cash flow			
Change in provisions	20,21,22	-7.5	-3.5
Depreciation and write downs	7,8	86.5	71.1
Unrealized exchange differences in cash flow hedges		0.5	5.8
Total adjustment for non-cash items		79.5	73.4
Interest received		6.2	6.1
Interest paid		-4.0	-5.7
Dividends received		0.0	0.0
Taxes paid		-18.5	-9.7
Cash flow from current activities before changes in working capital		111.5	118.9
Change in working capital			
Change in stocks	19	2.5	11.7
Change in receivables		121.5	-5.1
Change in non-interest-bearing liabilities		20.6	38.9
Cash flow from operating activities		256.1	164.4

SEK m	Note	2020	2019
INVESTMENT ACTIVITIES			
Acquisition of subsidiaries	18	-15.1	-2.1
Acquisition of intangible fixed assets	7	-46.2	-91.6
Acquisition of tangible fixed assets	8	-10.7	-8.5
Loan to subsidiary		-43.8	-35.9
Cash flow from investment activities		-115.8	-138.1
FINANCING ACTIVITIES			
Repurchase of shares		0.0	0.0
Warrant program		0.0	0.0
Loans raised		0.0	0.0
Amortization of loan		-135.0	-20.0
Cash flow from financing activities		-135.0	-20.0
Cash flow for the year		5.3	6.3
Liquid assets at start of year		104.6	98.3
Liquid assets at end of year	23	109.9	104.6

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

The financial position and performance of the group was particularly affected by the acquisition of the British telecare company Eldercare (UK) Limited as of August 11, 2020, the Spanish software company Victrix SocSan as of September 30, 2020 and the British telecare company Connexus Careline as of October 14, 2020. The acquisition resulted in an increase of goodwill and other intangible assets (note 18).

The rapid spread of COVID-19 has had a negative impact on sales during the year, mainly in the Doro Phones business area, with markets shut down. A gradual recovery took place at the end of the second and third quarters, but sales were again negatively impacted at the end of the fourth quarter due to the second wave of COVID-19. Doro took a number of measures in all parts of the business to mitigate the effects

of the pandemic. Staff were placed on short-term leave in most markets, cost savings were implemented, and investments were withdrawn or postponed. Doro imposed restrictions on events and non-critical business travel and employees were encouraged to work from home if possible. Despite all the challenges brought about by COVID-19, Doro has maintained service delivery and continued to deliver the same quality in both the emergency services and the field service throughout the year.

For a detailed discussion about the Group's performance and financial position refer to our administration report on page 37 to 51.

NEW ACCOUNTING POLICIES FOR 2020

IASB has issued several new standards and amendments to standards effective on January 1, 2020. None of these have had a material impact on Doro's financial statements.

NEW ACCOUNTING POLICIES FOR 2021 AND ONWARDS

A number of new standards and interpretations are effective for financial years starting after 1 January 2021 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 fair values of assets and liabilities and their tax base. 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	
	2020	2019	2020	2019
EUR	10.46	10.56	10.05	10.47
HKD	1.18	1.20	1.06	1.20
NOK	0.98	1.07	0.96	1.06
GBP	11.81	12.04	11.19	12.31
USD	9.16	9.42	8.20	9.34

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

Doro's revenues includes product sales of mainly telephone handsets and alarm devices and sales of alarm services. Product sales are recognised when control of a good or service 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.

The services are normally offered as a package deal for a contracted period including alarm device, alarm services and communication between the alarm device and the alarm receiving centre. The package deal includes a number of performance obligations and transaction price is allocated to each performance obligation based on stand alone, observable sales prices. Revenues relating to services, such as alarm

services and communication, are recognised in the period when services are rendered. When the offered package deal includes hardware, it is analysed for each delivery if the hardware part should be classified as a financial lease or an operating lease. The classification affects the time of delivery of the performance obligation. For deliveries classified as financial lease, the revenue is recognized when the hardware is delivered to the customer. For deliveries classified as operating lease, the revenue is recognized over the rental period.

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 and UK subsidiaries have defined-benefit pension plans. A defined-benefit pension plan is one that is not a defined-contri-

bution 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 and rented premises, which are 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.

LOAN RECEIVABLES

Loan receivables are debt instruments with fixed or determinable payments that are not quoted on an active market. 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; any difference between proceeds, net of transaction costs, and redemption value is recognised in the Consolidated income statement over the period of the borrowings. 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 recorded 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 effectiveness 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.

Finance leases existed when the financial risk and benefits associated with the ownership were essentially transferred to the lessee. If the risks and benefits stayed with the lessor, the leases were classified as operating leases. Finance leases mainly refer to the lease of alarm devices to public sector customers. The Group have not been required to make adjustments as a consequence of the implementation of IFRS 16 when the Group is the lessor. See also Revenues from customer contracts above.

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

Operating segments are reported in a manner consistent with the internal reporting presented to the chief operating decision maker of the Group. The chief operating decision maker is the function responsible for the allocation of resources and the assessment of the segments' earnings. For Doro, this function has been identified as the CEO. 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.

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.

Financial instruments

The parent company applies fair value accounting for financial instruments in accordance with Annual Accounts Act Chap 4:14.

Leasing

Lease fees are recognized as operating expenses. 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 Group's management team, consisting of president and CEO, CFO, Chief Human Resources Officer, CTIO and Head of Business Areas Doro Phones and Doro Care respectively, evaluates the Group's operations based on two reportable segments. The segments were formed on January 1, 2020 and the Group's operations then reorganized during the year to support the division into business areas.

Doro Phones

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.

Doro Care

Welfare technology for digital care in the home; stationary and mobile security alarms, remote supervision and a wide portfolio of services and alarm reception sold to public actors, civil society and private companies.

The management team mainly uses operating profit (EBIT) in the assessment of operating segments' results. The management team also receives monthly information about segment revenues by region.

The Group	Doro Phones		Doro Care		Total	
	2020	2019	2020	2019	2020	2019
Net sales of products	1,165.2	1,586.3	105.4	102.3	1,270.6	1,688.6
Net sales of services	0.0	0.0	418.7	374.4	418.7	374.4
Total	1,165.2	1,586.3	524.1	476.7	1,689.3	2,063.0
Cost of goods and services sold	-812.5	-1,137.6	-306.9	-275.9	-1,119.4	-1,413.5
Gross profit	352.7	448.7	217.2	200.8	569.9	649.5
Other operating expenses	-281.2	-342.9	-178.5	-160.3	-459.7	-503.2
Other operating expenses, non-allocated					-24.5	-34.1
Operating profit after depreciation and write-downs (EBIT)	71.5	105.8	38.7	40.5	85.7	112.2

The assets and liabilities of the segments are measured in the same way as in the financial statements. The assets and liabilities are allocated based on the segment's operations and the physical location of the asset. Cash and cash equivalents, borrowings and financial instruments for hedging cash flows are handled centrally and are therefore not considered to belong to the segments.

The Group	Doro Phones		Doro Care		Total	
	2020	2019	2020	2019	2020	2019
Assets	669.8	851.9	674.2	556.4	1,344.0	1,408.3
Assets, non-allocated					237.3	269.2
Total Assets	669.8	851.9	674.2	556.4	1,581.3	1,677.5
Liabilities	380.4	449.8	215.8	163.3	596.2	613.1
Liabilities, non-allocated					180.6	282.6
Total Liabilities	380.4	449.8	215.8	163.3	776.8	895.7

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% of net sales.

