

Interim Report Q2

April–June 2024

QUARTER APRIL – JUNE 2024

- Revenue grew 25% to SEK 476 million (381). The currency adjusted growth was 24%.
- Gross margin was 69% (68).
- Operating profit totaled SEK 53 million (29), corresponding to an operating margin of 11.0% (7.6).
- Cash flow after continuous investments was SEK 42 million (30).
- Basic and diluted earnings per share were SEK 0.34 (0.16).

PERIOD JANUARY – JUNE 2024

- Revenue grew 26% to SEK 904 million (716). The currency adjusted growth was 26%.
- Gross margin was 68% (67).
- Operating profit totaled SEK 85 million (50), corresponding to an operating margin of 9.4% (7.0).
- Cash flow after continuous investments was SEK 52 million (47).
- Basic and diluted earnings per share were SEK 0.44 (0.23).

SIGNIFICANT EVENTS DURING THE QUARTER

- [Tobii Dynavox enters into an agreement to acquire Link Assistive, gaining direct presence in Australia and New Zealand](#)
- [The Swedish parent company Tobii Dynavox AB \(publ\) has changed its company name to Dynavox Group AB \(publ\)](#). The share will going forward be traded under the new ticker DYVOX.

FINANCIAL OVERVIEW

SEK m (except for earnings per share)	Q2 2024	Q2 2023	Δ	Δ Organic	Half year 2024	Half year 2023	Δ	Δ Organic	Full year 2023
Revenue	476	381	25 %	17 %	904	716	26 %	19 %	1,613
Gross margin	69%	68%	-	-	68%	67%	-	-	68%
EBITDA	100	65	55 %	-	180	121	49 %	-	317
Operating profit/loss (EBIT)	53	29	82 %	46 %	85	50	69 %	33 %	155
EBIT margin	11.0%	7.6%	-	-	9.4%	7.0%	-	-	9.6%
Net profit/loss for the period	36	17	113 %	-	47	24	93 %	-	104
Earnings per share, (SEK)	0.34	0.16	113 %	-	0.44	0.23	93 %	-	0.99
Earnings per share after dilution (SEK)	0.34	0.16	113 %	-	0.44	0.23	92 %	-	0.98
Cash flow after continuous investments	42	30	-	-	52	47	-	-	145

Comments from the CEO

We continue to grow sales at a rapid pace while investing in back-end systems and sales capacity to improve the scalability of the business. This is in line with our long-term goal of helping more people, combined with high growth and a stronger operating margin. The limited awareness of assistive communication continues to offer significant potential for us to achieve long-term growth and make a difference for many more individuals with communication difficulties.

Sales growth denominated in local currencies was 24% for the quarter. We continue to see steady growth across all regions and user groups, with a continued strong increase in new prescriptions. Non-eye tracking users continue to show stronger growth. These are predominantly individuals requiring symbol-based communication and our TD Snap software, often children or young people who have been diagnosed with autism.

As previously, we are investing to further improve the scalability of our operations. Growth together with scaling effects will steadily continue to boost the EBIT margin towards our long-term objective of achieving and surpassing 15 percent annually. This is confirmed by the fact that our operating profit grew by more than 80% and earnings per share surged by more than 110% compared with the same period last year.

Acquisitions serve as a complement to our predominantly organic growth ambitions. In mid-May, we agreed to acquire Link Assistive, our reseller partner in Australia and New Zealand. This transaction brings us closer to our customers in these markets, thus making it easier for us to support individuals with disabilities in communicating more efficiently. Australia is already one of the countries with the best performing reimbursement systems for our types of assistive devices. Having direct presence has in the past been the recipe for how we can make an already successful market perform even better. The transaction is expected to be completed in the second half of 2024.

The [health economic study](#) we commissioned and published in May by the research firm Augur strongly confirms what we already knew - that assistive communication devices have a major positive impact on people with disabilities and their families. Quality of life is *doubled* for users who have an assistive communication device compared to life without. At the same time, the solutions pay for themselves *three times over* in purely economic terms for society. Achieving a positive economic outcome - a result above zero - is rare in this type of study. We are encouraged by the outcome and we will continue investing in similar initiatives going forward for use as support for key opinion leaders and policy makers in our quest for increased awareness and improved funding.

