

Interim Report Q3

July–September 2024

QUARTER JULY – SEPTEMBER 2024

- Revenue grew 14% to SEK 483 million (424). The currency adjusted growth was 18%.
- Gross margin was 69% (68).
- Operating profit totaled SEK 61 million (48), corresponding to an operating margin of 12.6% (11.4).
- Cash flow after continuous investments was SEK 7 million (35).
- Basic and diluted earnings per share were SEK 0.43 (0.33).

SIGNIFICANT EVENTS DURING THE QUARTER

- [On September 5, Tobii Dynavox launched TD Navio - a new iPadOS-based assistive communication solution aimed primarily at people with autism.](#) On the same day, the company also launched a new and improved version of the TD I-110, the company's Windows-based touchscreen assistive communication solution.

PERIOD JANUARY – SEPTEMBER 2024

- Revenue grew 22% to SEK 1,387 million (1,141). The currency adjusted growth was 23%.
- Gross margin was 68% (68).
- Operating profit totaled SEK 146 million (99), corresponding to an operating margin of 10.5% (8.6).
- Cash flow after continuous investments was SEK 60 million (82).
- Basic earnings per share totaled SEK 0.88 (0.56) before dilution and SEK 0.87 (0.55) after dilution.

SIGNIFICANT EVENTS AFTER THE QUARTER

- [Dynavox Group AB has October 1st completed the previously announced acquisition of the Australian reselling partners Link Assistive Pty Ltd and Link Assistive New Zealand \(together Link Assistive\).](#) Link Assistive is the leading supplier of communication aid solutions and services to customers in Australia and New Zealand.

FINANCIAL OVERVIEW

SEK m (except for earnings per share)	Q3 2024	Q3 2023	Δ	Δ Organic	Jan-Sep 2024	Jan-Sep 2023	Δ	Δ Organic	Full-year 2023
Revenue	483	424	14 %	15 %	1,387	1,141	22 %	17 %	1,613
Gross margin	69%	68%	-	-	68%	68%	-	-	68%
EBITDA	109	92	19 %	-	290	213	36 %	-	317
Operating profit/loss (EBIT)	61	48	26 %	17 %	146	99	48 %	20 %	155
EBIT margin	12.6%	11.4%	-	-	10.5%	8.6%	-	-	9.6%
Net profit/loss for the period	45	35	30 %	-	92	59	56 %	-	104
Earnings per share, (SEK)	0.43	0.33	30 %	-	0.88	0.56	56 %	-	0.99
Earnings per share after dilution (SEK)	0.43	0.33	32 %	-	0.87	0.55	57 %	-	0.98
Cash flow after continuous investments	7	35	-	-	60	82	-	-	145

Comments from the CEO

Revenue and earnings continue to show solid growth in line with our expectations. Short term, we had a negative impact on September revenues as a successful product launch allowed customers to change already placed orders to the new products. Adjusting for this the underlying growth in Q3 would have been over 20% in local currencies. We remain clearly on track with our long-term goals, helping more people communicate while seeing robust growth and steadily improving EBIT margin. The low penetration of communication aids represents significant potential for us to continue our long-term growth while having a meaningful impact on even more lives. A key driver for this is to continue our efforts to increase awareness of these solutions.



Fredrik Ruben
CEO, Dynavox Group

Revenue growth denominated in local currencies was 18% for the quarter, despite the fact that it was negatively impacted by product launches on September 5. Underlying growth is assessed to have been over 20%. The new products were well received, leading to many existing orders and prescriptions being replaced by the newly launched products. This is a typical and well-known pattern for us. Consequently, these will be delivered and recognized as revenue in the coming quarters. Consolidated revenue is up by 23% in local currency since the start of the year. We keep investing in systems and sales capacity to boost the scalability of our business, which gradually strengthens our EBIT margin.

The successful product launch of the iPadOS-based assistive communication solution TD Navio took our market-leading offering to the next level in the rapidly growing segment of touchscreen-based assistive communication products. We also launched a new and improved version of TD I-110, our Windows-based counterpart. Cash flow was held back slightly during the quarter by the product launches, as inventory temporarily increases in the run-up to large-scale shipments. This too follows the typical pattern associated with major launches.

We are experiencing strong growth across all regions in our largest user group, autism, who in many cases benefit greatly from and has a life-long need for assistive communication solutions. These users, often children or younger people, need symbol-based communication without eye control using our software, TD Snap. In general, the influx of new prescriptions is also showing solid growth.

