

Profoto Annual Report 2024



Profoto Annual Report 2024

The Board of Directors and CEO of Profoto Holding AB (publ), corporate registration number 556810-9879, hereby submit the Annual Report of the Parent Company and the Group for fiscal year 2024. The Annual Report consists of the Directors' Report (pages 34–41), Corporate Governance Report (pages 42–48) and the financial reports together with notes (pages 49–67). The consolidated statement of profit and loss and financial position, together with the income statement and balance sheet for the Parent Company, are approved at the Annual General Meeting.

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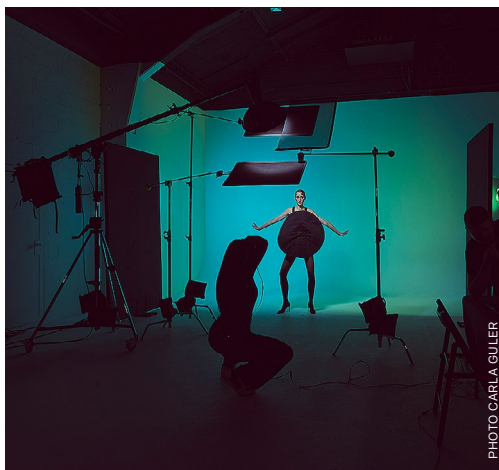


PHOTO CARLA GULER

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PHOTO BLAIR BUNTING



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Overview

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Profoto was founded in 1968 by Conny Dufgran and Eckhard Heine. They shared a common vision - to create the world's best photo flash for the world's top photographers. The products quickly became the first choice of famous fashion photog-

raphers. The entrepreneurial spirit that marked Profoto at its inception is in our DNA. It gives us the drive to stay close to our customers and understand their needs so that we can continuously develop even more innovative lighting shaping products.



Great light in every frame

Co-founder
Conny Dufgran


Profoto in brief

Light makes the difference

Profoto is a global company that helps image creators realize their ambitions. We develop, market and sell product and software solutions for professional photographers, cinematographers and studios.




What
World leader in lighting. Innovative products in flash, LED, light shaping and automated systems and workflows for visual content creation.



Why
To help realize visions through amazing light in every image.



Who
For creators of high-quality visual content, mainly professional photographers, cinematographers and studios.



Where
Sales in 51 countries. The products can be purchased through 208 dealers worldwide, rented from local rental companies, or purchased directly via profoto.com.

World leader in light shaping

Profoto is a global leader in premium lighting. The end users are professional photographers, cinematographers and commercial clients, including major consumer brands and e-commerce companies with their own studios or who outsource to external studios.

Product development captures customer needs

The lighting solutions are robust and packed with innovative technology; they are of high-quality and intuitive. The products and software are designed based on customer needs and use.

Over the years, we have been able to meet various new needs from new customer groups – from

analog to digital, from studio to on-location photo shoots, and from system cameras to compact mirrorless cameras and smartphones, from smaller-scale creativity to efficient large production, and recently LED for feature film.

Global sales

Profoto has sales in 51 countries. The products can be purchased from 208 dealers or via the company's online store, profoto.com, or they can be rented through local rental companies. Profoto has 147 employees at its headquarters in Stockholm and in subsidiaries in the USA, Japan, China, Germany, France, England, and the Netherlands.

Global sales organization



Profoto in brief

New addressable market

Profoto has historically combined organic growth with very good profitability. Our goal is to continue to grow organically in professional still photography, automated solutions for e-commerce photography and film production. We will achieve this by continuing with our systematic product development strategy where we offer better performance and seamless communication between products within the ecosystem.

During the first quarter 2025, Profoto's first product for film production was launched, which was our first step towards establishing a strong position in the film market, which will double our addressable market.

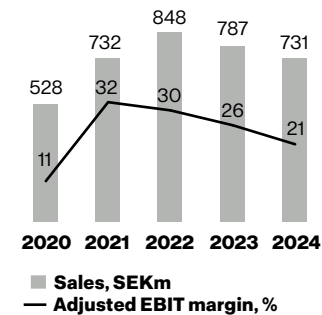
Innovation initiatives

Continuous investment in innovation has historically contributed to the company's robust growth. Today, 67 people work with technical development, and over the past five years an average of 11 percent of sales has been invested in R&D. Our extensive innovation initiatives will continue both in the current customer groups and related growth areas where we see exciting development opportunities.

Efficiency in everything

Along with the spirit of innovation, the quest for efficiency is integral to Profoto's DNA. This approach allows us to dedicate our resources to areas where we can add the most value, such as R&D, sales and marketing. Areas such as production, warehousing, logistics and support services are outsourced. This division gives us exactly the flexibility and operational efficiency we want.

Sales and adjusted EBIT margin



Highlights in 2024

Good profitability and continued investment in growth

During the year, we continued to invest in product development and innovation. Profoto made its entry into the film lighting market with the launch of L1600D, our first product for the film industry.

Product launches

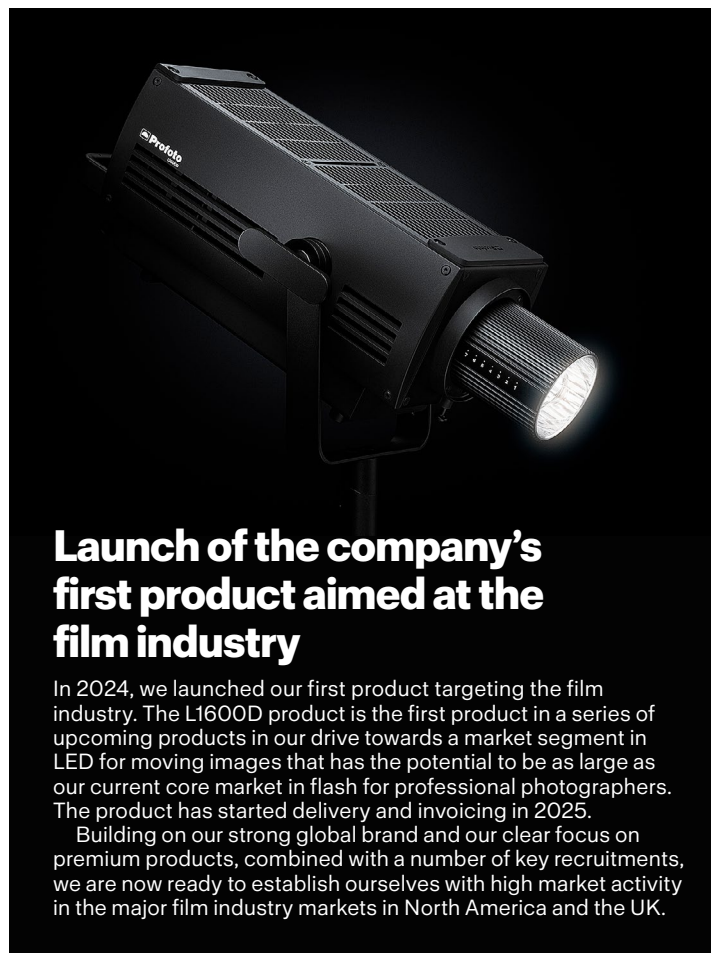
During the year, several products were introduced for photographers, cinematographers, and studios.