We changed our company name to Dynavox Group AB as planned at the end of June. The purpose of the name change is to clarify for both investors and new talent in Sweden that the company is independent from Tobii AB and specifically that eye tracking technology only represents a subset of our comprehensive offering of predominantly prescribed assistive communication solutions. The name change only affects the parent company of the group. The customer-focused business continues to use the same names as the commercial brands, including "Tobii Dynavox" (comprehensive communication solutions), "Acapela group" (synthetic voice solutions) and "Rehadapt" (mounting solutions).

The early phase and very low penetration of our market indicate substantial long-term potential. The vast majority of people who need assistive communication are unaware of, or do not have access to, information about the solutions we and our industry peers offer. Our strong solutions offering, and our dedicated employees are additional key success factors for the future. In summary, I remain optimistic about both the second half of the year and the longer term.

Fredrik Ruben, CEO



Fredrik Ruben
CEO, Dynavox Group

Comments on the Group's performance

QUARTER APRIL - JUNE

Revenue

Group revenue increased 25% to SEK 476 million (381) compared to the same quarter 2023. The currency adjusted growth was 24%, organic growth contributed 17%, acquisitions 7%, currency fluctuations had 1 % impact on revenue. The revenue growth was robust across all markets as well as all product and user groups.

Performance

Consolidated gross profit amounted to SEK 327 million (258), corresponding to a gross margin of 69% (68). The margin primarily benefited from currency and some positive impact of scale effects through higher sales, while increased freight costs had some negative impact.

Operating profit totaled SEK 53 million (29) and the operating margin was 11.0% (7.6).

Operating expenses grew organically by 11%. The increase was affected by factors such as continued investments in staff increases in the sales and marketing organization, as well as new agreements on salaries and benefits that came into force on April 1, 2024. The cost of the long-term incentive programs was affected by the price increase of the Tobii Dynavox share during the quarter, resulting in an increase of approximately SEK 1 million. Investments in systems and tools to build scalability also contributed about SEK 5 million to the cost increase. Operating expenses were affected by non-recurring costs of approximately SEK 2 million mainly related to acquisition activities.

Costs for research and development after capitalizations and amortizations increased by 8 MSEK compared with the corresponding quarter last year.

Financial items amounted to SEK -12 million (-12) and mainly consisted of interest on external loans. Profit before tax was SEK 41 million (17).

Tax for the quarter amounted to SEK -5 (-0) million, of which SEK 2 (5) million related to deferred tax.

Profit for the period was SEK 36 million (17). Basic and diluted earnings per share were SEK 0.34 (0.16).

Currency effects

Higher exchange rates, primarily USD/SEK, had a positive impact on revenue of SEK 5 million, but had no impact on operating profit compared with the corresponding quarter last year.

Cash flow, liquidity and financial position

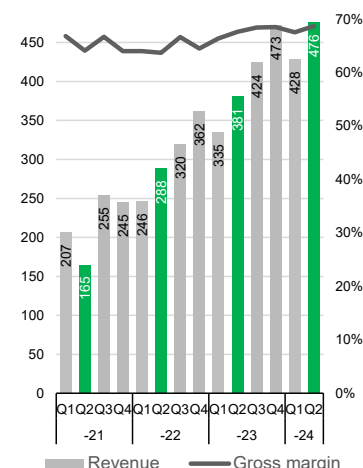
Cash flow from operating activities before changes in working capital amounted to SEK 83 million (55). Change in working capital amounted to SEK -1 million (6).

Cash flow from investing activities amounted to SEK -39 million (-31), of which SEK -27 million (-20) was capitalization of R&D costs.

During the quarter, an amortization of the credit facility of SEK 15 million was made. Cash flow for the period was SEK 21 million (13).

At the end of the quarter, the Group had cash and cash equivalents of SEK 148 million (116). Consolidated net debt totaled SEK 562 million (476), including SEK 93 million (53) in IFRS 16 finance leases.

REVENUE, SEK M,
AND GROSS MARGIN, %



KEY PERFORMANCE MEASURES

SEK m	Note	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
Revenue	8	476	381	904	716	1,613
Revenue change:		25 %	32 %	26 %	34 %	33 %
- of which organic		17 %	20 %	19 %	18 %	20 %
- of which currency		1 %	8 %	1 %	10 %	6 %
- of which acquisitions		7 %	4 %	7 %	7 %	7 %
Gross margin		69 %	68 %	68 %	67 %	68 %
Operating profit/loss (EBIT)		53	29	85	50	155
EBIT change		82 %	86 %	69 %	53 %	88 %
EBIT margin		11.0 %	7.6 %	9.4 %	7.0 %	9.6 %