One of our top priorities is to further enhance the scalability of our business by investing in sales capacity and internal systems. Continued growth combined with economies of scale will gradually strengthen the EBIT margin towards our long-term target of achieving and surpassing 15 percent annually. This is reflected by the increase in EBIT of more than 25 percent compared to the same period last year.

Acquisitions are an integral and important part of our strategy, in particular forward integration in local markets. Transactions that include acquiring existing distributors have been a winning formula for taking already successful markets to an even higher level of performance. In early October, we finalized the acquisition of Link Assistive, our distributor partner in Australia and New Zealand. As a result, we will be able to better support individuals with disabilities and help them communicate more effectively. Australia is also one of the countries with the most efficient reimbursement systems for our assistive communication solutions rendering good long term growth potential.

All in all, I continue to be optimistic about what the future holds. Only a small percentage of people who need assistive communication are aware of, or have access to, information about the solutions we and our industry peers offer. The low level of awareness is, of course, unsatisfactory. However, it represents significant potential for us to continue our long-term growth and thereby, have a meaningful impact on many more lives. Our dedicated employees and consistently refined product offering are further essential components in achieving our goals.

Fredrik Ruben, CEO

Comments on the Group's performance

QUARTER JULY - SEPTEMBER

Revenue

Group revenue increased 14% to SEK 483 million (424) compared to the same quarter 2023. The currency adjusted growth was 18%, organic growth contributed 15%, acquisitions 3% and currency fluctuations had 4% negative impact on revenue. Growth was strongest in the US, and on a global lever we see a continued faster growth pace in the autism customer segment.

Performance

Consolidated gross profit amounted to SEK 332 million (290), 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 61 million (48) and the operating margin was 12.6% (11.4).

Operating expenses grew organically by 16%. 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 Dynavox Group share during the quarter, resulting in an increase of approximately SEK 4 million. Acquisition-related non-recurring costs were in line with the previous year, 1 MSEK.

Costs for research and development after capitalizations and amortizations decreased by SEK 5 million compared with the corresponding quarter last year.

Financial items amounted to SEK -10 million (-8) and mainly consisted of interest on external loans. Profit before tax was SEK 51 million (41).

Tax for the quarter amounted to SEK -6 (-6) million, of which SEK 1 (-1) million related to deferred tax.

Profit for the period was SEK 45 million (35). Basic and diluted earnings per share were SEK 0.43 (0.33).

Currency effects

Lower exchange rates, primarily USD/SEK, had a negative impact on revenue of SEK 18 million, it also had negative impact on operating profit of SEK 2 million compared with the corresponding quarter last year.

Cash flow, liquidity and financial position

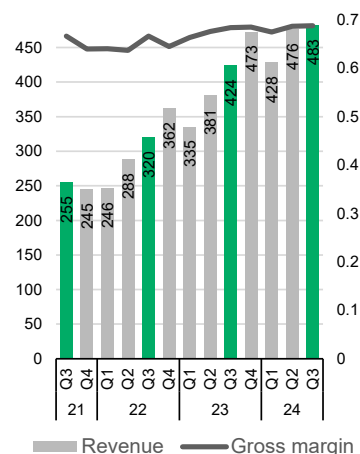
Cash flow from operating activities before changes in working capital amounted to SEK 85 million (81). The change in working capital was SEK -28 million (-11), mainly due to the negative impact of higher inventory levels.

Cash flow from investing activities amounted to SEK -106 million (-192), of which SEK -32 million (-21) was capitalization of R&D costs. At the end of September, SEK 60 million of the revolving credit facility was drawn to finance the acquisition of Link Assistive. Of the total, SEK 56 million is recognized under cash flow as other current investments.

Cash flow for the period was SEK -23 million (25).

At the end of the quarter, the Group had cash and cash equivalents of SEK 121 million (140). Consolidated net debt totaled SEK 646 million (663), including SEK 90 million (107) in IFRS 16 finance leases.