Pro-D3 750ws or 1250ws flash with powerful LED modeling light. A real workhorse for the studio that requires high productivity at the highest quality, which never stands still.

Pro-B3 750ws battery flash designed for action and extreme sports photographers who demand equipment that always delivers in the most challenging environments.

D30 A 500w mains flash for the freelance photographer who needs a studio light that is easy to take wherever the job is.

In addition to these, a dozen accessories were also launched to further expand the photographer's creative palette.



Launch of the company's first product aimed at the film industry

In 2024, we launched our first product targeting the film industry. The L1600D product is the first product in a series of upcoming products in our drive towards a market segment in LED for moving images that has the potential to be as large as our current core market in flash for professional photographers. The product has started delivery and invoicing in 2025.

Building on our strong global brand and our clear focus on premium products, combined with a number of key recruitments, we are now ready to establish ourselves with high market activity in the major film industry markets in North America and the UK.

21%

Adjusted EBIT-margin

Net sales for 2024 amounted to SEK 731m (787), a decrease of 7.1 percent. Organic growth amounted to -6.5 percent.

Adjusted EBIT and adjusted EBIT margin for the year amounted to SEK 153m and 20.9 percent respectively. The decrease in profitability is attributable to the lower sales combined with costs for recruitment and strategic investments in the marketing and sales organization.

During the year we reinvested 18 percent of sales in product development, which is an investment in future sales growth as product launches drive demand.

Key ratios¹

	2024	2023	2022
Net sales, SEKm	731	787	848
Adjusted EBIT, SEKm ²	153	204	257
Adjusted EBIT margin, %	20.9	26.0	30.3
Net profit/loss for the period, SEKm	126	155	194
Return on operating capital, %	31.9	49.0	84.3
Cash flow from operating activities, SEKm	97	211	236
Average number of employees	141	139	124

1) For information and explanations regarding alternative performance measures, including proforma, see page 72.

2) 2024 adjusted for positive effects for an acquisition related earn-out of SEK 14m. 2022 adjusted for costs of SEK 8m related to acquisitions.

CEO comments

Focus on product launches for the next step in our development

Continued challenging sales development with large geographical differences

2024 was an important year for Profoto. In a somewhat challenging market, we took major important steps to develop the company to be able to take advantage of the potential and change we see in the market. Our sales for the full year 2024 amounted to SEK 731m, which was a decrease of seven percent compared to 2023. Our adjusted EBIT margin was 21 percent with a cash flow from operating activities of SEK 97m.

During the year, the market situation remained cautious and competition intensified, particularly for LED products. The weak market was partly offset by successful product launches, primarily in North America and Europe. Developments in Asia, mainly Japan and China, remained weak.

The relatively weak sales trend combined with continued major investments in product development and launches has had a negative impact on our earnings. For the year as a whole, we report an adjusted profit of SEK 153m (204), corresponding to an adjusted EBIT margin of just over 20 percent. This is below our financial target of an EBIT margin of 25–30 percent. There is currently a strong focus on improving the underlying operating margin. This work is primarily taking place in two areas: focus on increased sales and strict cost discipline with a clear ambition to reduce costs in relation to sales.

Several successful product launches during the year

After a period of relatively few major product launches, we are now seeing the results of our strong investments in product development in recent years. Thanks to these investments, we are renewing and strengthening our customer offering in flash based on the traditional xenon technology as well as LED. During the end of the year, we have

launched a number of products aimed at our most important customer groups, including Pro-B3 and D30. The reception of these products, as well as the Pro-D3 launched earlier in the year, has been in line with our high expectations, which is of course gratifying. Despite a market that remains cautious in the short term and active marketing by our competitors, we intend to continue to maintain a high rate of future product launches in order to further strengthen our market position.

Launch of the company's first product aimed at the film lighting market

In the first quarter 2025, we invoiced and delivered our first product aimed at the film industry. The L1600D product is the first product in a series of upcoming products in our drive towards a market segment in LED for moving images. This market has the potential to be as large as our current core market in flash for professional photographers. We are at an early stage, but initial customer response has been positive to L1600D.

Building on our strong global brand and focus on premium products, combined with a number of key recruitments, we are now ready to establish ourselves with high market activity in the important film industry markets of North America and the UK. We expect this to deliver increased sales towards the end of 2025.

Confidence for 2025

The macroeconomic conditions remain uncertain, which has a direct impact on underlying demand and thus our profitability. In addition, there is uncertainty surrounding the ongoing discussions on tariffs, but we are monitoring developments closely to be able to adapt to any changes. However, we look forward to 2025 with confidence as we are now facing a very exciting chapter in the company's development through our imminent



entry into the global film market and with our recently launched and upcoming products.

Given this, I am convinced that our way of working and our clear focus on premium products will continue to yield results and I stand by our financial targets of at least 10 percent organic growth and 25–30 percent EBIT margin. In conclusion, I would like to thank all our employees around

the world for their fantastic efforts in 2024. Together, we shall ensure successful product launches in 2025.

Anders Hedebark
CEO and Group President

Investment case

5 reasons to invest in Profoto

Profoto benefits from the entrepreneurial spirit and drive originating from its founders, Conny Dufgran and Eckhard Heine. The management of Profoto has deep industry knowledge, both in terms of customer relationships and know-how within photography as well as within marketing, branding, product development and sourcing. The management is also well educated, many with dual university degrees.

Leading position in our core market excluding LED. A global niche of the rapidly changing and growing image and content creation market.

3-5%

Estimated long-term market growth

Source: EY Market Analysis Report
<https://investors.profoto.com/sv/wp-content/uploads/sites/3/2021/05/ey-market-analysis-report.pdf>

Premium brand used by leading photographers.

2x

Profoto's market share is twice that of its nearest competitor in the premium segment

Source: EY Market Analysis Report
<https://investors.profoto.com/sv/wp-content/uploads/sites/3/2021/05/ey-market-analysis-report.pdf>

Scalable business model with continuous focus on core activities and innovation to drive profitable growth and expand the addressable market.

24%

Average EBIT margin since 2014

Source: EY Market Analysis Report
<https://investors.profoto.com/sv/wp-content/uploads/sites/3/2021/05/ey-market-analysis-report.pdf>

Global market strategy with an efficient sales organization.