REVENUE BY GEOGRAPHIC MARKET

SEK m	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
Europe	83	63	168	127	289
North America	372	301	700	559	1,253
Other countries	20	17	35	30	71
Total revenue	476	381	904	716	1,613

RESEARCH AND DEVELOPMENT

SEK m	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
Total R&D expenditures	-43	-34	-86	-68	-149
Capitalization	27	20	55	38	83
Amortization	-29	-22	-57	-45	-98
R&D expenses in the income statement	-45	-37	-88	-75	-163

PERIOD JANUARY - JUNE

Revenue

Group revenue increased 26% to SEK 904 million (716). The currency adjusted growth was 26%, organic sales grew by 19%, acquisitions 7%, currency fluctuations had 1 % impact on revenue. As in previous quarters, growth was robust across all markets, as well as in all product and user groups.

Performance

Consolidated gross profit amounted to SEK 616 million (480), corresponding to a gross margin of 68% (67). Margins benefited from certain price adjustments, minor scale effects due to increased sales, while increased shipping costs simultaneously had a slight negative impact.

Operating profit totaled SEK 85 million (50) and the operating margin was 9.4% (7.0).

Operating expenses increased organically about 18%. The increase was affected by factors such as continued investments in staff increases in the sales and marketing organization, as well as new agreements on salaries and benefits that came into force on April 1, 2024. The cost of the long-term incentive programs was affected by the price increase of the Tobii Dynavox share during

the period, resulting in an increase of approximately SEK 8 million. Investments in systems and tools to build scalability also contributed about SEK 8 million to the cost increase. Operating expenses were affected by non-recurring costs of approximately SEK 5 million mainly related to restructuring costs and acquisition activities.

Research and development expenses had a negative impact on operating profit of SEK 13 million for the period compared with the corresponding period last year.

Financial items amounted to SEK -30 million (-21) and mainly consisted of interest on external loans and approximately SEK 4 million related to currency revaluation losses.

Profit before tax was SEK 56 million (30).

Tax for the year amounted to SEK -10 (-5) million, of which SEK 3 (5) million related to deferred tax.

Profit for the period was SEK 47 million (24). Basic and diluted earnings per share were SEK 0.44 (0.23).

Currency effects

Higher exchange rates, primarily USD/SEK, had a positive impact on revenue of SEK 4 million, but no impact on operating profit compared with the corresponding period last year.

Cash flow, liquidity and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 150 million (99). Change in working capital amounted to SEK -19 million (6).

Cash flow from investing activities amounted to SEK -79 million (-57), of which SEK -56 million (-38) was capitalization of R&D costs. Cash flow for the period was SEK -19 million (6).

At the end of the period, the Group had cash and cash equivalents of SEK 148 million (116). Consolidated net debt totaled SEK 562 million (476), including SEK 93 million (53) in IFRS 16 finance leases. Net debt in relation to the last twelve months EBITDA was 1.5.

The original SEK 800 million refinancing agreement with Swedbank was entered into in October 2022 and has a term of three years with an option to extend for another year. The total utilized part of the credit facility and term loan was SEK 620 million at the end of the period.

Organization

The number of employees converted to full-time equivalents at the period end was 755 (608).

Acquisition

Dynavox Group has on May 13, 2024, entered into an agreement to acquire all business activities and assets of its reselling partner Link Assistive Pty Ltd and Link Assistive New Zealand Limited. The Transaction brings Tobii Dynavox closer to its customers in the Australian and New Zealand markets, supporting people with disabilities to communicate more effectively. The Transaction is expected to be completed during the second half of 2024.

Link Assistive is the leading supplier of communication aid solutions and services to customers in Australia and New Zealand. Link Assistive has grown over the past decade to currently 21 employees and is headquartered in Adelaide, Australia, with a local sales office in Perth and remotely operating staff in several other locations in Australia and New Zealand. Tobii Dynavox's solutions comprise the majority of Link Assistive's revenue, as the companies have a long-standing partnership. Link Assistive's turnover in 2023 was over AU\$8 million with an adjusted EBIT margin of 10%. Tobii Dynavox pays the seller AU\$8 million in cash at closing, with a potential additional consideration after a period of two years. The seller and founder, Bas Tijdhof, will be the CEO of Tobii Dynavox Pty Ltd doing business as Link Assistive for a period of at least two years. After closing completion of the Transaction, approximately 40% of Link Assistive's revenue and 100% of its profits will contribute to Dynavox Group's consolidated result.