REVENUE, SEK M,
AND GROSS MARGIN, %



KEY PERFORMANCE MEASURES

SEK m	Note	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
Revenue	8	483	424	1,387	1,141	1,613
Revenue change:		14 %	33 %	22 %	33 %	33 %
- of which organic		15 %	25 %	17 %	20 %	20 %
- of which currency		-4 %	5 %	-1 %	8 %	6 %
- of which acquisitions		3 %	3 %	5 %	5 %	7 %
Gross margin		69 %	68 %	68 %	68 %	68 %
Operating profit/loss (EBIT)		61	48	146	99	155
EBIT change		26 %	95 %	48 %	71 %	88 %
EBIT margin		12.6 %	11.4 %	10.5 %	8.6 %	9.6 %

REVENUE BY GEOGRAPHIC MARKET

SEK m	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
Europe	79	73	247	200	289
North America	380	332	1,080	890	1,253
Other countries	24	20	59	50	71
Total revenue	483	424	1,387	1,141	1,613

RESEARCH AND DEVELOPMENT

SEK m	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
Total R&D expenditures	-43	-39	-128	-107	-149
Capitalization	32	21	87	59	83
Amortization	-29	-26	-86	-70	-98
R&D expenses in the income statement	-39	-44	-127	-118	-163

PERIOD JANUARY - SEPTEMBER

Revenue

Group revenue increased 22% to SEK 1,387 million (1,141). The currency adjusted growth was 23%, organic sales grew by 17%, acquisitions 5% and currency fluctuations had 1% negative 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 948 million (770), corresponding to a gross margin of 68% (68). 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 146 million (99) and the operating margin was 10.5% (8.6).

Operating expenses increased organically about 17%. 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 Dynavox Group share during the period, resulting in an increase of approximately SEK 12 million. Investments in systems and tools to build scalability also contributed about SEK 7 million to the cost increase. Operating expenses were affected by non-recurring costs of approximately SEK 6 million mainly related to restructuring costs and acquisition activities.

Research and development expenses had a negative impact on operating profit of SEK 8 million for the period compared with the corresponding period last year.

Financial items amounted to SEK -40 million (-29) and mainly consisted of interest on external loans.

Profit before tax was SEK 107 million (70).

Tax for the year amounted to SEK -15 (-11) million, of which SEK 5 (4) million related to deferred tax.

Profit for the period was SEK 92 million (59). Basic earnings per share totaled SEK 0.88 (0.56) before dilution and SEK 0.87 (0.55) after dilution.

Currency effects

Lower exchange rates, primarily USD/SEK, had a negative impact on revenue of SEK 15 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 235 million (180). The change in working capital was SEK -47 million (-5), mainly due to the negative impact of higher inventory levels.

Cash flow from investing activities amounted to SEK -184 million (-249), of which SEK -87 million (-59) was capitalization of R&D costs. Cash flow for the period was SEK -42 million (30).

At the end of the period, the Group had cash and cash equivalents of SEK 121 million (140). Consolidated net debt totaled SEK 646 million (663), including SEK 90 million (107) in IFRS 16 finance leases. Net debt in relation to the last twelve months EBITDA was 1.6.

At the end of September, SEK 60 million of the revolving credit facility was drawn to finance the acquisition of Link Assistive. Of the total, SEK 56 million is recognized under cash flow as other current investments.

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, which has been agreed during this quarter. The total utilized part of the credit facility and term loan was SEK 679 million at the end of the period.

Organization

The number of employees converted to full-time equivalents at the period end was 803 (679).

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 was completed October 1, 2024. The upfront consideration of AUD 8 million has been paid in cash and financed through an existing revolving credit.

Group

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Note	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
Revenues	8	483	424	1,387	1,141	1,613
Cost of goods and services sold		-151	-134	-439	-370	-519
Gross profit		332	290	948	770	1,094
Selling expenses		-171	-148	-500	-422	-585
Research- and development expenses		-39	-44	-127	-118	-163
Administrative expenses		-60	-50	-180	-136	-196
Other operating gains and losses		-2	-0	4	5	5
Operating profit/loss (EBIT)		61	48	146	99	155
Net financial items		-10	-8	-40	-29	-36
Profit/loss before tax (EBT)		51	41	107	70	119
Tax		-6	-6	-15	-11	-15
Net profit/loss for the period		45	35	92	59	104
Other comprehensive income						
<i>Items that may be reclassified to net profit for the period:</i>						
Translation differences		-11	-11	5	0	-22
Other comprehensive income for the period, net after tax		-11	-11	5	0	-22
Total comprehensive income for the period		35	24	97	59	82
Earnings per share, SEK		0.43	0.33	0.88	0.56	0.99
Earnings per share, diluted, SEK		0.43	0.33	0.87	0.55	0.98
<i>Net profit/loss for the period attributable to:</i>						
Parent Company's shareholders		45	35	92	59	104
Net profit/loss for the period		45	35	92	59	104
<i>Total comprehensive income for the period attributable to:</i>						
Parent Company's shareholders		35	24	97	59	82
Total comprehensive income for the period		35	24	97	59	82