The Group	Doro Phones		Doro Care		Total	
	2020	2019	2020	2019	2020	2019
Nordic	232.1	298.5	265.1	274.9	497.2	573.4
West and South Europe and Africa	366.0	422.8	8.7	9.6	374.7	432.4
Central- and Eastern Europe	292.6	452.6	24.0	20.8	316.6	473.4
UK and Ireland	171.5	201.2	226.3	170.4	397.8	371.6
North America	99.9	215.6	0.0	0.0	99.9	215.6
Rest of the World	0.1	3.3	0.0	1.0	0.1	4.3
Other	3.0	-7.7	0.0	0.0	3.0	-7.7
Total	1,165.2	1,586.3	524.1	476.7	1,689.3	2,063.0
whereof Sweden	185.0	229.5	166.7	165.3	351.7	394.7

Other income and expenses	The Group		Parent Company	
	2020	2019	2020	2019
Gain on sale of fixed assets	0.0	0.1	0.0	0.0
Government assistance received	5.9	0.0	4.0	0.0
Other income	3.6	2.8	0.0	0.1
Other expenses	-0.1	-0.8	-0.1	-0.7
	9.4	2.1	3.9	-0.6

Note 3 Intra Group transactions

Of the Parent Company's invoicing SEK 125.9m (158,5) relates to subsidiaries. Invoicing from subsidiaries to the Parent Company amounted to SEK 77.6m (86,5). 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.

	The Group	
Right-to-use assets	2020	2019
Premises	62.9	54.8
Equipment	0.0	0.0
Vehicles	5.6	3.9
Other	2.7	3.9
Total	71.2	62.6

	The Group	
Leasing liabilities	2020	2019
Current	20.8	20.0
Long-term	50.4	42.6
Total	71.2	62.6

New Right-to-use assets during 2020 amounted to 26.9m SEK (8.8).

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

	The Group	
Depreciation of Right-to-use assets	2020	2019
Premises	-16.4	-13.7
Equipment	-1.4	-1.4
Vehicles	-2.5	-2.4
Other	0.0	0.0
Total	-20.3	-17.5
Interest expenses (included in Financial expenses)	-2.1	-1.7
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)	-2.3	-5.0

Total cashflow related to leasing agreements during 2020 was 24.6m SEK (24.2).

Leasing where the Group is lessor

The Group has financial lease out of alarm devices to customers in the public sector.

The lease term is normally 12 to 24 months with an option of additional 12 to 24 months.

No provision for bad debts has been recorded as customers in the public sector are considered to be financially sound.

Agreed future leasing revenue are due as shown below.

	The Group	
Financial leasing	2020	2019
Within 1 year	5.3	5.1
Within 2 to 5 years	3.8	5.2
Later than 5 years	0.0	0.0
Total	9.1	10.3

Note 5 Employees

Average number of employees	2020	Of whom men	2019	Of whom men
Parent Company	199	90	207	103
Other companies Sweden	0	0	0	0
Norway	84	58	78	50
United Kingdom	542	138	344	109
France	19	7	22	9
Hong Kong	10	8	10	8
Germany	34	26	45	31
Italy	2	2	3	3
Spain	4	3	0	0
Total	894	330	709	313

Salaries and remuneration

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

	The Group		Parent Company	
	2020	2019	2020	2019
Salaries and other remuneration	309.6	285.9	94.0	104.5
	309.6	285.9	94.0	104.5
Payroll overheads excluding pension costs	56.2	58.3	32.3	36.0
	56.2	58.3	32.3	36.0
Pension costs	20.1	22.6	11.0	13.0
of which premium-based	14.6	18.4	11.0	13.0
	20.1	22.6	11.0	13.0

Gender of senior managers	2020, total	Women, %	2019, total	Women, %
Board	6	47	6	50
Group Management	6	29	6	15

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

	2020		2019	
	Board and CEO	Other employees	Board and CEO	Other employees
Sweden	5.4	90.6	11.1	95.0
Norway	0.0	48.6	0.0	44.1
United Kingdom	0.0	117.0	0.0	81.2
France	0.0	20.9	0.0	17.1
Germany	0.0	15.6	0.0	26.5
Hong Kong	0.0	7.4	0.0	7.2
Italy	0.0	4.4	0.0	3.1
Total	0.0	1.8	0.0	0.0
Total	5.4	306.3	11.1	274.2

Management remuneration (SEK k)

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 Ardström 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 167k. Niklas Savander who left 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.

NOTES

The Board 2019	Fees	Pension	Other re-muneration	Total
Chairman of the Board	550	0	0	550
Other Board members	1,133	0	0	1,133
Total	1,683	0	0	1,683

Chairman of the board Johan Andsjö, who left the board on the AGM May 3 2019 received SEK 150k. Chairman of the board Lennart Jacobsen, who joined the Board on the AGM May 3 2019 received SEK 400k. Vice Chairman of the Board Henri Österlund received SEK 333k. Josephine Salenstedt and Niklas Savander each received SEK 250k. Lena Hofberger and Jonas Mårtensson, who left the Board at the AGM May 3, 2019, received SEK 67k. Tova Jexmark who joined the Board on the AGM May 3, 2019 received SEK 167k.

Senior Executives 2019	Salary	Bonus and variable remuneration	Pension	Other benefits	Total
Carl-Johan Zetterberg Boudrie	1,685	986	562	50	3,283
Robert Puskaric (CEO from 1 February 2017)	5,271	1,498	1,617	143	8,530
Other senior executives	7,597	1,477	1,754	326	11,155
Total	14,554	3,961	3,933	519	22,968

The amounts include salaries and remunerations to employed senior executives. In 2019 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 1 273k.

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 2020: 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 2.4m (3,9) 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 option were subscribed and 70,000 options were repurchased. During 2019, 250,000 options were repurchased.

Note 6 Interest and similar items

	The Group		Parent company	
Income	2020	2019	2020	2019
Interest income, external	1.1	0.5	0.9	0.2
Interest income, internal	0.0	0.0	5.3	5.9
Exchange rate gain	0.0	5.4	0.0	5.4
Dividend from subsidiaries	0.0	0.0	0.0	10.4
Other	0.0	0.0	0.0	0.0
Total	1.1	5.9	6.2	21.9
Expenses				
Interest expenses, external	-7.2	-7.0	-4.1	-5.0
Interest expenses, internal	0.0	0.0	0.0	-0.7
Exchange rate losses	-10.8	-3.5	-10.7	-3.4
Write-down of shares in subsidiaries	0.0	0.0	0.0	-11.0
Result from liquidation of subsidiaries	0.0	0.0	-4.9	0.0
Other	-0.2	-0.2	0.0	0.0
Total	-18.2	-10.7	-19.7	-20.1
Financial net	-17.1	-4.8	-13.5	1.8

Note 7 Intangible fixed assets

Group/ Goodwill	2020	2019
Acquisition value brought forward	513.5	465.9
Acquisitions	65.1	34.3
Exchange rate difference	-21.9	13.3
Closing accumulated cost	556.7	513.5
Group / Customer register and distribution agreements	2020	2019
Acquisition value brought forward	87.1	78.7
Acquisitions	14.1	4.9
Exchange rate difference	-2.9	3.5
Closing accumulated acquisition value	98.3	87.1
Amortisations brought forward	-54.8	-43.6
Amortisation	-8.9	-10.2
Exchange rate difference	-0.5	-1.0
Closing amortisations	-64.2	-54.8
Closing residual value	34.1	32.3
Parent company / Goodwill	2020	2019
Acquisition value brought forward	224.5	224.5
Investments	0.0	0.0
Merger of subsidiary	0.0	0.0
Closing accumulated acquisition value	224.5	224.5
Amortisations brought forward	-50.7	-38.3
Amortisation	-12.8	-12.4
Closing amortisations	-63.5	-50.7
Closing residual value	161.0	173.8
Parent company / Customer register	2020	2019
Acquisition value brought forward	22.9	22.9
Merger of subsidiary	0.0	0.0
Closing accumulated acquisition value	22.9	22.9
Amortisations brought forward	-22.7	-19.6
Amortisation	-0.2	-3.1
Closing amortisations	-22.9	-22.7
Closing residual value	0.0	0.2

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. Since all the Group companies' activities and their contributions are very much dependent on each other there is no breakdown of goodwill.