Group

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Note	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
Revenues	8	476	381	904	716	1,613
Cost of goods and services sold		-149	-123	-288	-236	-519
Gross profit		327	258	616	480	1,094
Selling expenses		-171	-147	-329	-274	-585
Research- and development expenses		-45	-37	-88	-75	-163
Administrative expenses		-60	-49	-120	-86	-196
Other operating gains and losses		1	5	6	5	5
Operating profit/loss (EBIT)		53	29	85	50	155
Net financial items		-12	-12	-30	-21	-36
Profit/loss before tax (EBT)		41	17	56	30	119
Tax		-5	-0	-10	-5	-15
Net profit for the period		36	17	47	24	104
Other comprehensive income						
<i>Items that may be reclassified to net profit for the period:</i>						
Translation differences		-6	10	15	11	-22
Other comprehensive income for the period, net after tax		-6	10	15	11	-22
Total comprehensive income for the period		30	27	62	35	82
Earnings per share, SEK		0.34	0.16	0.44	0.23	0.99
Earnings per share, diluted, SEK		0.34	0.16	0.44	0.23	0.98
<i>Net profit/loss for the period attributable to:</i>						
Parent Company's shareholders		36	17	47	24	104
Net profit/loss for the period		36	17	47	24	104
<i>Total comprehensive income for the period attributable to:</i>						
Parent Company's shareholders		30	27	62	35	82
Total comprehensive income for the period		30	27	62	35	82

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK m	Jun 30 2024	Jun 30 2023	Dec 31 2023
ASSETS			
Non-current assets			
Intangible fixed assets	853	676	847
Property, plant and equipment	53	41	51
Right-of-use assets	85	44	91
Dererred tax asset	58	65	54
Financial and other non-current assets	13	14	13
Total non-current assets	1,062	840	1,056
Current assets			
Trade receivables	304	258	270
Inventories	168	92	130
Other current receivables	78	57	72
Cash and cash equivalents	148	116	161
Total current assets	698	523	633
TOTAL ASSETS	1,760	1,363	1,690
EQUITY AND LIABILITIES			
Equity	366	249	298
Total equity	366	249	298
Non-current liabilities			
Borrowings, non-current	559	491	616
Lease liabilities	67	36	73
Deferred tax liabilities	20	9	22
Other non-current liabilities	159	126	142
Total non-current liabilities	806	661	853
Current liabilities			
Borrowings, current	59	49	59
Lease liabilities	25	17	25
Other current liabilities	505	388	455
Total current liabilities	589	454	539
Total liabilities	1,394	1,115	1,392
TOTAL EQUITY AND LIABILITIES	1,760	1,363	1,690

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK m	Attributable to Parent Company shareholders			
	Share capital	Reserves	Retained earnings	Total equity
Opening balance, Jan 1, 2023	1	19	191	211
Comprehensive income for the period		11	24	35
Share based payments			3	3
Closing balance, Jun 30, 2023	1	30	218	249
Comprehensive income for the period		-33	80	47
Share based payments			5	5
Acquisition of own shares			-4	-4
Closing balance, Dec 31, 2023	1	-2	300	298
Opening balance, Jan 1, 2024	1	-2	300	298
Comprehensive income for the period		15	47	62
Share based payments			6	6
Closing balance, Jun 30, 2024	1	13	353	366

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

SEK m	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
Cash flow from operating activities					
Profit before tax (EBT)	41	17	56	30	119
Depreciations and amortization	48	36	95	71	162
Other non cash items	3	5	8	5	-0
Taxes paid	-9	-4	-10	-6	-13
Cash flow before changes in working capital	83	55	150	99	268
Change in working capital	-1	6	-19	6	9
Cash flow from operating activities	81	61	131	105	277
Investing activities					
Investments in intangible assets	-28	-21	-60	-41	-89
Investments in tangible assets	-12	-10	-19	-17	-46
Other	0	0	0	0	1
Continuous investments	-39	-31	-79	-57	-133
Cash flow after continuous investments	42	30	52	47	145
Aquisitions	-	-	-	-	-164
Cash flow from investing activities	-39	-31	-79	-57	-297
Financing activities					
Proceeds from borrowings	-15	-13	-57	-32	99
Repayment of lease liability	-6	-5	-12	-9	-20
Other financing activities	-0	-0	-2	-0	-0
Cash flow from financing activities	-21	-17	-71	-41	79
Cash flow for the period	21	13	-19	6	59
Cash and cash equivalents at the beginning of the period	127	99	161	107	107
Currency translation impact on cash and cash equivalents	-0	4	6	3	-5
Cash and cash equivalents at the end of the period	148	116	148	116	161

Parent Company

The principal activity of the Group's Parent Company, Dynavox Group AB (publ), is research, development, and sales of computer software and computer-related hardware that helps individuals with various disabilities to live richer and more independent lives. The number of employees in the Parent Company is approximately 151.