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK m	30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS			
Non-current assets			
Intangible fixed assets	851	868	847
Property, plant and equipment	56	51	51
Right-of-use assets	83	99	91
Dererred tax asset	55	66	54
Financial and other non-current assets	14	13	13
Total non-current assets	1,058	1,097	1,056
Current assets			
Trade receivables	287	274	270
Inventories	191	129	130
Other current receivables	132	65	72
Cash and cash equivalents	121	140	161
Total current assets	731	608	633
TOTAL ASSETS	1,790	1,705	1,690
EQUITY AND LIABILITIES			
Equity	376	272	298
Total equity	376	272	298
Non-current liabilities			
Borrowings, non-current	634	638	616
Lease liabilities	64	80	73
Deferred tax liabilities	18	24	22
Other non-current liabilities	151	143	142
Total non-current liabilities	867	885	853
Current liabilities			
Borrowings, current	44	59	59
Lease liabilities	26	26	25
Other current liabilities	477	463	455
Total current liabilities	547	549	539
Total liabilities	1,414	1,433	1,392
TOTAL EQUITY AND LIABILITIES	1,790	1,705	1,690

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Parent Company shareholders				
	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
SEK m					
Opening balance, Jan 1, 2023	1		19	191	211
Comprehensive income for the period			-0	59	59
Share based payments				6	6
Acquisition of own shares				-4	-4
Closing balance, 30 Sep, 2023	1		19	252	272
Comprehensive income for the period			-22	45	23
Share based payments				3	3
Closing balance, Dec 31, 2023	1		-2	300	298
Opening balance, Jan 1, 2024	1		-2	300	298
Comprehensive income for the period			5	92	97
Share based payments				10	10
Acquisition of own shares				-28	-28
Closing balance, 30 Sep, 2024	1		2	373	376

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

SEK m	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
Cash flow from operating activities					
Profit before tax (EBT)	51	41	107	70	119
Depreciations and amortization	49	43	144	114	162
Other non cash items	-4	-3	4	2	-0
Taxes paid	-10	-0	-20	-6	-13
Cash flow before changes in working capital	85	81	235	180	268
Change in working capital	-28	-11	-47	-5	9
Cash flow from operating activities	57	71	188	176	277
Investing activities					
Investments in intangible assets	-34	-23	-93	-64	-89
Investments in tangible assets	-15	-15	-35	-32	-46
Other	-1	1	-1	2	2
Continuous investments	-50	-36	-128	-93	-133
Cash flow after continuous investments	7	35	60	82	145
Aquisitions	-	-156	-	-156	-164
Other short term investment	-56	-	-56	-	-
Cash flow from investing activities	-106	-192	-184	-249	-297
Financing activities					
Proceeds from borrowings	60	152	2	120	99
Repayment of lease liability	-6	-6	-18	-15	-20
Other financing activities	-28	-1	-30	-2	-0
Cash flow from financing activities	25	145	-46	104	79
Cash flow for the period	-23	25	-42	30	59
Cash and cash equivalents at the beginning of the period	148	116	161	107	107
Currency translation impact on cash and cash equivalents	-3	-0	2	3	-5
Cash and cash equivalents at the end of the period	121	140	121	140	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 162.

Net sales for the Parent Company, Dynavox Group AB, for the period July 1 to September 30, 2024, amounted to SEK 189 million (204) of which SEK 140 million (153) refers to sales to group companies and SEK 49 million (51) to external customers. Operating profit for the corresponding period was SEK -5 million (29). Investments in property, plant and equipment and intangible assets totaled SEK -35 million (-22) for the quarter. At the end of the period, the Parent Company had SEK 31 million (24) in cash and cash equivalents.

CONDENSED PARENT COMPANY INCOME STATEMENT

SEK m	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
Revenues	189	204	555	542	751
Cost of goods and services sold	-101	-90	-258	-251	-341
Gross profit	88	114	297	291	410
Selling expenses	-21	-24	-76	-68	-95
Research- and development expenses	-30	-37	-104	-104	-144
Administrative expenses	-44	-41	-149	-125	-180
Other operating gains and losses	3	17	41	34	56
Operating profit/loss (EBIT)	-5	29	9	27	46
Financial items	-9	-7	-37	-27	-34
Profit/loss before tax (EBT)	-14	22	-28	-0	12
Tax	-	-	1	-	-3
Net profit/loss for the period	-14	22	-27	-0	9