>200

dealers

- 9 main markets
- 51 countries
- High barriers to entry for small local operators

Long-term organic growth combined with exceptional profitability.

Proven ability to grow organically with good profitability

	2024	2014	CAGR
Sales	731	400	6%
Adjusted EBIT	153	94	5%
Adjusted EBIT margin, %	21	24	

Market

Growth driven by innovation in LED and AI

Profoto operates in the market for visual content creation. We focus on customer segments that create images with high-quality visual content: professional photographers, cinematographers and studios.

Light shaping

Professional lighting equipment accounts for a significant part of the annual investment of image creators. The total market for lighting solutions can be divided into two areas: still and moving media. Fixed light and flash together with light shaping devices such as umbrellas, reflectors, as well as radio devices and software for image synchronization and control of the light sources comprise both areas.

The annual estimated global turnover for the total lighting solutions market amounts to approximately SEK 19 billion in 2025. Of this, flash for still photography accounts for about 20 percent, fixed light for video production for about 40 percent and fixed light for film production for about 40 percent.

Constant light with LED for the future of film and video production

With the launch of the Profoto L1600D, Profoto enters the film production market. With the ability to recreate natural lighting conditions and adapt to different shooting environments, LED is redefining how cinematographers approach lighting design. As the technology evolves, LED continues to open up new creative possibilities and cement its role as a cornerstone of modern film and video production.

Profoto has offered premium products since its establishment in 1968 and continues to do so in these new market segments. With the film production market alone estimated to be at least as large as the lighting market for visual content production, this means that Profoto is doubling its total addressable market.

Lighting equipment for studios

In the studios customer segment, growth in e-commerce photography solutions has accelerated in recent years. Today's consumers have ever-changing demands and expectations on how

products are visually represented. As a result, brands not only need to produce different types of images and videos for multiple channels, but also need to have visual content that represents the brand's creative style that follows continuously changing trends. The lighting equipment is crucial and enables brands to respond to what helps influence consumer buying behavior with visual content online and in-store. The quality of the visual content is about representing the products in a fair way to facilitate the purchase decision and minimize the risk of customers returning their goods after online purchases. Profoto's product portfolio meets these requirements, offering modular solutions that easily adapt to the creative requirements of the studio, but also scalable automated solutions for studios that need to deliver extremely high volumes of images at a fast pace around the clock.

Lighting equipment for photographers

The market for lighting equipment for professional photographers is characterized by a handful of different brands, with Profoto dominating in the premium segment in terms of price, quality and service offering. Creating and shaping light is an important part of the toolbox of professional image makers, both to deliver images that meet their clients' specifications, but also to develop creatively and commercially, and earn more money in their profession. Flash equipment for photographers is divided into two areas; off-camera flashes (OCF) and on-camera flashes or speedlights.

Image creators become more successful when lighting is combined with AI

For the creation of professional visual content, the ability to digitally recreate environments using AI has accelerated development. AI reduces the need for travel and extensive planning while

increasing investment in image creation. For professional visual content, lighting must align with the digitally recreated environment, placing higher demands on the photographer's ability to light realistically and accurately. Photographers who use AI alongside creative lighting can deliver results to clients faster and at a lower cost – without earning less themselves. When it comes to capturing people and fashion garments, AI can never replace the camera or real lighting. Each individual—the wedding couple, the athlete, the

baby—is unique, as are the fabrics, colors, and textures of fashion pieces, making photography with proper lighting indispensable. This is why we see photographers continuing to invest time in developing their lighting techniques to create better images. By fostering a future where imagination and imaging technology merge seamlessly, the demand for Profoto's products will remain highly relevant. AI is yet another tool in the creative toolbox, helping photographers bring their artistic vision to life.





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Business model

Focus and flexibility generate profitable growth

By focusing on what we do best, developing and delivering lighting for professional photographers, cinematographers and studios worldwide, we live up to our vision of “Great light in every frame.” This entails investing in technology and innovation. At the same time, we are efficient by outsourcing all the

more general tasks. By focusing on only what creates value for our customers allows us to be flexible and quick in decision making, which gives us efficient and scalable business operations. Our most important job is to enable all ambitious photographers worldwide to expand their creativity and fulfill their visions by

providing education and light shaping products that make it easier to create amazing images.

Profoto Academy is an online learning platform that offers inspiring and practical video courses from some of the best photographers and educators in the world.

Share the Light is the creative learning hub for professional photographers, where they learn how to light images together with other creatives worldwide. Upload their own images and lighting details or discover other photographers’ lighting setups and techniques to expand their creative vision.

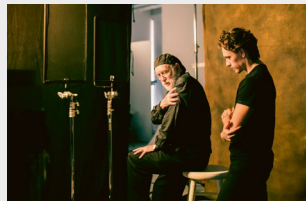
Strategies

Our continued growth journey is based on three strategies. Together, these help us work efficiently and develop innovative products for the world’s leading photographers and studios.



R&D

R&D are in Profoto’s DNA. The power of development is our origin and also our future, where new innovative products and solutions drive growth.



Brand

Profoto is a premium brand used by leading photographers and studios. Our high quality products, ease of use, global availability, learning and inspiration empower customers.

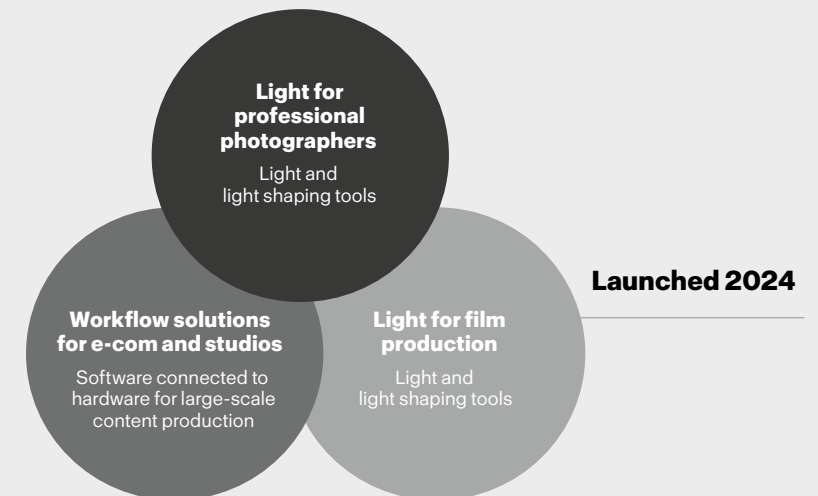


Focus

We focus our resources on a number of core activities where we add the most value. Other parts of the business are outsourced. This focus makes us resource-efficient and more flexible and also ensures Profoto’s access to the best external expertise.