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 rate after 5 years: 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 13.1% (13.1%) before tax. A change of the discount rate to 14.1% implies no impairment.

The Group / Brands	2020	2019
Acquisition value brought forward	4.5	4.2
Acquisitions	0.0	0.0
Exchange rate difference	-0.3	0.3
Closing accumulated acquisition value	4.2	4.5
Amortisation brought forward	-2.8	-2.1
Amortisation	-0.5	-0.5
Exchange rate difference	0.2	-0.2
Closing amortisation	-3.1	-2.8
Closing residual value	1.1	1.7

NOTES

Group / Rented premises	2020	2019
Acquisition value brought forward	1.8	1.8
Divestments	-1.8	0.0
Exchange rate difference	0.0	0.0
Closing accumulated acquisition value	0.0	1.8
Amortisation brought forward	-0.9	0.0
Amortisation	0.0	-0.9
Divestments	0.9	0.0
Exchange rate difference	0.0	0.0
Closing accumulated cost	0.0	-0.9
Closing accumulated cost	0.0	0.9
The Group's capitalised expenditure for development work / IT	2020	2019
Acquisition value brought forward	422.2	330.4
Investments	47.2	91.8
Sales/Disposals/Write-downs	30.1	0.0
Reclassifications	-1.3	0.0
Closing accumulated acquisition value	498.2	422.2
Depreciation brought forward	-272.4	-223.0
Depreciation	-57.2	-43.0
Sales/Disposals/Write-downs	-7.9	-6.4
Closing depreciation	-337.5	-272.4
Closing residual value	160.7	149.8
Parent company / Capitalized expenditure for development work / IT	2020	2019
Acquisition value brought forward	434.4	342.6
Investments	46.2	91.8
Closing accumulated acquisition value	480.6	434.4
Depreciation brought forward	-284.6	-235.2
Depreciation	-57.0	-43.0
Sales/Disposals/Write-downs	-7.9	-6.4
Closing depreciation	-349.5	-284.6
Closing residual value	131.1	149.8

Note 8 Tangible fixed assets

	The Group		Parent company	
Equipment and tools, SEK m	2020	2019	2020	2019
Acquisition value brought forward	110.4	77.6	55.4	46.9
Acquisitions	17.1	32.3	10.7	8.5
Acquisitions	2.1	2.8	0.0	0.0
Sales/Disposals	-0.7	-6.9	0.0	0.0
Exchange rate difference	-8.7	4.6	0.0	0.0
Closing acquisition value	120.2	110.4	66.1	55.4
Depreciation according to plan brought forward	-49.9	-36.5	-36.0	-29.6
Depreciation	-22.4	-18.8	-8.8	-6.4
Sales/Disposals	0.4	6.5	0.0	0.0
Exchange rate difference	3.5	-1.1	0.0	0.0
Closing depreciation	-68.4	-49.9	-44.8	-36.0
Closing residual value	51.8	60.5	21.3	19.4

Note 9 Participation in Group companies

Subsidiary	No of. shares	%	Book value		Subsidiary – Company reg. no	Registered office
			2020	2019		
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	Cologne, Germany
IVS Industrievertretung Schweiger GmbH ¹⁾	9,239	33.33	46.5	46.5	IVS Industrievertretung Schweiger GmbH – HRB 2040	Amberg, Germany
Doro S.R.L. ⁴⁾	1	100	0.0	0.1	Doro S.R.L. – 08721340969 ⁴⁾	Liquidated Milano, Italy
Aldebaran SAS ⁵⁾	275,000	100	0.0	5.2	Aldebaran SAS – 504 770 116 ⁵⁾	Liquidated Paris, France
Doro Care Trygghetsjour AB	2,500	100	0.3	0.3	Doro Trygghetsjour AB – 556569-9740	Malmö, Sweden
Doro Care Sales UK Limited	1	100	0.0	0.0	Doro Care Sales UK Limited – 7776454	London, UK
Doro Care GmbH	1	100	2.0	2.0	Doro Care GmbH – HRB 6783	Taunus, Germany
Doro Care AS	242,294	100	31.3	31.3	Doro Trygghetssentral AS – 999238424	Oslo, Norway
Greencoat House Ltd	334,448	100	139.8	139.2	Greencoat and eastbourne Lifeline Ltd – 08626194	East Sussex, UK
– Wealden and Eastbourne Lifeline Ltd					– Wealden and eastbourne Lifeline Ltd – 08666755	East Sussex, UK
– Invicta Telecare Ltd ²⁾					– Invicta Telecare Ltd – 04133585	East Sussex, UK
– Eldercare Ltd ²⁾					– Eldercare UK Limited – 2163445	East Sussex, UK
Victrix SocSan S.L. ³⁾	36,363	100	65.8		Victrix SocSan S.L. – B87664504	Madrid, Spain
Total			307.5	246.3		

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

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 S.R.L. was liquidated during 2020.

5. Aldebaran SAS was liquidated during 2020.

	2020	2019
Opening balance	246.3	255.2
Acquisition	66.6	2.1
Merger of wholly-owned subsidiary	-5.4	-11.0
Closing balance	307.5	246.3

Note 10 Other current receivables and Prepaid expenses and accrued income

	The Group		Parent company	
	2020	2019	2020	2019
Other current receivables				
VAT receivable	9.4	8.3	9.0	7.8
Cash Flow hedges	3.1	3.3	3.1	3.3
Financial lease receivables	5.3	5.1	0.0	0.0
Other current receivables	4.4	5.7	4.2	2.8
Total	22.2	22.4	16.3	13.9

	The Group		Parent company	
	2020	2019	2020	2019
Prepaid expenses and accrued income				
Rent	4.8	4.5	1.6	1.5
Insurance premiums	2.5	2.3	0.6	0.5
Exhibition costs	0.8	0.5	0.2	0.3
IT costs	2.6	2.0	2.1	1.2
Licence costs	0.0	0.0	0.0	0.0
Installation expenses	0.0	0.0	0.0	0.0
Contract assets	21.7	22.4	4.4	3.1
Other prepaid expenses	3.4	3.6	1.2	3.0
Total	35.8	35.3	10.1	9.5

Contract assets includes accrued revenue on customer contracts in the service business when the services are invoiced in arrears.

Note 11 Share capital and dividends

	No. of shares	Voting rights	Class
A shares	24,204,568	1 vote per share	Normal

Share capital

24,204,568 shares at a quota value of SEK 1.00 per share = SEK 24,204,568.

Dividend

The Board of Directors proposes no dividend for the 2020 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 option were subscribed and 70,000 options were repurchased. During 2019, another 250,000 option were repurchased.

Note 12 Overdraft facilities

	The Group		Parent company	
	2020	2019	2020	2019
Approved credit	50.0	50.0	50.0	50.0
Utilized credit	0.0	0.0	0.0	0.0

Not 13 Accrued expenses and prepaid income

	The Group		Parent company	
	2020	2019	2020	2019
Holiday pay liability	21.8	20.3	13.2	11.9
Payroll overheads	12.5	10.1	7.1	6.4
Other staff liabilities	6.7	7.6	0.1	0.1
Accrued Royalty	31.9	32.2	19.4	18.2
Contract liabilities	68.9	85.5	43.7	54.9
Other accrued expenses	47.2	53.7	29.3	33.1
Total	189.0	209.4	112.8	124.5

Contract liabilities refers to performance obligations in customer contracts that has been invoiced but not yet delivered and to accrued customer bonuses.