CONDENSED PARENT COMPANY BALANCE SHEET

SEK m	30 Sep 2024	30 Sep 2023	31 Dec 2023
NON-CURRENT ASSETS			
Intangible assets	294	344	327
Property, plant and equipment	16	8	10
Financial assets	511	502	500
Total non-current assets	821	853	837
CURRENT ASSETS			
Inventories	52	29	38
Trade receivables	20	17	21
Receivables from Group companies	51	122	114
Other current assets	76	17	22
Cash and cash equivalents	31	24	32
Total current assets	230	208	226
TOTAL ASSETS	1,052	1,062	1,063
EQUITY AND LIABILITIES			
Equity	92	126	138
Untaxed reserves	-	1	1
NON-CURRENT LIABILITIES			
Borrowings, non-current	634	632	616
Liabilities to Group companies, non- current	90	79	63
Other non-current liabilities	22	18	20
Total non-current liabilities	746	730	699
CURRENT LIABILITIES			
Borrowings, current	44	59	59
Trade payables	55	48	55
Liabilities to Group companies, current	6	2	3
Other current liabilities	110	97	108
Total current liabilities	214	205	226
Total liabilities	960	936	925
TOTAL EQUITY AND LIABILITIES	1,052	1,062	1,063

KEY PERFORMANCE MEASURES FOR THE GROUP

	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
Earnings per share, SEK	0.43	0.33	0.88	0.56	0.99
Earnings per share, diluted, SEK	0.43	0.33	0.87	0.55	0.98
Equity per share, SEK	3.6	2.6	3.6	2.6	2.8
EBITDA, SEKm	109	92	290	213	317
Operating profit (EBIT), SEKm	61	48	146	99	155
EBITA, MSEK	93	76	242	174	262
Cash flow from operating activities, SEKm	57	71	188	176	277
Cash flow after continuous investments, SEKm	7	35	60	82	145
Working capital, SEKm	-9	-121	-9	-121	-109
Total assets, SEKm	1,790	1,705	1,790	1,705	1,690
Net debt, SEKm	646	663	646	663	612
Net Debt/EBITDA LTM	-	-	1.6	2.4	1.9
Equity, SEKm	376	272	376	272	298
Equity/assets ratio, %	21	16	21	16	18
Debt/equity, factor	2.0	3.0	2.0	3.0	2.6
Gross margin, %	69	68	68	68	68
EBITDA margin, %	23	22	21	19	20
Operating margin, %	12.6	11.4	10.5	8.6	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	105.4	106.7	105.4	106.4	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	105.4	106.7	105.4	106.7	106.6
Average number of employees	781	639	746	607	629

Definitions, see note 11.

QUARTERLY DATA

	2024				2023				2022				2021
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
Revenue, SEKm	483	476	428	473	424	381	335	362	320	288	246	245	
Gross Margin, %	69	69	68	69	68	68	66	65	67	64	64	64	
EBITDA, SEKm	109	100	80	104	92	65	56	61	59	44	43	38	
EBIT, SEKm	61	53	32	56	48	29	21	25	25	16	17	13	
Operating Margin, %	12.6	11.0	7.6	11.9	11.4	7.6	6.3	6.8	7.8	5.4	7.0	5.4	
Profit/Loss before tax, SEKm	51	41	16	49	41	17	12	15	18	9	11	9	
Profit/Loss for the period, SEKm	45	36	11	45	35	17	7	17	16	6	10	5	

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 September 30, 2024, is 1 265 335. The dilutive effect is expected to be a maximum of 0.5 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 September 30, 2024, Dynavox Group held 104,851,201 common shares, each carrying one vote.

Note 8. Breakdown of revenue

SEK m	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
REVENUE BY PRODUCT TYPE					
Goods	450	393	1,291	1,052	1,493
Services	30	29	90	83	113
Royalty	2	2	6	6	7
Total revenues	483	424	1,387	1,141	1,613
REVENUE BY DATE OF REVENUE RECOGNITION					
Point in time	405	358	1,164	950	1,359
Over time	78	66	222	191	254
Total revenues	483	424	1,387	1,141	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. The upfront consideration of AUD 8 million has been paid in cash and financed through an existing revolving credit facility.

On September 7, 2023, Dynavox Group completed the acquisition of all shares in the German company Rehadapt Engineering.

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. Rehadapt's products are currently sold together with Tobii Dynavox's products as well as by many other companies in assistive communication.

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 fair value of assets acquired, and liabilities assumed for the acquisition of Rehadapt Engineering.