Net sales for the Parent Company, Dynavox Group AB, for the period April 1 to June 30, 2024, amounted to SEK 192 million (197) of which SEK 143 million (153) refers to sales to group companies and SEK 49 million (44) to external customers. Operating profit for the corresponding period was SEK 18 million (8). Investments in property, plant and equipment and intangible assets totaled SEK -33 million (-21) for the quarter. At the end of the period, the Parent Company had SEK 16 million (27) in cash and cash equivalents.

CONDENSED PARENT COMPANY INCOME STATEMENT

SEK m	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
Revenues	192	197	366	338	751
Cost of goods and services sold	-82	-96	-157	-161	-341
Gross profit	110	101	209	177	410
Selling expenses	-33	-26	-54	-44	-95
Research- and development expenses	-38	-33	-74	-67	-144
Administrative expenses	-54	-49	-105	-85	-180
Other operating gains and losses	33	16	38	17	56
Operating profit/loss (EBIT)	18	8	14	-3	46
Financial items	-11	-11	-28	-20	-34
Profit/loss before tax (EBT)	7	-3	-14	-23	12
Tax	1	-	1	-	-3
Net profit/loss for the period	8	-3	-14	-23	9

CONDENSED PARENT COMPANY BALANCE SHEET

SEK m	Jun 30 2024	Jun 30 2023	Dec 31 2023
NON-CURRENT ASSETS			
Intangible assets	303	361	327
Property, plant and equipment	16	7	10
Financial assets	501	279	500
Total non-current assets	820	648	837
CURRENT ASSETS			
Inventories	49	21	38
Trade receivables	19	17	21
Receivables from Group companies	99	84	114
Other current assets	23	19	22
Cash and cash equivalents	16	27	32
Total current assets	206	168	226
TOTAL ASSETS	1,026	815	1,063
EQUITY AND LIABILITIES			
Equity	131	104	138
Untaxed reserves	1	1	1
NON-CURRENT LIABILITIES			
Borrowings, non-current	559	491	616
Liabilities to Group companies, non- current	77	51	63
Other non-current liabilities	22	17	20
Total non-current liabilities	658	558	699
CURRENT LIABILITIES			
Borrowings, current	59	49	59
Trade payables	48	49	55
Liabilities to Group companies, current	5	3	3
Other current liabilities	124	52	108
Total current liabilities	237	153	226
Total liabilities	895	711	925
TOTAL EQUITY AND LIABILITIES	1,026	815	1,063

KEY PERFORMANCE MEASURES FOR THE GROUP

	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
Earnings per share, SEK	0.34	0.16	0.44	0.23	0.99
Earnings per share, diluted, SEK	0.34	0.16	0.44	0.23	0.98
Equity per share, SEK	3.5	2.4	3.5	2.4	2.8
EBITDA, SEKm	100	65	180	121	317
Operating profit (EBIT), SEKm	53	29	85	50	155
EBITA, MSEK	85	53	149	98	262
Cash flow from operating activities, SEKm	81	61	131	105	277
Cash flow after continuous investments, SEKm	42	30	52	47	145
Working capital, SEKm	-98	-99	-98	-99	-109
Total assets, SEKm	1,760	1,363	1,760	1,363	1,690
Net debt, SEKm	562	476	562	476	612
Net Debt/EBITDA LTM	-	-	1.5	2.0	1.9
Equity, SEKm	366	249	366	249	298
Equity/assets ratio, %	21	18	21	18	18
Debt/equity, factor	1.9	2.4	1.9	2.4	2.6
Gross margin, %	69	68	68	67	68
EBITDA margin, %	21	17	20	17	20
Operating margin, %	11.0	7.6	9.4	7.0	9.6
Average number of outstanding shares, million	104.9	104.9	104.9	104.9	104.9
Average number of outstanding shares after dilution, million	105.9	105.7	105.9	105.7	106.3
Number of outstanding shares at period end, million	104.9	104.9	104.9	104.9	104.9
Number of outstanding shares after dilution at period end, million	105.9	106.7	105.9	106.7	106.6

Definitions, see note 11.