Note 14 Pledged assets for liabilities to credit institutions

The Group and the Parent company has not pledged assets for liabilities to credit institutions.

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 2020 fiscal year for the UK subsidiaries Doro UK Limited and Doro Care Sales UK Limited.

The Parent Company guarantee applies to all outstanding liabilities for the subsidiaries 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 2020 Annual General Meeting elected Magnus Willfors (PricewaterhouseCoopers AB) to be the auditor of the Parent Company, Doro AB. 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	
	2020	2019	2020	2019
Fees and costs				
PwC				
Auditing assignments	2.3	2.6	0.7	1.4
<i>whereof to PricewaterhouseCoopers AB</i>	<i>0.7</i>	<i>1.4</i>	<i>0.7</i>	<i>1.4</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	0.3	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	0.0	1.9	0.0	1.3
<i>whereof to PricewaterhouseCoopers AB</i>	<i>0.0</i>	<i>1.9</i>	<i>0.0</i>	<i>1.3</i>
Other				
Auditing assignments	0.3	0.3	0.0	0.0
Auditing outside the assignment	0.0	0.0	0.0	0.0
Tax assignments	0.2	0.1	0.0	0.0
Other advisory services by auditors	0.0	0.0	0.0	0.0
Total	2.8	5.2	0.7	2.7

Note 17 Taxes

Taxes on profit/loss for the year	The Group		Parent company	
	2020	2019	2020	2019
Current tax	-21.7	-31.9	-10.5	-16.5
Deferred tax	2.2	2.5	-0.8	0.9
Total tax on profit/loss for the year	-19.5	-29.4	-11.3	-15.6

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

Taxes	The Group		Parent company	
	2020	2019	2020	2019
Reported profit/loss before tax	68.6	107.3	34.8	56.6
Tax at current rate 21,4 %	-14.7	-23.0	-7.5	-12.1
Non-deductible expenses	-4.1	-4.0	-3.8	-5.7
Non-taxable income	0.1	0.1	0.0	2.2
Utilisation of previously unrecognized tax loss carryforwards	0.8	2.4	0.0	0.0
Change in valuation in losses carryforwards	-0.4	-0.6	0.0	0.0
Change in valuation of temporary differences	0.0	0.0	0.0	0.0
Tax cost/revenue concerning previous year	1.1	-2.6	0.0	0.0
Adjustment for tax rates in foreign Group company	-2.3	-1.7	0.0	0.0
Reported tax	-19.5	-29.4	-11.3	-15.6

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:

Deferred tax asset	The Group		Parent company	
	2020	2019	2020	2019
Unutilized losses carry forward	6.6	5.9	0.0	0.0
Temporary differences, provisions	14.9	14.9	2.5	2.6
Temporary differences, other	-7.6	-4.1	0.5	0.5
Total reported deferred tax asset	13.9	16.7	3.0	3.1

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 42m (43) can be used without a time limit being imposed. The remaining losses are in the United Kingdom, France, Spain and Norway.

Losses carry forward fall due as follows:	2020	2019
Without limit	42	43
Total	42	43

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

	The Group		Parent company	
	2020	2019	2020	2019
	1	7	0	0

Gross changes of deferred taxes	The Group		Parent company	
	2020	2019	2020	2019
Opening balance	16.7	6.5	3.1	1.7
Tax attributable to the income statement	2.2	2.5	-0.8	0.9
Tax attributable to other comprehensive income	0.2	0.2	0.7	0.5
Acquisitions/Merger	-5.2	7.5	0.0	0.0
Closing balance	13.9	16.7	3.0	3.1

Note 18 Acquisitions

ACQUISITIONS 2020

Eldercare (UK) Limited

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 1.6 million. The purchase price was paid in cash, amounting to approximately SEK 25 million 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 4.6 million.

NOTES

The preliminary 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 0.3 million. The purchase price was paid partly in cash, SEK 15.8 million (of which SEK 1.0 million related to payment of liabilities to the previous), and partly with shares in Doro AB of SEK 10.5 million consideration (estimated at SEK 42.9 million) 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 0.4 million.

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 0.3 million. The purchase price was paid in cash and amounted to SEK 7.1 million. Carline had an annual turnover in 2019/20 of GBP 1.1 million.

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

ACQUISITIONS 2019

Centra Pulse & Connect

On September 2, 2019, Doro acquired all shares in the British telecare company Centra Pulse & Connect. Costs for the acquisition have been charged to profit for the year by SEK 3.2 million. The purchase price was paid in cash, SEK 35.9 million, of which SEK 16.4 million related to payment of debt to the previous owner. Goodwill is linked to the strengthened position in the Care area in the UK, provided by Centra Pulse & Connect's sales channels. At the time of the acquisition, the company had about 266 employees. Centra Pulse & Connect had an annual turnover in 2018 of GBP 6.3 million.

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

Fair value	SEK m
Intangible assets	4.9
Tangible fixed assets	2.8
Deferred tax asset	7.5
Inventories	7.1
Current receivables	9.7
Cash and bank	19.3
Pension provision	-42.7
Current liabilities	-3.2
Acquired Net Assets	5.4
Goodwill	30.5
Total purchase consideration	35.9
Cash in company acquired	19.3
The acquisition's impact on the Group's cash flow	16.6

NOTES

Company acquisition impact on Group cash flow

	The Group	
	2020	2019
Welbeing	-0.6	-2.1
Centra Pulse and Connect	0.0	-16.6
Eldercare	-15.0	0.0
Victrix	-15.5	0.0
Connexus Careline	-7.1	0.0
	-38.2	-18.7

Earn-out consideration Victrix Group

	The Group	
	2020	2019
Long-term debt at fair value	40.9	0.0

Note 19 Goods for resale

The Group	2020	2019
Opening gross stock	273.5	286.3
Acquisition	1.2	0.5
Change in gross stock	-28.4	-15.6
Internal profit in stock	0.0	0.0
Exchange rate difference	0.1	2.3
Closing gross stock	246.4	273.5
Opening write-downs of stock	-29.1	-22.3
Acquisition	-0.2	0.0
Change in write-downs of stock	7.3	-6.7
Exchange rate difference	0.0	-0.1
Closing write-downs of stock*	-22.1	-29.1
Net stock in balance sheet	224.4	244.4

* Acquisition value for the inventory that write-downs of stock of SEK 22.1m (29.1) relates to is based on inventory book value of SEK 140.5m (102.5).

Parent company	2020	2019
Opening gross stock	201.8	211.6
Change in gross stock	-6.1	-9.8
Closing gross stock	195.7	201.8
Opening write-downs of stock	-17.9	-16.1
Change in write-downs of stock	3.5	-1.8
Closing write-downs of stock*	-14.4	-17.9
Net stock in balance sheet	181.3	183.8

* Acquisition value for the inventory reserve of SEK 14.4m (17.9) is based on inventory book value of SEK 138.2m (102.2).

Note 20 Provision for guarantees

	The Group		Parent company	
	2020	2019	2020	2019
Opening balance	48.4	46.1	40.0	38.6
Acquisition	0.0	0.0	0.0	0.0
Amount released	-53.9	-62.9	-51.2	-55.2
New provisions	44.4	65.0	43.2	56.6
Exchange rate difference	-0.3	0.2	0.0	0.0
Closing balance	38.6	48.4	32.0	40.0

Note 21 Pension allocations

The Group	2020	2019
Opening balance	47.8	3.2
Acquisition	0.0	42.7
Amount released	-0.6	0.0
New provisions	0.0	0.3
Exchange rate difference	-4.2	1.6
Closing balance	43.0	47.8

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.