Growth strategy

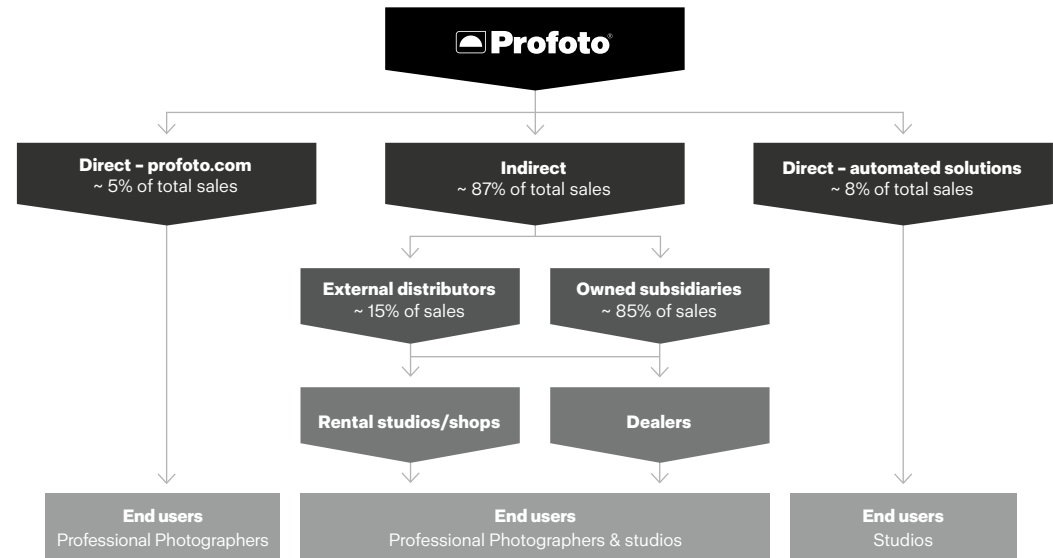
Building on our strong position as a supplier to professional photographers, brands and studios, we focus on driving growth, through new product introductions and acquisitions, in three areas:



Business model



Profoto's sales channels



Profoto's main sales channels are dealers and rental studios/shops. These sales currently account for about 87 percent of Profoto's revenue.

Indirect sales drive revenue streams

Profoto's main sales channels are dealers and rental companies that sell or rent out professional equipment to photographers and other end users. These indirect sales currently account for about 87 percent of Profoto's revenue. In the largest markets, Profoto's subsidiaries work with dealers and rental companies, while external distributors do this in smaller markets.

Regardless of if the distributor is a subsidiary or an external distributor, the sales strategy is

designed to support our 208 dealers and approximately 500 rental companies.

Direct contact with customers

The company has established a direct channel to customers through its online store Profoto.com, which accounts for about 5 percent of sales. Ties with loyal end customers can be strengthened through Profoto.com. The online store is also used to analyze buyer behavior and customer preferences.

Swiss luxury retailer Globus uses the Profoto all-in-one automated systems to create high-quality content with speed and consistency. We interviewed their studio team, when they tested Profoto Elevate, to uncover how Profoto's technology supports their e-commerce transformation and leadership in the Swiss luxury market.

Globus

Luxury e-commerce content creation with Profoto automation

Producing content three times faster

Profoto has enabled Globus to triple its content production speed. Studio Manager Valentina Milici explains, "For the past three years, we have been utilizing Profoto's automated systems, and I would never go back to a traditional setup as we fasten our process, like three times."

This efficiency has solidified Globus as a leader in the Swiss market. Instead of relying on large teams, the automated systems streamline workflows, allowing stylists to manage shoots independently. "They use the iPad and the machine, and it's much faster than having two people. We manage to be very, very quick with bringing the product online," adds Valentina.

Consistency is key

Globus uses Vertical, Live, Eclipse, and have tested Elevate to maintain visual consistency across its online shop. "Especially with the accessories. Eclipse, it's a very good machine to have this consistency and this good quality," Valentina shares. Profoto's systems ensure standardized photos and videos, saving significant time compared to traditional setups. "We try to show the products in the same way. This we can only reach today because of the machines."