QUARTERLY DATA

	2024		2023				2022				2021	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue, SEKm	476	428	473	424	381	335	362	320	288	246	245	255
Gross Margin, %	69	68	69	68	68	66	65	67	64	64	64	67
EBITDA, SEKm	100	80	104	92	65	56	61	59	44	43	38	66
EBIT, SEKm	53	32	56	48	29	21	25	25	16	17	13	42
Operating Margin, %	11.0	7.6	11.9	11.4	7.6	6.3	6.8	7.8	5.4	7.0	5.4	16.5
Profit/Loss before tax, SEKm	41	16	49	41	17	12	15	18	9	11	9	37
Profit/Loss for the period, SEKm	36	11	45	35	17	7	17	16	6	10	5	21

Notes

Note 1. Accounting policies

Dynavox Group applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting.

Dynavox Group's interim report contains condensed financial statements. For the Group, this mainly means that the note disclosures are limited compared with the financial statements presented in the annual report. The financial statements of the Parent Company are generally presented in condensed format, with limited disclosures compared with the annual accounts. The interim reports for Dynavox Group AB have been prepared in accordance with the Swedish Annual Accounts Act and standard RFR 2, Accounting for legal entities.

The accounting policies applied are in effect in all periods and are consistent with the accounting policies applied in Tobii Dynavox Annual and sustainability report 2023.

Share-based payment to employees

The amount of allocated stock units as per June 30, 2024, is 1 858 842. The dilutive effect is expected to be a maximum of 1.0 percent.

Note 2. Risks and uncertainty factors

Dynavox Group's business risks include the economic climate, the competitive situation, currency risks, credit risks in relation to customers, financing risks, the risk of impairment write-downs of capitalized R&D and other intangible assets, and regulatory risks (Tobii Dynavox LLC in the U.S. is under the supervisory control of the U.S. Food and Drug Administration (FDA)). More information on risks and risk management can be found in Tobii Dynavox Annual and Sustainability Report for 2023.

Note 3. Segment reporting

The assessment of which operating segments exist in the Group shall be based on the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function responsible for allocation of resources and analyzing the segment's profit/loss. In the Dynavox Group, this function has been identified as Group Management. The financial information provided to Group Management within Dynavox Group, as a basis for decisions on the allocation of resources, applies to the business as a whole without any subdivision into underlying segments. Given this situation, the management of the Dynavox Group has determined that the business as a whole should be considered a segment until further notice. Sales by geographic market is broken down into the following markets: North America, Europe and other countries.

Note 4. Transactions with related parties

No transactions between Dynavox Group and related parties that significantly affected the company's position and results took place.

Note 5. Sustainability information

More information on the Group's sustainability efforts can be found in Tobii Dynavox Annual and Sustainability Report 2023.

Note 6. Pledged assets and contingent liabilities

Dynavox Group has a chattel mortgage of SEK 50 million to Swedbank. The Group has no contingent liabilities.

Note 7. Share data

As of June 30, 2024, Dynavox Group held 104,851,201 common shares, each carrying one vote.

Note 8. Breakdown of revenue

SEK m	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
REVENUE BY PRODUCT TYPE					
Goods	445	352	840	658	1,493
Services	29	27	60	54	113
Royalty	2	2	4	4	7
Total revenues	476	381	904	716	1,613
REVENUE BY DATE OF REVENUE RECOGNITION					
Point in time	406	321	760	591	1,359
Over time	70	60	144	125	254
Total revenues	476	381	904	716	1,613

Note 9. Acquisition

Dynavox Group has on May 13, 2024, entered into an agreement to acquire all business activities and assets of its reselling partner Link Assistive Pty Ltd and Link Assistive New Zealand Limited. The Transaction brings Dynavox Group closer to its customers in the Australian and New Zealand markets, supporting people with disabilities to communicate more effectively. The Transaction is expected to be completed during the second half of 2024.

On September 7, 2023, Dynavox Group completed the acquisition of all shares in the German company Rehadapt Engineering. The purchase price amounted to EUR 16.6 million on a cash and debt free basis. Additionally, a potential earn-out consideration of up to EUR 3.5 million 12 months after closing of the transaction will be paid depending on the continued financial development of Rehadapt.