The acquisition of Centra Pulse and Connect on 2 September 2019 included a defined benefit pension plan. The share purchase agreement states that Doro will terminate its participation in the pension plan in 2020. In addition to the confirmed value of the pension provision, stated in the share purchase agreement and recorded as pension provision in the Annual Accounts, there is an agreement with the Seller that the Seller will pay the additional cost to terminate the participation in the pension plan, with a cap. There is no indication that this cap will be exceeded. As the pension provision is set to the value Doro will pay when the participation in the pension plan is terminated, no actuarial calculations are presented.

Note 22 Other allocations

	The Group		Parent company	
	2020	2019	2020	2019
Opening balance	35.5	41.0	34.5	39.4
Amount released	-19.6	-29.4	-19.5	-28.1
New provisions	22.7	23.9	20.0	23.2
Exchange rate difference	-0.1	0.0	0.0	0.0
Closing balance	38.5	35.5	35.0	34.5

	The Group		Parent company	
	2020	2019	2020	2019
Additional royalty costs	31.7	30.7	31.7	30.8
Other provisions	6.8	4.8	3.3	3.7
Closing balance	38.5	35.5	35.0	34.5

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 2020 there were no short-term investments carried out.

Accounts receivable amounted to SEK 233.7m (329.7) and leasing receivables amounts to SEK 9.1m (10.3). 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% of Group sales. In most countries Doro operates without credit insurance.

Age analysis of accounts receivable	The Group	
	2020	2019
Not yet due	210.0	289.7
Due for payment < 60 days	14.5	29.5
Due for payment > 60 days	25.2	30.4
Total accounts receivable	249.7	349.6
Expected bad debt losses	-16.0	-20.0
Accounts receivable in the financial statements	233.7	329.7

Impaired accounts receivable	The Group	
	2020	2019
Opening balance	-20.0	-16.7
Through Acquisitions	-0.4	0.0
Expected bad debt losses	-2.0	0.4
Confirmed bad debt losses	6.8	-3.2
Translation differences	0.3	0.0
Amount reversed	-0.7	-0.5
Closing balance	-16.0	-20.0

Other receivables

Other receivables including financial lease receivables are not yet due.

LIQUIDITY RISK

At December 31, 2020, the Group had SEK 200.6 m (330.4) in interest-bearing financial liabilities, including financial lease agreements, amounting to 72.1 (62.6). Doro has a Revolving Facility Agreement, amounting to SEK 400m.

At December 31, 2020, Group liquidity amounted to SEK 170.6m (198.5). At year the Group also had an utilized bank overdraft facility of SEK 50.0m.

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.

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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, NOK 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 hed 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 2020-12-31	After Hedging 2020-12-31	Sensitivity at 5% weaker SEK	Before hedging 2019-12-31	After hedging 2019-12-31	Sensitivity at 5% weaker SEK
NOK	15.4	15.4	0.8	12.3	12.3	0.6
EUR	180.9	45.3	2.3	212.7	34.7	1.7
GBP	54.6	27.6	1.4	76.1	25.6	1.3
USD	-316.5	-73.7	-3.7	-334.0	-103.6	-5.2

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. The net market value for all outstanding currency futures amounts to SEK -9.6m at December 31, 2020, whereof SEK -5.9m 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.

At year-end the value of foreign net assets was SEK 345m (306). The breakdown by currency is shown in the table below.

Value of foreign assets	2020	2019
USD	15	16
NOK	13	14
EUR	232	190
GBP	78	78
HKD	7	7
Total	345	306

INTEREST RATE RISK

Interest rate risk is the risk that the Group's net interest result declines due to rising market interest levels. Doros existing debt portfolio is entirely denominated in SEK and with floating interest rate condition. Average rate of interest during 2020 amounts to 1.6%. If the interest rate would increase by 1 p.p. Doro's financial net would deteriorate by 0.9 SEKm based on the debt position at December 31, 2020.

Term analysis for derivatives and financial liabilities as per December 31, 2020

Group SEKm	Currency	0-3 months	3 months -1 year	1-3 years	3 years or more	Total
Bank loan	SEK			85.0		85.0
Overdraft facility	EUR			1.4		1.4
Futures	EUR	1.6	0.7			2.3
Futures	USD	-8.5	-4.1			-12.6
Futures	GBP	0.4	0.2			0.6
Futures	HKD					0.0
Leasing liability	mixed		20.8	16.6	34.7	72.1
Accounts payable	mixed	198.9				198.9
Total		192.4	17.6	103.0	34.7	347.7

NOTES

Financial instruments – fair value

The Group 2020	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Carrying amount	Fair value
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			
Derivatives (non-hedge accounting)	1.8				
Assets	1.8	1.3	245.0	245.0	245.0
Derivatives (hedge accounting)		7.2			
Liabilities to credit institutions			86.4	86.4	86.4
Leasing			72.1	72.1	72.1
Accounts payable			198.9	198.9	198.9
Derivatives (non-hedge accounting)	5.6				
Other liabilities			212.9	212.9	212.9
Liabilities	5.6	7.2	570.3	570.3	570.3

The Group 2019	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Carrying amount	Fair value
Accounts receivable			329.7	329.7	329.7
Leasing receivable			10.3	10.3	10.3
Other receivable			3.1	3.1	3.1
Derivatives (hedge accounting)		1.7		1.7	1.7
Derivatives (non-hedge accounting)	1.6			1.6	1.6
Assets	1.6	1.7	343.1	346.4	346.4
Derivatives (hedge accounting)		4.2		4.2	4.2
Liabilities to credit institutions			220.0	220.0	220.0
Accounts payable			62.6	62.6	62.6
Derivatives (non-hedge accounting)			229.5	229.5	229.5
Other liabilities	4.7			4.7	4.7
Liabilities			182.7	182.7	182.7
Liabilities	4.7	4.2	694.8	703.7	703.7

NOTES

Financial instruments – fair value

Parent company 2020	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Carrying amount	Fair value
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			6.0	6.0
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	746.4	746.4

Parent company 2019	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Carrying amount	Fair value
Accounts receivable			246.7	246.7	246.7
Receivables from Group companies			283.9	283.9	283.9
Other receivables			2.8	2.8	2.8
Derivatives (hedge accounting)		1.7		1.7	1.7
Derivatives (non-hedge accounting)	1.6			1.6	1.6
Assets	1.6	1.7	533.4	536.7	536.7
Derivatives (hedge accounting)		4.2		4.2	4.2
Derivatives (non-hedge accounting)	4.7			4.7	4.7
Liabilities to credit institutions			220.0	220.0	220.0
Accounts payable			206.7	206.7	206.7
Receivables from Group companies			312.8	312.8	312.8
Other liabilities			124.4	124.4	124.4
Liabilities	4.7	4.2	863.9	872.8	872.8

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.

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

Note 24 Liabilities to credit institutes

	The Group		Parent company	
	2020	2019	2020	2019
Long-term				
Bank loans	86.4	220.0	85.0	220.0
Financial leasing liability	51.3	42.6	0.0	0.0
Total	137.7	262.6	85.0	220.0
Short-term				
Bank loans	0.0	0.0	0.0	0.0
Financial leasing liability	20.8	20.0	0.0	0.0
Total	20.8	20.0	0.0	0.0
Total liabilities to credit institutes	158.5	282.6	85.0	220.0

The bank loans accrue interest of 1,0 percent + STIBOR (however not lower than 1,0%).
Liabilities to credit institutions in the Parent Company are denominated in Swedish kronor.