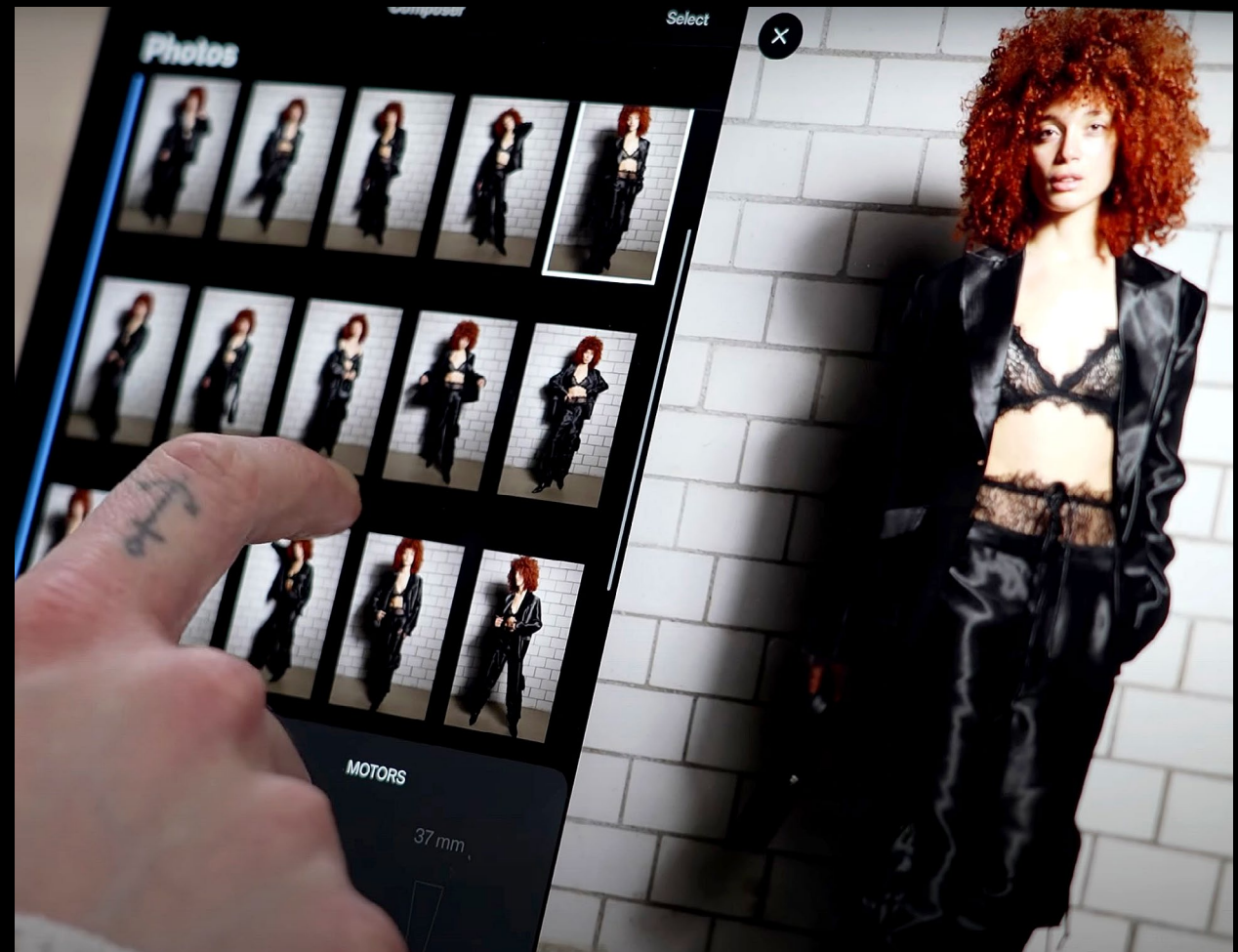
Flexibility with Profoto Elevate

Stylist Coordinator Giacomo Saravalli highlights Elevate's creative potential: "With Profoto Elevate, I think it can be more flexible regarding the lights. You can choose which flash you prefer or turn off one light or the other." Elevate simplifies creative projects, offering more creative flexibility and greater control. "It will be a really great increment to the studio if we would like to start with creative projects," says Giacomo.

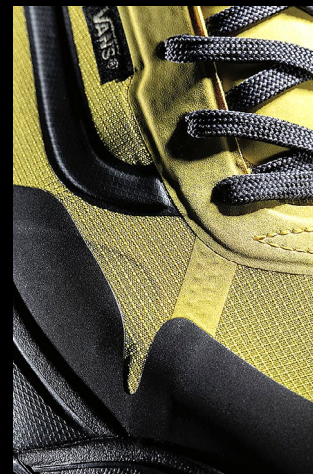
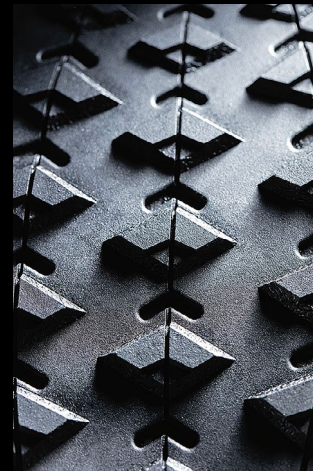
Informed buying decisions through video

Globus successfully integrates video to enhance the online shopping experience. "We use video technology at Globus because we think it gives the customers a 360-degree view," states Giacomo. Profoto Elevate allows the team to shoot videos and photos seamlessly in the same bay, further streamlining their content creation workflow.

Profoto's efficiency and flexibility empower Globus to innovate in luxury e-commerce, setting new standards for excellence in online retail.



“It’s all about the vibe,” says Beau Roulette, Senior Art Director and photographer at Vans. With experience working for brands like HUF, Levi’s, and RIPNDIP, Beau excels at blending skill, vision, and storytelling to create dynamic visuals. We talked to Beau about the lighting recipes used across Vans’ PDPs and his experience using Pro-D3 to push creative boundaries.



Vans Shaping brand stories with Pro-D3

From concept to campaign

Beau is involved in campaigns from the beginning, focusing on how lighting can enhance a product’s story. “What’s the product? Who’s the subject? How can the lighting help me tell that story?” Using Profoto, Beau crafts setups that are intuitive yet versatile. “The simplification of the dial of Pro-D3 and its ease of use takes away the pressure of setting up,” he shares.

Scaling content creation

Beau employs two studios for Vans’ e-commerce content. “Using Profoto for my lighting recipes allows me to rely on a consistent look over months, seasons, and locations. I can easily take them from my office to the studios,” Beau explains. This consistency helps maintain a strong brand identity while simplifying studio workflows.

Efficiency and precision with Pro-D3

For fast-paced shoots, Pro-D3 shines with features like precise controls, compact design, and powerful LED modeling lights. “The consistent output between LED and photo is amazing,” states Beau. “It allows me to set up pretty much exactly what I want to achieve even before firing the first flash.”

A creative game-changer

In a recent campaign for Vans’ rugged cross-track shoe, Beau recreated a complex setup in minutes thanks to Pro-D3’s reliability and ease of use. “Like this, I can tell the story again and again if a client asks me to repeat it. It just makes my life a lot easier in all regards,” he says.

With Pro-D3, Beau continues to innovate creatively while simplifying the technical side of his work. “It’s the little things that Profoto continuously thinks of that really help us photographers. Profoto always strives to make good things better for our community.”

Photo credit: Beau Roulette

R&D

Innovative products and solutions drive growth

Product development and innovation have a natural place in Profoto's DNA. The power of development is our origin but also our future, where new innovative products and solutions drive growth.



PHOTO ROD GAMMONS

When Profoto was founded in 1968, the goal was to create the world's best flashes for the world's best photographers. Through different eras, technological changes and photographic trends, we have remained true to that goal, and continuous innovation and forward-thinking R&D have always kept us ahead of the curve. Going forward, we will continue to develop and launch new products that add value for customers, such as better performance, smoother product control and more attractive design. By developing new products – and upgrading the ones we already offer – we keep pace with how the needs and requirements of our existing customers change. At the same time, we utilize Profoto's innovation capabilities to reach entirely new customer groups.

Greater choice of products, more areas of use by robust investment

Our offering once started with photo flashes for professional photographers in a studio environment. Since then, it has broadened through innovation and technological improvements, paving the way for a wider range with many different applications. Through this strategy, we have successfully expanded into existing and new product categories and customer segments. Whether photographers are working outdoors or in the studio, we provide the best possible conditions for creating and shaping light, for example through products that are easy to carry, set up and use.

Today's products are divided into the areas of light sources and accessories and automated studio solutions. The overall offering combines hardware and software. Several of the solutions also enable synchronized communication between devices for optimal performance. In addition, the products have built-in software that is updated wirelessly. This means that the customer always has access to the latest version with the best performance.

After several years of strong investments, in 2024 we launched a number of products based on

LED technology. Through these launches we will:

- respond to customers' increasing desire to invest in Profoto products based on LED technology (simplifying the work of combining moving and fixed media).
- double our addressable market by establishing ourselves as a premium supplier to the film industry.

Product launches based on innovative product development are key to our continued success

Research and product development is one of our core competencies. Our expert teams in Image Technology, Power Electronics, Connectivity, Embedded Software, IT, and Product Design and Mechanics consist of 67 people developing software and hardware. We continuously work on new product ideas and plans to meet customer needs. This systematic process is coupled with a detailed product lifecycle management where each product has a strategy from launch to decommissioning. This approach has enabled Profoto's successful growth in several customer segments.