Rehadapt is a provider of medically certified mounting solutions for assistive technology, including out-of-the-box and flexible solutions to support individual communication, independent mobility kits and customized accessories. Based on over 20 years of expertise and innovative development, Rehadapt has created a well-respected brand and a valuable asset base in the field of mounting solutions. Rehadapt's products are currently sold together with Tobii Dynavox's products as well as by many other companies in assistive communication. Rehadapt has approximately 55 employees and is headquartered in Kassel, Germany with a local subsidiary and distribution center in the United States. Rehadapt's turnover in 2022 was approximately EUR 10 million with an adjusted EBIT margin of approximately 20%. The seller, Rehadapt's CEO Uli Ehlert, will remain with Rehadapt for a period of at least one year.

Rehadapt was included in the Group's accounts from September 1, 2023.

As a result of these acquisitions, Dynavox Group expects to both strengthen its product offering and come closer to users in the countries where the acquisitions are active, with the hope of giving more people a voice. Dynavox Group also expects to reduce costs through synergies.

The following table summarize the purchase consideration paid and the preliminary fair value of assets acquired, and liabilities assumed for the acquisition of Rehadapt Engineering.

EFFECTS OF ACQUISITIONS

	Rehadapt ¹
SEK m	
Breakdown of Purchase considerations	
Cash consideration	174
Contingent consideration	42
Total consideration	216
Change in acquired assets and liabilities	
Technology	19
Brands	-
Customer relations/contracts	33
Other fixed assets	21
Net other assets and liabilities	-39
Cash and cash equivalents	10
Deferred tax liability	16
Net identifiable assets and liabilities	61
Goodwill	155

¹ The acquisition analysis is preliminary

Note 10. Financial instrument

SEK m	Jun 30 2024		Jun 30 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities measured at fair value				
Contingent considerations	40	40	0.1	0.1

The Group categorizes financial assets and financial liabilities measured at fair value in-to a fair value hierarchy based on the information used to value each asset or liability. For financial instruments in level 3, information that is material to the fair value of the asset or liability is not observable and the Group's own assessments are applied.

Liabilities relating to contingent consideration for June 30, 2024, relate in their entirety to the acquisition of Rehadapt Engineering while contingent considerations for the same period 2023 relate to Obeart Technologies Limited. The contingent considerations are classified under level 3.

Note 11. Alternative performance measures

The company presents certain financial measures in the interim report that are not defined under IFRS (so-called alternative performance measures according to ESMA guidelines). Management believes that this information helps investors to analyze the Group's performance and financial position. Investors should consider these disclosures as a complement rather than a substitute for financial reporting under IFRS.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

The tables below show how the alternative performance measures that are not directly reconcilable to the financial statements are calculated.

SEK m	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
Gross margin					
Gross profit	327	258	616	480	1,094
Revenues	476	381	904	716	1,613
Gross margin, %	69%	68%	68%	67%	68%

SEK m	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
EBITDA and EBITDA-margin					
Operating profit	53	29	85	50	155
Amortization and impairment on intangible assets	32	24	64	48	107
Depreciation, amortization and impairment on tangible assets	16	12	31	23	55
EBITDA	100	65	180	121	317
Revenue	476	381	904	716	1,613
EBITDA-marginal, (%)	21%	17%	20%	17%	20%

SEK m	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
EBITA					
Operating profit	53	29	85	50	155
Amortization R&D	28	22	56	45	98
Amortization purchased immaterial assets	4	2	8	3	10
EBITA-margin	85	53	149	98	262
Revenue	476	381	904	716	1,613
EBITA-margin, %	18%	14%	16%	14%	16%

SEK m	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
Equity/share					
Equity	366	249	366	249	298
Average number of outstanding shares, million	105	105	105	105	105
Equity/share	3.5	2.4	3.5	2.4	2.8

SEK m	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
Net debt					
Cash and cash equivalents	148	116	148	116	161
Interest-bearing liabilities	711	592	711	592	773
Net debt	562	476	562	476	612

SEK m	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
Net debt/EBITDA ratio					
Net debt	-	-	562	476	612
EBITDA last twelve months	-	-	376	240	317
Net debt/EBITDA LTM	-	-	1.5	2.0	1.9

SEK m	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
Organic growth					
Revenue current year	476	381	904	716	1,613
Currency effect	-5	-23	-4	-51	-68
Acquisition effect	-25	-13	-49	-36	-83
Currency-adjusted income corresponding period last year excluding acquisitions	445	345	852	629	1,462
Revenue corresponding period previous year	381	288	716	535	1,216
Organic growth	64	57	135	95	246
Organic growth, %	17%	20%	19%	18%	20%