Maturity dates of long-term liabilities	The Group		Parent company	
	2020	2019	2020	2019
1 – 2 years	0.0	0.0	0.0	0.0
2 – 5 years	86.4	220.0	85.0	220.0
More than 5 years	0.0	0.0	0.0	0.0
Total	86.4	220.0	85.0	220.0

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, 2019	-198.5	20.0	42.6	0.0	220.0	84.1
Cash flow	13.0	-20.3			-135.0	-142.3
Exchange rate differences	14.9					14.9
Effect implementation IFRS 16 Leases		21.1	8.7			29.8
Other items not in cash flow						0.0
Acquisitions					1.4	1.4
Net Debt December 31, 2020	-170.6	20.8	51.3	0.0	86.4	-12.1

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**Acquisitions**

In January Doro acquired the assets of FirstCall 24/7 from Trent and Doving House.

Doro intends to separately list business area Doro Care

In February 2021, it was announced that Doro intends to separately list business area Doro Care. Preparation for a separate listing of business area Doro Care is initiated with the aim to propose a stock exchange listing to a shareholders meeting during 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.

Recurring revenues	Net Sales during the next 12 months coming from existing subscription agreements.	The measure shows already agreed revenues for the coming twelve months-period.
Number of subscribers	Number of subscribers connected to the alarm receiving center.	The measure shows the volume of customers in the alarm receiving center.
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	2020	2019
Capital employed		
Total assets	1,581.3	1,677.5
Non interest-bearing liabilities	576.2	565.4
Cash and bank	170.6	198.5
Reported Capital employed	834.5	913.6
Leverage ratio		
Interest bearing liabilities	200.6	330.4
Equity	804.5	781.8
Reported leverage ratio	0.25	0.42
Capital turnover rate		
Net sales	1,689.3	2,063.0
Average total assets	1,629.4	1,571.0
Reported capital turnover rate	1.0	1.3

Note 29 Subdivision of income statement by cost type

With effect from January 1, 2018, Doro is changing from subdivision of income statement by cost type to subdivision of income statement by function. The reason for the change is that Doro is governed on the basis of a functional organisation, so that a subdivision of income statement by function gives clearer information about the Group's development.

THE GROUP, SEKm	2020	2019
Revenue		
Net sales	1,689.3	2,063.0
Other revenue	18.6	11.8
Operating cost		
Merchandise	-859.7	-1,134.7
Other external costs	-251.2	-349.3
Personnel costs	-393.2	-381.1
Depreciation and impairment of property, plant and equipment	-42.9	-36.1
Depreciation and impairment of intangible assets	-75.3	-61.1
Other expenses	0.1	-0.4
Operating profit/loss	85.7	112.1
Profit/loss from financial items		
Interest income and similar profit/loss items	-9.8	5.9
Interest costs and similar profit/loss items	-7.3	-10.7
Profit/loss after financial items	68.6	107.3
Tax on profit/loss for the year	-19.5	-29.4
Profit/loss for the year	49.1	77.9

PARENT COMPANY, SEKm	2020	2019
Revenue		
Net sales	1,266.8	1,566.0
Other revenue	12.1	9.0
Operating cost		
Merchandise	-751.4	-951.0
Other external costs	-252.2	-341.3
Personnel costs	-139.5	-158.2
Depreciation and impairment of property, plant and equipment	-8.7	-6.4
Depreciation and impairment of intangible assets	-77.8	-64.7
Other expenses	-0.8	1.4
Operating profit/loss	48.3	54.8
Profit/loss from financial items		
Interest income and similar profit/loss items	-9.7	21.9
Interest costs and similar profit/loss items	-3.8	-20.1
Profit/loss after financial items	34.8	56.6
Tax on profit/loss for the year	-11.3	-15.6
Profit/loss for the year	23.5	41.0

Note 30 Proposed allocation of the company's profit

The board has decided not to propose any dividend for 2020.

Share premium reserve	200.9
Reserve for fair value	-4.6
Profit brought forward	141.8
Profit for the year	23.5
	361.6

The board of directors proposes that funds at the disposal of the annual general meeting are carried forward.

Sustainability notes

Note 1 Doro's most important sustainability policies

Policy	Ägare	Uppföljning
Business ethics	Group management	Group management monitors the number of employees who have completed the course, as well as any problems with compliance
CSR policy for suppliers	Operations	Third-party audit of relevant suppliers, based on risk assessment
Statement for Modern slavery	The Board of Directors	Annual update on the Board
Environment policy	Group management	ISO 14001 certificate
Quality policy	Group management	ISO 9001 certificate
Information security policy	Group management	ISO 27001 certificate
OHS policy	HR	Annual follow-up of the work environment is done by each site manager and by Group management

Note 2 Doro's Sustainable Strategy

Doro's created value is to offer products and social services to trust, as well as to offer resource efficiency.

There must also be a stable foundation by controlling other sustainability issues.

Here are questions that all companies and industries must relate to: work environment, equality, control of suppliers, environmental control, legal issues, etc. The foundation and the created value support Doro's mission.

Based on the sustainable strategy, Doro has an ambition to continue to create value for society and users, while maintaining a solid foundation

DORO'S MISSION

We develop and offer smart technology to help seniors live better lives. Our products and services create improved safety and quality of life, and the possibility for seniors to live with the dignity and independence they deserve.

CREATED VALUE

Care services to trust

Information security
Safe and easy use

Resource efficiency

Society costs
Caring for people and planet

Products to trust

User value
Repairability

FOUNDATION

A responsible business foundation
Employees, Supply chain, Governance

Note 3 Materiality assessment

(How significant are different sustainability issues in the value chain.)

Explanation: Significance is Doro's impact in an area, the possibility is how Doro has control over this impact. Environment is how the planet is affected. Social is all the impact on people.

	Manufacture of products	Transport of products	Doro internally (management and provision of services)	Use of products and services	Reuse and recycling of products
Stakeholder affected	Suppliers.	Suppliers.	Employees. Owners.	Customers. Society.	Society.
Environmental impact	Emissions and other environmental impacts during material mining and production. Manufacturing mainly in Asia.	CO ₂ and other emissions from aircraft, boats and trucks.	Heating, electricity and water to Doro's offices and alarm centers. Visits by car to alarm users and direct customers.	Energy consumption of products. Reduced driving for home care.	Power consumption. Use of finite re-sources. Waste.
Environmental significance	High Life cycle analysis of the alarm chain shows that about 85% of the climate footprint comes from manufacturing. In addition, waste and emissions occur in this part.	Average Life cycle analysis of the alarm chain shows that about 10% of the climate footprint comes from transport.	Low Relatively small environmental impact Impact through control of other steps.	Low Life cycle analysis of the alarm chain shows that about 5% of the climate footprint comes from the use of the products.	Average Longevity and repairability are important to reduce the impact of manufacturing.
Doro's possibility to influence	Low Limited opportunities to choose components and manufacturers.	Average Customer requirements and difficulties in stock planning lead to more air freight than desired.	Average Green electricity can be chosen. Cars can be chosen regarding environmental performance.	Average Construction is made for low energy use.	Average In construction, focus on product lifetime and repairability. Products are labeled to facilitate recycling.
Doro's steering	Supplier selection. Product specification. Business ethics.	Supplier selection. CO ₂ measurement.	ISO 14001. Measurement and control of environmental impact.	Product development.	Product development.
Social impact	Work environment and human rights. Conflict minerals. Provision for people in the supply chain.	Work environment and human rights. Provision for people in the transport sector.	Work environment and human rights Provision for staff. Profit for owners.	Security and independence for end users. Work environment and care quality for municipalities. Information security.	Work environment and human rights in recycling. Repairability and long service life provide economical sustainability.
Social significance	Average The greatest risks regarding the working environment and human rights are in the manufacturing chain.	Low Relatively small social impact.	Low Doro's own operations are located in countries with low social risks.	High Aging population is a challenge in the countries where Doro operates. Positive impact on users, relatives and municipalities.	Low Relatively small social impact.
Doro's possibility to influence	Average Manufacturing is done in Asia to get competitive products. Selection and control of suppliers is made, but there are risks.	Average Established transport companies are selected.	Average Work environment and culture can be controlled, but employees in the alarm centers have to work nights and week-ends due to users' needs.	High Products and services are developed for good social impact.	Average In construction, focus on product lifetime and repairability.
Doro's steering	Supplier selection. Product specification. CSR policy for suppliers.	Supplier selection.	Business ethics. Measurement and control of work environment.	This is Doro's mission! *	Product development.