Large number of launches in 2024

During the year, many products were launched for photographers, cinematographers and studios alike.

With the **L1600D**, Profoto entered the world of film – a 1600W LED light with creative possibilities. The patented HydroCTech cooling system makes it the world's first MonoLed, eliminating the need for heavy, separate ballast. The sale started in 2025.

Pro-D3 - 750ws or 1250ws flash with powerful LED modeling light, a workhorse for the studio with high productivity and quality.

Pro-B3 - 750ws battery flash for action photographers who require reliable equipment in harsh environments.

D30 - A 500w mains powered flash for freelance photographers who need portable studio light.

In addition, several light shapers were launched to expand creative possibilities.

R&D
2024

> **50** Number of years of experience

4 Number of global launches 2024

67 Employees in R&D

26 Active patent families

R&D
share of sales, 2024

18%

New products

Launched LED for film and enhanced flash offerings



PHOTO KONRAD KARLSSON

Profoto Pro-D3

The Studio Workhorse

In May we launched a light that was designed with a purpose. Handling high-volume shoots and the high demands on performance, reliability and durability it brings. The Pro-D3 is built with state-of-the-art, high grade components only. Meaning, no matter how long the production day stretches or how hard the user pushes it, they'll get awe-inspiring results continuously.

Relentless speed

When high volume is demanded, the Pro-D3 delivers. A flash recycling time of 0,01 seconds and a flash duration of 1/75 000 second means users can eliminate motion blur entirely with the shortest flash duration of any flash in Freeze Mode.

Relentless power

To have the Pro-D3 in your setup means you have a reliable powerhouse at your disposal that delivers high-quality output consistently and frequently with the 750/1250 Ws flash capacity, in the LED-modeling light, and in the 11 f-stop range.

Relentless consistency

Count on Pro-D3 to handle shoots that span over weeks, months even. Its high-grade components will ensure consistent color and light for high-end, high-volume image content creation, and rest assured, the results will speak volumes.



PHOTO AJ SHIPTOFSKY

Profoto Pro-B3

The ultimate on-location flash

At the end of the year, we launched a product for the most demanding type of photographer when comes to performance under harsh and demanding conditions – the action and extreme sports photographer. There is no room for error when you often only have one chance to capture the shot. The Pro-B3 meets these high demands with its 750Ws of pure battery driven power, fast recycling and a rugged, reliable design.

Powerful and fast

The Pro-B3 offers 750 Ws adjustable over a 11 f-stop range, a recycling speed as low as 0,01 seconds and flash duration as short as 1/56 000 second. Regardless, if it used on a snow-clad mountain or in the blistering

desert sun, the user has all the power and control they need.

Wide selection of modifiers

With the extensive and portable light shaping system of Profoto, the creative options become limitless. With 120+ light shapers, you can be free to explore and focus on getting professional images, no matter how extreme the location is, and achieve your vision.

Rugged and reliable

The Pro-B3 has a rugged, grip friendly exterior, world-class build quality and industrial grade components, like user changeable quartz flash tubes. Performance doesn't mean a thing if you can't rely on the gear, and you can always count on the Pro-B3.



PHOTO ROD GAMMONS

Profoto L1600D

LED for media in motion

In early June we launched our very first LED-product for high-end cinema production – The Profoto L1600D. It offers an uncompromising speed of use thanks to the unparalleled power to weight ratio, powered by our innovative patent-pending cooling technology HydroCTech™. The L1600D comes with dual mounting options. The Profoto and Bowens mount. With the Profoto Light Shaping Tool system at the core, users will have access to an unmatched array of light modifiers.

Speed of use

HydroCTech, the single-source cooling system, makes room for the power unit to be in the head, which makes L1600D incredibly

lightweight and invites increased efficiency and ergonomics.

Limitless creativity

With the Profoto Light Shaping Tool system at the core, along with the option of Bowens mount, you have access to an unmatched array of light modifiers to expand your creativity even further.

Complete control

IP54 classification and multiple connectivity options, including DMX, sets the tone for hassle-free production as well as smart light-shaping control, securing a seamless workflow.

Brand

The world's best light for the world's best photographers

For leading photographers, cinematographers and studios, our premium brand should be the first choice. Products with high quality and ease of use, a system to grow with, and global availability give customers the opportunity to constantly evolve and make them choose Profoto.

Profoto's founders Conny Dufgran and Eckhard Heine said from the start that they would make the world's best flash for the world's best photographers, and since 1968 Profoto's products have had the world's best photographers and those who aspire to be recognized as such as customers. The brand enjoys a premium position in the market based on the high quality and reliability of its products. They provide users with uniquely beautiful light in their images and ensure efficient workflows in studio environments where image volumes are high.

With the launch of the L1600D, Profoto expanded its market segment to include film production, thereby expanding the brand towards cinematographers and lighting designers for moving media. With the same philosophy since its inception in 1968, technical innovation and leading technology enable powerful products that are intuitive, robust and easy to use, whether it is Xenon or LED technology. It allows a cinematographer, photographer or studio team to focus on their creativity to achieve their vision.

Spreading knowledge and inspiration

To inspire and educate customers, we focus on digital offerings; Profoto Academy, which are online courses and Share the Light, a free knowledge hub where photographers share their lighting knowledge and learn from each other. It gives photographers and other creatives the opportunity to learn more about light and light shaping.

High service and accessibility

Leading image creators want access to Profoto's premium products, no matter where in the world they work. Our products are sold and rented in 51 countries including online at profoto.com. Dealers, rental stores and rental studios are carefully selected to ensure they offer the right availability, service and expertise. Dealers also provide added value to customers as they deal with all things photo-related, such as cameras, tripods and accessories. Alongside professional cinematographers, e-commerce – mainly in fashion – is an important customer segment. Here, the image volumes are very large, while there are many repetitive processes in the practical work. The focus is on streamlining workflows to create high-quality images and moving content. Profoto's offering is based on modular solutions, where the customer chooses an optimal setup from Profoto's range of flashes, light shapers, automated solutions and workflow software.

Premium products at a premium price

Our premium products reflect quality, reliability, ease of use and global availability. Together, these customer values allow the products to be priced at a premium. We apply uniform pricing globally and in sales to retailers, discounts and price reductions are limited.



Capturing flawless shots on tight schedules demands precision and adaptable lighting. Fashion and celebrity photographer, Yu Tsai, will walk you through how having compact and flexible lights like the Profoto D30 make it easy to focus on capturing the perfect image in every frame.