EFFECTS OF ACQUISITIONS

SEK m	Rehadapt
Breakdown of Purchase considerations	
Cash consideration	174
Contingent consideration	42
Total consideration	216
Change in acquired assets and liabilities	
Technology	19
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

Note 10. Financial instrument

SEK m	30 Sep 2024		30 Sep 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities measured at fair value				
Contingent considerations	40	40	42	42

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 September 30, 2024 and 2023, relate in their entirety to the acquisition of Rehadapt Engineering and 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	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
Gross margin					
Gross profit	332	290	948	770	1,094
Revenues	483	424	1,387	1,141	1,613
Gross margin, %	69%	68%	68%	68%	68%

SEK m	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
EBITDA and EBITDA-margin					
Operating profit	61	48	146	99	155
Amortization and impairment on intangible assets	32	28	96	76	107
Depreciation, amortization and impairment on tangible assets	16	15	48	38	55
EBITDA	109	92	290	213	317
Revenue	483	424	1,387	1,141	1,613
EBITDA-marginal, (%)	23%	22%	21%	19%	20%

SEK m	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
EBITA					
Operating profit	61	48	146	99	155
Amortization R&D	28	26	84	70	98
Amortization purchased immaterial assets	4	2	12	5	10
EBITA	93	76	242	174	262
Revenue	483	424	1,387	1,141	1,613
EBITA-margin, %	19%	18%	17%	15%	16%

SEK m	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
Equity/share					
Equity	376	272	376	272	298
Average number of outstanding shares, million	105	105	105	105	105
Equity/share	3.6	2.6	3.6	2.6	2.8

SEK m	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
Net debt					
Cash and cash equivalents	121	140	121	140	161
Interest-bearing liabilities	767	803	767	803	773
Net debt	646	663	646	663	612

SEK m	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
Net debt/EBITDA ratio					
Net debt	-	-	646	663	612
EBITDA last twelve months	-	-	394	273	317
Net debt/EBITDA LTM	-	-	1.6	2.4	1.9

SEK m	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
Organic growth					
Revenue current year	483	424	1,387	1,141	1,613
Currency effect	18	-15	15	-66	-68
Acquisition effect	-13	-9	-62	-45	-83
Currency-adjusted income corresponding period last year excluding acquisitions	488	400	1,339	1,030	1,462
Revenue corresponding period previous year	424	320	1,141	855	1,216
Organic growth	64	80	199	175	246
Organic growth, %	15%	25%	17%	20%	20%

SEK m	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
Working capital					
Inventories	191	129	191	129	130
Trade receivables	287	274	287	274	270
Other receivables	132	65	132	65	72
Trade payables	-107	-100	-107	-100	-100
Other liabilities	-512	-489	-512	-489	-480
Working capital	-9	-121	-9	-121	-109

SEK m	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
Operating margin (EBIT-margin)					
Operating profit	61	48	146	99	155
Revenue	483	424	1,387	1,141	1,613
Operating margin, %	12.6%	11.4%	10.5%	8.6%	9.6%

SEK m	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
Net debt/equity ratio					
Interest-bearing liabilities	767	803	767	803	773
Equity	376	272	376	272	298
Net debt/equity ratio, factor	2.0	3.0	2.0	3.0	2.6

SEK m	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	Full-year 2023
Equity/assets ratio					
Equity	376	272	376	272	298
Total assets	1,790	1,705	1,790	1,705	1,690
Equity/assets ratio, %	21%	16%	21%	16%	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, October 23, 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 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. The information was submitted for publication, through the agency of the contact persons set out below, on October 23, 2024, at 07:30 CEST.

Information to shareholders

WEBBPresentation

A web presentation will be held in English today at 09.00 (CEST). See www.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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Linda Tybring, Investor Relations, CFO, linda.tybring@dynavoxgroup.com

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FINANCIAL CALENDER

Year End Report Q4 2024	February 5, 2025
Annual Report 2024	Week 14/15, 2025
Interim Report Q1 2025	April 25, 2025
Annual General Meeting	May 5, 2025
Interim Report Q2 2025	July 18, 2025
Interim Report Q3 2025	October 23, 2025
Year End Report Q4 2025	February 5, 2026



AUDITOR'S REPORT

Dynavox Group AB (publ) corp. Reg. no. 556914-7563

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Dynavox Group AB as of 30 September 2024 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm October 23, 2024

PricewaterhouseCoopers AB

Camilla Samuelsson
Authorized Public Accountant