* We develop and offer smart technology to help seniors live better lives.

Our products and services create improved safety and quality of life, and the possibility for seniors to live with the dignity and independence they deserve.

Note 4 Employee facts

2020								
	Group	Sweden	Norway	United Kingdom	Germany	France	Hong Kong	Spain
Number of employees at year end, (full time and part time)	1,064	243	117	629	36	18	10	11
Proportion of women of total number of employees at year-end, %	64	54	40	91	30	61	20	27
Proportion of women in managerial positions at year-end, %	50	29	33	69	0	67	50	0
Part time at year-end, %	45	29	58	56	16	0	0	0
Average age	41.1	37.7	40.7	42.7	40.4	47.7	47.2	39.9
Union agreements exist		Yes	Yes	No	No	No	No	No
Risk assessment regarding OHS has been updated in 2020 *	98	99	100	98	100	100	0	100
OHS routines are documented in the local language *	98	100	100	100	83	100	0	100
Safety patrols are held at least annually	96	99***	100	98	100	0***	0	100
Number of reported occupational injuries and incidents	49	3	3	42**	1	0	0	0

* Indicates% of staff.

** An office has a very high reporting rate of all types of incidents, 38 reports came from this office.

*** Safety patrols 2020 lacking due to Covid-19 lockdowns and increased homeworking.

Note 5 Greenhouse gases

EMISSION AMOUNTS		
Emissions, tonnes CO ₂ e (carbon dioxide equivalents)	Value 2020	Value 2019
Direct greenhouse gas emissions, scope 1	305	400
Indirect greenhouse gas emissions, scope 2	68	200
Emissions from transport of goods, scope 3	2,990	3,116
Emissions from staff commuting, Malmö office only, scope 3	0.3 tons/person	0.6 tons/person

GREENHOUSE GASES, CALCULATION METHODS	
Emissions	How we calculated and what we include
Direct emissions of greenhouse gases, scope 1	Own and leased cars, as well as combustion for heating, constitute Doros scope 1 emissions. For 2020, a more thorough calculation has been made than for 2019. All calculations refer to Tank To Wheel.
Indirect emissions of greenhouse gases, scope 2	<p>In cases where Doro does not have its own electricity and heating agreements for offices, the calculation is based on the total figure for the house and what share Doro's offices make up of the house. In three smaller offices (5% of the Group's total area) it has not been possible to produce a total figure for the house either, in these cases estimates of consumption have been made.</p> <p>Emissions in 2019 were calculated on national averages for CO₂e / kWh. In 2020, emission figures from suppliers have been used, which has resulted in a significant reduction since fossil-free or environmentally profiled electricity is used to a great extent. The figures for 2020 are also more accurate.</p> <p>Centra Pulse and Connect's energy consumption is not included in the figure for 2019 (acquired in 2019).</p>
Emissions from transport of goods, scope 3	All goods are transported by DSV, who has calculated Doro's transports of goods according to EN 16258: 2012. Only transports from Asia to warehouses are reported. This does not include transports from warehouse to end customer. More detailed figures from DSV can be found in the table below. All calculations refer to Tank To Wheel.
Emissions from staff commuting, Malmö office, scope 3	A survey was sent to all employees in Malmö in October 2020 regarding how they travel to work (how often and which mode of transport), before the pandemic and at maximum homework. 92 responses have been received. The sharp decrease in 2019-2020 is due to a high degree of homework during the pandemic.
Other scope 3 emissions	Scope 3 emissions other than those mentioned above are not reported due to lack of data..

Note 5 Greenhouse gases cont'd.

EMISSION AMOUNTS FROM DSV REGARDING SCOPE 3, TRANSPORT OF GOODS, ASIA TO WAREHOUSE		
Transport mode	CO ₂ e – Tank-to-wheel (kg)	Transported volume (tonne-km/-TEU-km)
Air Freight Transports	2,853,006	4,888,321
Sea – Container Ship Transports (FCL + LCL)	68,837	1,542,577
Road Transports	68,572	1,084,401
Total	2,990,416	7,515,298

Note 6 Environmental facts offices 2020

	Group	Sweden	Norway	United Kingdom	Germany	France	Hong Kong	Spain
Electricity consumption, MWh *	1,383	420	333	486	108	23	12	1
Heating with district heating, MWh *	464	340	124	0	0	10	0	0
Heating with own combustion	158	0	0	19	139	0	0	0
Fossil-free electricity is used in the number of offices / total number of offices	7/17	2/3	2/2	2/7	1/2	0/1	0/1	0/1
Water consumption, m ³ *	4,000	1,830	360	1,470	260	70	40	40
Office space, m ²	12,401	3,952	1,707	3,120	2,975	376	162	109

* In most offices, water consumption and district heating are calculated as a proportion of the house's total consumption, as separate meters are lacking. In some offices, this also applies to electricity consumption.

Note 7 CO₂ targets

Some of Doro's climate targets for 2021:

- 2 offices in the UK will switch to fossil-free electricity.
- Ecodriving training to be done for 70% of field staff Care in Sweden, Norway and the United Kingdom.
- The vehicle fleet within Care will be replaced by more environmentally friendly cars. For 2020, the targets apply to the United Kingdom: 40% hybrid cars and Norway: 60% electric cars.
- Sales targets according to the budget for remote supervision, which helps customers to save emissions.

SIGNATURES

The undersigned hereby pledge that the consolidated accounts and the annual report have been drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and according to good accounting practices and give a true picture of the Group's and company's position and earnings and the consolidated directors' report and directors' report give a true overview of developments in the Group's and company's business, position and earnings and describes significant risks and uncertainty factors faced by Group companies.

Malmö, March 24, 2021

Lennart Jacobsen
Chairman of the Board

Henri Österlund
Vice-Chairman
of the Board

Josephine Salenstedt
Board member

Towa Jexmark
Board member

Juha Mört
Board member

Cecilia Ardström
Board member

Mona Sahlberg
Employee representative

Carl-Johan Zetterberg Boudrie
CEO

Our auditor's report was submitted on March 29, 2021
PricewaterhouseCoopers AB

Magnus Willfors
Authorized Public Accountant
Lead partner

Johan Rönnbäck
Authorized Public Accountant



Auditor's report

To the general meeting of the shareholders of Doro (publ), corporate identity number 556161-9429

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Doro AB (publ) for the year 2020 except for the corporate governance statement on pages 43-46. The annual accounts and consolidated accounts of the company are included on pages 37-48, 53-84 and page 89 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance on pages 43-46. The statutory administration report is consistent with the other parts of the an-

nual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of my (our) knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 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 opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is

designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-36, 85-88 and 94-97. The Other Information does not include the annual report, except for the sustainability report and our report regarding this. The Board of Directors and the Managing Director are

Key audit matter

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter**How our audit addressed the Key audit matter****Valuation of intangible assets****Refer to note 1 and 7 in the annual report.**

The value of Goodwill with indefinite economic use amounted, as of 31 December 2020, to 556,7 MSEK. In accordance with IFRS, management shall annually perform an impairment test.