Yu Tsai

On set with Yu Tsai and Profoto D30

Renowned photographer Yu Tsai considers himself, first and foremost, a storyteller. “My job is to create a narrative, but I need to do this very quickly,” he says. Case in point, his recent autumn-themed fashion shoot, in which he had to get four shots in a very short amount of – not to mention the additional challenge of quickly moving through the studio and continuing on to shoot outside.

Like so many other freelance photographers, the hustle of capturing a certain mood and telling a story through images and then moving on to the next shoot is exciting. But this can’t be done without the right equipment. “With time constraints, it’s so important to have reliable lighting,” Yu Tsai explains. “So, I can tell the story in one minute.” This is why he turned to the new Profoto D30, a mains-powered monolight which, thanks to its fast-recycling time, bi-colored LED modeling light, three flash modes and its ability to work with a multitude of Profoto modifiers, offers endless creative options.



Yu Tsai

Change of season

As the seasons shift and change, “The goal was to capture the model in a very fall warm light,” Yu Tsai says of the shoot’s concept. “At the same time, I wanted it to be very cinematic.” This is where the technical prowess of the D30 came into play, along with a mix of modifiers including Profoto gels, Softboxes and Reflectors. “We were able to play with the light,” Yu Tsai notes. “We had the flexibility to create both softer and harsher light.”

Rising above

“I wanted the model to feel elevated and lifted in the first shot,” Yu Tsai says. Working with multiple Profoto D30s, he then incorporated a Softlight Reflector, Softbox Octa and two Softbox Rectangulars. “There’s a back light that hugs her,” Yu Tsai muses of the photo. “But it’s not a hard back light. It falls off her, so she feels majestic and rising. We feel a connection with her.”

To create that type of connection, dependable lighting is necessary. “You can’t bring out the best of a person if you are struggling to achieve what you want to capture,” Yu Tsai says. “Ease is very important to me. If your lighting is complicated or if your equipment is causing issues or if there’s any sort of technical struggle, how can I make my talent feel at ease?”



Poetry in motion

“With fashion editorial shoots, I love using various lighting techniques to tell the story,” Yu Tsai says. “So, I need to move fast.” In the second photo he wanted to capture the model as she softly waved a single flower in the air. “I need my light to help me capture an unexpected moment in a shot like this,” says Yu Tsai, who used multiple D30s for their fast-recycling time, as well as a Softbox Octa, two Softbox Rectangular and a red gel on a Frensel Small. “You look at this beautiful red cast across her face, the orange color coming from behind and the fall off of the deep shadow. That’s a complete picture. The experience he explains was like watching a ballet. “The model was dancing with the flower, and the lighting was the music to that dance.”

Quiet illumination

The conscience restraint of the shoot’s final image, in which the soft folds of muslin serve as a gentle backdrop, is a deft play with lighting choices. “At first glance of the fourth image, you ask yourself, ‘where’s the light?’” muses Yu Tsai. “But light doesn’t have to scream for an image to be beautiful.” Instead of using the D30 as the main source of lighting, he used it and two Softboxes to complement the natural light.

“Instead of using a lot of light, we simply shaped her with the D30s. It’s like a carving a statue with illumination, you are making and molding the light to capture your subject.”

Ultimate flexibility

“To achieve several different lighting set ups during a limited amount of time, I need to be flexible and so do my

lights” says Yu Tsai, who backlit a sheet of silk with two Softboxes and used a Softlight reflector with a grid as the key light to create a moody, soft image with the D30s.

“Because it is small and compact, the D30 is perfect for multiple lighting changes,” he notes. “And its adaptability with all the Profoto modifiers makes me very happy. No matter how complicated I may want the lighting to be, this compatibility makes the process simple and executable.”

Focus

Focus on what creates the most value

Focus means using our own resources in areas where we add the most value. Other parts of the business are outsourced. This focus makes us resource-efficient and flexible, while ensuring access to the best external expertise.

From the start, Profoto has been a customer-centric company focused on developing new products and improving existing ones. Through successful product launches, the company has gradually fortified its position as one of the leaders in technology, reached new customer groups and expanded Profoto's market.

Focus on sales and R&D

Our core activities are the areas of R&D as well as sales and marketing. This is where we invest our own resources and build competence. Non-core functions such as production, warehousing, logistics, accounting, IT services and repairs are outsourced.

This division is supported by the flexibility of our approach, which focuses on operational efficiency and appropriate control. This means that everything routine and non-value-adding is removed from the organization, leaving Profoto's resources to be used efficiently and effectively. The strong focus on R&D can be attributed to the key role that innovation and an entrepreneurial spirit has always played in our growth and expansion.

Ensuring expertise and flexibility

Outsourcing provides a scalable business model, a better focus on cost control and reduces the need for in-house investment in plant, machinery and equipment. We maintain strategic control over the activities that are important to the development of

our business operations. And we use in-house managers even in the parts that are outsourced. At the same time, we free up time and resources internally because the execution is outsourced to external specialists. We gain increased flexibility and access to expertise in the areas that are outsourced. The business model thus supports an adaptable approach, where the focus is always on ensuring operational efficiency. In addition to scalability, the model has also contributed to strong growth in volumes and new products, as well as improved margins.

Challenging and stimulating

To make the business model work, we have created a skilled, high-performing organization with broad expertise and considerable capabilities in a range of areas, including development and sales. At the same time, our focus on certain core activities helps attract and retain talented employees with relevant skills. This results from the outsourcing of routine tasks and the shifting of everyday work to more challenging projects and tasks that are stimulating for employees.



PHOTO DANA COLE

Financial targets and target achievement

Below Profoto's financial targets are presented together with the actuals for 2024 and last three-year average.

Target	Outcome 2024	Outcome three last years*	Target achievement
<p>Net sales growth</p> <p>Profoto's objective is to achieve organic net sales growth in excess of 10 percent in constant currency over time.</p>	-6%	-7%	Organic growth in 2024 amounted to -6.5 percent (-12.6). Sales were affected by uncertainties in the market, characterized by concerns about interest rates and inflation, which resulted in a cautious approach from our customers.
<p>Profitability</p> <p>Profoto's objective is to achieve an EBIT margin of 25–30 percent, while maintaining year-on-year growth in EBIT.</p>	21%	26%	The adjusted EBIT margin amounted to 20.9 percent (26.0) and was negatively affected by lower sales in 2024. Adjusted EBIT amounted to SEK 153m (204).
<p>Dividend policy</p> <p>Profoto aims to distribute at least 50 percent of its net profits to its shareholders through cash dividends and/or share buybacks, while taking into account other factors such as financial position, cash flow and growth opportunities.</p>	64%	81%	The Board of Directors proposes a dividend of SEK 2.00, which amounts to a total of SEK 80m and corresponds to 64.2 percent of net profit. The proposal is based on Profoto's financial position and estimated future cash flows.