SEK m	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
Working capital					
Inventories	168	92	168	92	130
Trade receivables	304	258	304	258	270
Other receivables	78	57	78	57	72
Trade payables	-118	-99	-118	-99	-100
Other liabilities	-529	-407	-529	-407	-480
Working capital	-98	-99	-98	-99	-109

SEK m	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
Operating margin (EBIT-margin)					
Operating profit	53	29	85	50	155
Revenue	476	381	904	716	1,613
Operating margin, %	11.0%	7.6%	9.4%	7.0%	9.6%

SEK m	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
Net debt/equity ratio					
Interest-bearing liabilities	711	592	711	592	773
Equity	366	249	366	249	298
Net debt/equity ratio, factor	1.9	2.4	1.9	2.4	2.6

SEK m	Q2 2024	Q2 2023	Half year 2024	Half year 2023	Full year 2023
Equity/assets ratio					
Equity	366	249	366	249	298
Total assets	1,760	1,363	1,760	1,363	1,690
Equity/assets ratio, %	21%	18%	21%	18%	18%

Key Performance measures	Definition	Justification for use of metrics
Number of employees	Average number of full-time employees during the period, including part-time employees converted to FTEs	Number of employees is a measure of the number of employees in the Company needed to generate profit for the period.
Gross margin, %	Gross profit relative to the operations' net sales	Gross margin is used to measure production profitability.
EBITA	Operating profit/loss before amortization and impairment of intangible assets	EBITA is used to measure earnings from operating activities excluding amortization and impairment of intangible assets.
EBITDA	Operating profit/loss before depreciation, amortization and impairment	EBITDA is used to measure earnings from operating activities excluding depreciation, amortization and impairment.
EBITDA margin, %	Operating profit/loss before depreciation/amortization in relation to net sales	The EBITDA margin is used to illustrate EBITDA in relation to sales.
Equity per share	Equity divided by average number of shares outstanding	A measure of the proportion of the company's recognized equity that each share represents.
Cash flow after continuous investments	Cash flow from operating and investing activities (excluding business acquisitions)	Cash flow after continuous investments is used as a measure of the cash flow generated by operating activities and continuous investments.
Net debt	Interest-bearing liabilities less cash and cash equivalents	Net debt represents the Company's capacity to pay off all debts should they fall due for payment as of the balance sheet date using the Company's available cash and cash equivalents on the balance sheet date.
Net debt/EBITDA LTM	Net debt at the end of the period in relation to rolling 12-month EBITDA	A measure of financial risk showing net debt to cash generation.
Organic growth, %	Change in total revenue for the period adjusted for acquisitions, disposals and currency, compared with total revenue for the comparative period	Organic growth is used to analyze the underlying change in sales driven by comparable units between different periods.
Working capital	Inventories, trade receivables and other Inventories, accounts receivable and other current receivables less accounts payable and other liabilities	Working capital is used to measure the Company's ability to meet short-term capital requirements.
Operating margin (EBIT margin), %	Operating profit/loss in relation to net sales	The operating margin is used to illustrate EBIT in relation to sales and is a measure of the Company's profitability.
Net debt/equity, factor	Interest-bearing liabilities divided by shareholders' equity	Net debt-equity ratio measures the extent to which the Company is financed by loans.
Equity/assets ratio, %	Shareholders' equity as a percentage of total assets	The equity/assets ratio shows the percentage of total assets financed by the shareholders through equity.

Stockholm, July 18, 2024

Gitte Pugholm Aabo
Chairman of the Board

Charlotta Falvin
Board Member

Caroline Ingre
Board Member

Carl Bandhold
Board Member

Henrik Eskilsson
Board Member

Maarten Barmiento
Board Member

Fredrik Ruben
CEO

The report has not been subject to review by the Company's auditors.

This is a translation of the original Swedish interim report. In the event of a discrepancy between this translation and the Swedish original, the Swedish interim report takes precedence.

This information is inside information that Dynavox Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out below, on July 18, 2024, at 07:30 CEST.

Information to shareholders

WEBBPresentation

A web presentation will be held in English today at 09.00 (CEST). See investors.dynavoxgroup.com for more information about the conference. The images from the presentation can then be downloaded from the website.

CONTACT DETAILS

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FINANCIAL CALENDER

Interim Report Q3 2024	October 23, 2024
Year End Report Q4 2024	February 5, 2025