No impairment requirement was identified in conjunction with the testing undertaken by management.

Some of the assumptions and judgments undertaken by management regarding future cash flows and other circumstances are complex and have an impact on the calculation of the value in use. This applies, in particular, to the following: growth rate, profit margins and discount rate. Changes in these assumptions could lead to a change in the reported value of Goodwill.

In our audit, we have focused on the risk that Goodwill is reported at an incorrectly high level and that an impairment needs could exist. Our audit activities include a review of the applied calculation model and the challenging of significant assumptions applied by management in their tests.

We have assessed the reasonableness of the budget presented by management, and which has been approved by the Board of Directors, by evaluating historical outcome against adopted budgets.

We have compared the country specific growth in perpetuity values with independent forecasts regarding economic growth and have noted that the assumptions applied are within a reasonable interval; and

We have assessed the discount rate (weighted average cost of capital ("WACC")) against comparable operations and have noted that the assumptions applied are within a reasonable interval.

We have also evaluated the management's assessment of the manner in which the group's calculation models are impacted by changes in assumptions, and have compared this with the information presented in the annual accounts related to impairment testing.

In our audit, we have noted no significant deviations and our assessment is that the disclosures provided regarding significant assumptions and sensitivity analyses as found in the Annual report are correct.

responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report. inspektionen.se/revisornsansvar.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Doro AB (publ) for the year 2018 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of

whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contraven-

tion of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 43-46 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance

statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act. PricewaterhouseCoopers AB, box 4009, 203 11 Malmö, was appointed auditor of Doro AB (publ) by the general meeting of the shareholders on the 24 April 2020 and has been the company's auditor since the 27 April 2017.

Malmö March 29, 2021
PricewaterhouseCoopers AB

Magnus Willfors
Authorized Public Accountant
Auditor in charge

Johan Rönnbäck
Authorized Public Accountant

Quarterly summary

SEK m	2020				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Quarterly profit trend								
Net sales	424	332	443	490	466	460	521	616
Operating costs	-380	-294	-390	-421	-445	-433	-488	-585
Operating profit before depreciation (EBITDA)	44	38	53	69	44	47	57	61
Operating profit after depreciation (EBIT)	15	8	25	38	21	26	34	31
Finance net	5	-12	0	-10	-1	-2	-2	0
Profit/loss before tax	20	-4	25	28	20	25	32	30
Income tax	-5	1	-6	-9	-5	-6	-9	-10
Profit/loss for the year	15	-3	19	19	15	19	23	21
Quarterly balance sheet for the Group								
Intangible assets	698	677	763	753	623	636	686	698
Tangible assets	140	128	124	123	114	112	124	123
Financial assets	7	7	6	4	6	6	6	6
Deferred Tax Asset	16	18	17	14	6	7	16	17
Inventories	251	208	203	224	289	281	299	244
Current receivables	327	261	304	292	370	386	413	391
Cash and bank balances	172	194	249	171	151	149	168	198
Total assets	1,611	1,493	1,666	1,581	1,559	1,577	1,712	1,677
Shareholders' equity	809	778	810	804	718	734	761	782
Long-term Liabilities	358	336	338	261	324	344	379	346
Current Liabilities	444	379	518	516	517	499	572	550
Total shareholders' equity and liabilities	1,611	1,493	1,666	1,581	1,559	1,577	1,712	1,677
Quarterly cash flow								
Operating profit/loss	44	38	53	69	44	47	57	61
Other non cash flow items	4	-12	1	2	1	-6	-2	6
Taxes	-26	-4	-9	13	-10	-1	-7	-10
Change in working capital	-25	26	111	-41	6	-11	25	43
Cash flow from current activities	-3	48	156	43	41	29	73	100
Investments	-20	-18	-42	-22	-22	-29	-49	-43
Cash flow from investment activities	-20	-18	-42	-22	-22	-29	-49	-43
Dividend/ Premium for Warrant Program	0	0	0	0	0	0	0	0
New share issue and premium for warrant program	0	0	0	0	0	0	0	0
Change in interest-bearing liabilities	-5	-5	-55	-90	-4	-2	-7	-25
Cash flow from financial activities	-5	-5	-55	-90	-4	-2	-7	-25
Translation differences and other	2	-3	-4	-10	2	0	2	-1
Liquid assets (change in liquid funds)	-26	22	55	-79	17	-2	19	31

Five-year summary

SEKm	2020	2019	2018	2017	2016
Income statement					
Income	1,689.3	2,063.0	1,906.4	1,924.0	1,959.1
Operating profit/loss before depreciation and write-downs, EBITDA	203.9	209.3	194.3	156.2	121.5
Operating profit/loss after depreciation and write-downs, EBIT	85.7	112.1	122.3	92.0	47.7
Net financial items	-17.1	-4.8	0.7	-0.3	-8.3
Profit/loss before tax	68.6	107.3	123.0	91.7	39.4
Balance sheet					
Fixed assets	893.7	843.8	667.5	502.8	496.2
Current assets	517.0	635.2	662.7	617.4	730.7
Cash and bank balances	170.6	198.5	134.2	57.1	61.0
Shareholders' equity	804.5	781.8	683.7	583.7	520.0
Long-term liabilities	259.2	345.9	284.4	119.2	197.1
Current liabilities	517.6	549.9	496.5	474.4	570.8
Balance sheet total	1,581.3	1,677.5	1,464.4	1,177.3	1,287.7
KEY FIGURES (Definitions on page 74)					
Return ratios					
Average return on capital employed, %	9.9	12.9	16.1	13.5	7.5
Average return on shareholders' equity, %	6.2	10.6	14.4	12.1	6.2
Cash Conversion Rate	284.6	217.0	181.0	130.0	129.3
Margins					
Operating margin, EBITDA, %	12.1	10.1	10.2	8.1	6.2
Operating margin, EBIT, %	5.1	5.4	6.4	4.8	2.4
Net margin, %	4.1	5.2	6.5	4.8	2.0
Capital turnover					
Capital turnover rate (multiple)	1.0	1.3	1.4	1.6	1.6
Financial data					
Equity/assets ratio, %	50.9	46.6	46.7	49.6	40.4
Cash flow from current activities	243.9	242.7	221.8	119.5	61.7
Number of employees	1,081.0	988.0	685.0	458.0	500.0
Liquid assets (incl. unused credit)	170.6	198.5	134.2	107.1	111.0
Investments (incl. acquisitions 2011,2013)	101.7	142.6	210.0	70.2	96.4

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 photograph of an elderly couple standing on the deck of a cruise ship, looking out over a deep fjord. The man is in the foreground, wearing a green sweater, and the woman is behind him, wearing a red jacket. They are both smiling and looking towards the left. The background features steep, forested mountains and a body of water with a small waterfall visible on the right. The ship's railing and rigging are visible in the foreground.

ANNUAL GENERAL MEETING 2021

The Annual General Meeting will be conducted pursuant to so called mail-in procedures at Thursday, April 29, 2021.

Doro AB

Jörgen Kocksgatan 1B
211 20 Malmö, Sweden
www.doro.com
Org nr: 556161-9429