* The time period last three years is chosen to reflect the period that Profoto Holding AB (publ) has been listed on the Nasdaq OMX Stockholm Mid Cap List. Net sales growth is computed as CAGR, while Profitability and Dividend policy is computed as average of the last three years.

The share

The Profoto share

Profoto Holding AB (publ) has been listed on the Nasdaq Stockholm Mid Cap list since July 1, 2021. The data below is as of December 31, 2024.

Share trading and share performance in 2024

The closing price on December 30, 2023 was SEK 44.00, and market capitalization was thus SEK 1,760m. The share price development since the listing on July 1, 2021, at SEK 66.00 and until December 30, 2024, was -33 percent, compared to OMX Stockholm PI which increased by 3.5 percent in the same period. The highest price quoted during the fiscal year was SEK 88.00 and the lowest was SEK 35.90. The number of shares amounts to 40 million. Around 6 million shares were traded during the year.

Share capital & share capital trend

The share capital of Profoto amounts to SEK 500,000 divided into 40,000,000 shares, with a quota value of SEK 0.0125 per share. There is only one class of shares and all shares carry equal rights (see table). In preparation for the listing on July 1, 2021, a bonus issue and split were carried out in

May and June 2021. According to the Articles of Association, the share capital may not be less than SEK 500,000 and not more than SEK 2,000,000, and the number of shares may not be less than 20,000,000 and not more than 80,000,000.

Shareholders

On December 31, 2024, Profoto had 1,695 shareholders. The ten largest shareholders held shares corresponding to 86.4 percent of the votes and capital in the company (see table). Foreign owners accounted for 3.7 percent of shareholders.

Stock market information

Profoto strives to provide the stock market with clear and relevant information. Financial information is mainly provided in the Annual Report, the Year-End Report and three interim reports. Prior to the publication of the reports, the company holds a 30-day quiet period. Profoto's Annual Report is

available on the Group's website. Interested parties can subscribe online to receive financial reports.

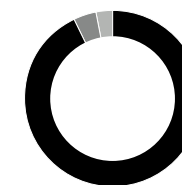
Dividend proposal

The Board of Directors proposes a dividend of SEK 2.00 per share, totaling SEK 80m, distributed over two instalments. The first in May and second in October.

Financial targets

- Profoto's objective is to achieve organic net sales growth in excess of 10 percent in constant currency over time.
- Profoto's objective is to achieve an EBIT margin of 25 to 30 percent, while maintaining year-on-year growth in EBIT.
- Profoto aims to distribute at least 50 percent of its net profits to its shareholders through cash dividends and/or share buybacks, while taking into account other factors such as financial position, cash flow and growth opportunities.

Shareholders by geographic location



- Sweden 93%
- Norway 4%
- Other 3%

Ownership category



- Swedish private individuals 61%
- Swedish institutional shareholders 20%
- Foreign institutional shareholders 7%
- Anonymous ownership 0%
- Other 12%

Top ten shareholders

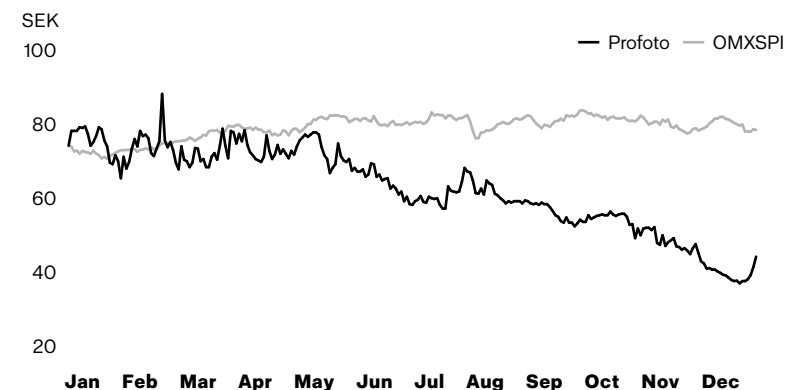
Shareholders	Number of shares	Capital, %	Votes, %
Anders och Helén Hedeback¹	15,252,321	38.1	38.1
Conny Dufgran	6,120,000	15.3	15.3
Lovisa Hamrin (Herenco)	4,411,148	11.0	11.0
Lannebo Kapitalförvaltning	2,560,279	6.4	6.4
Svolder	2,100,000	5.3	5.3
Hans Eckerström	1,230,508	3.1	3.1
Aeternum Capital AS	1,150,000	2.9	2.9
Investment AB Spiltan	823,846	2.1	2.1
Livförsäkringsbolaget Skandia	490,530	1.2	1.2
Skandia Fonder	416,954	1.0	1.0
Total top 10 shareholders	34,555,586	86.4	86.4
Total other shareholders	5,444,414	13.6	13.6
Total shares outstanding	40,000,000	100.0	100.0

1) Ownership through Burken Invest AB

Ownership by holding

Size class	Number of shares	Number of shareholders
1-500	144,211	1,399
501-1,000	93,582	120
1,001-50,000	715,745	142
50,001-	38,931,465	34
Anonymous ownership	114,997	-
Total	40,000,000	1,695

The Profoto share 2024



Sustainability



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Sustainability Report 2024

Our three material areas

Based on the European Sustainability Reporting Standards (ESRS), we have analyzed and mapped our processes from a broad sustainability perspective during the year to be able to meet future requirements. Although we have not yet implemented the full framework, we are well prepared and look forward to fully integrating the entire framework.

In light of the current uncertainty regarding timelines and potential exemptions from sustainability reporting in the EU, we are closely monitoring the process and intend to act accordingly.

In the fall of 2024, we conducted a thorough mapping of our value chain and a double materiality analysis. This analysis has identified seven material sustainability matters that we will focus on going forward. These matters are divided into four main themes: climate change, circular economy, own workforce and business conduct.

We are proud of the progress we have made and the insights we have gained. Our ambition is to continue to be a leader in sustainability, and we are committed to taking responsibility for our impact on the environment and society. By working closely with our stakeholders and continuously improving our processes, we aim to create long-term value in our value chain for both people and the environment.

In our 2024 Sustainability Report, we share our progress, challenges and future goals on our journey towards a more sustainable future.

Active management

The Board of Directors bears overall responsibility for sustainability work and is the body that signed our anti-corruption and anti-bribery policy, as well as the Trade Sanctions policy that regulates sanctions issues between countries and business partners.

The coordination of efforts in the areas of environment, employees, human rights and business ethics has been delegated to the Managing Director, who is in practice responsible for these issues. The sustainability work is mainly based on the following internal policy documents:

- Supplier Code of Conduct (SCoC)
- Anti-corruption and anti-bribery policy
- Trade Sanctions policy
- Health and safety policy
- Anti-stress policy

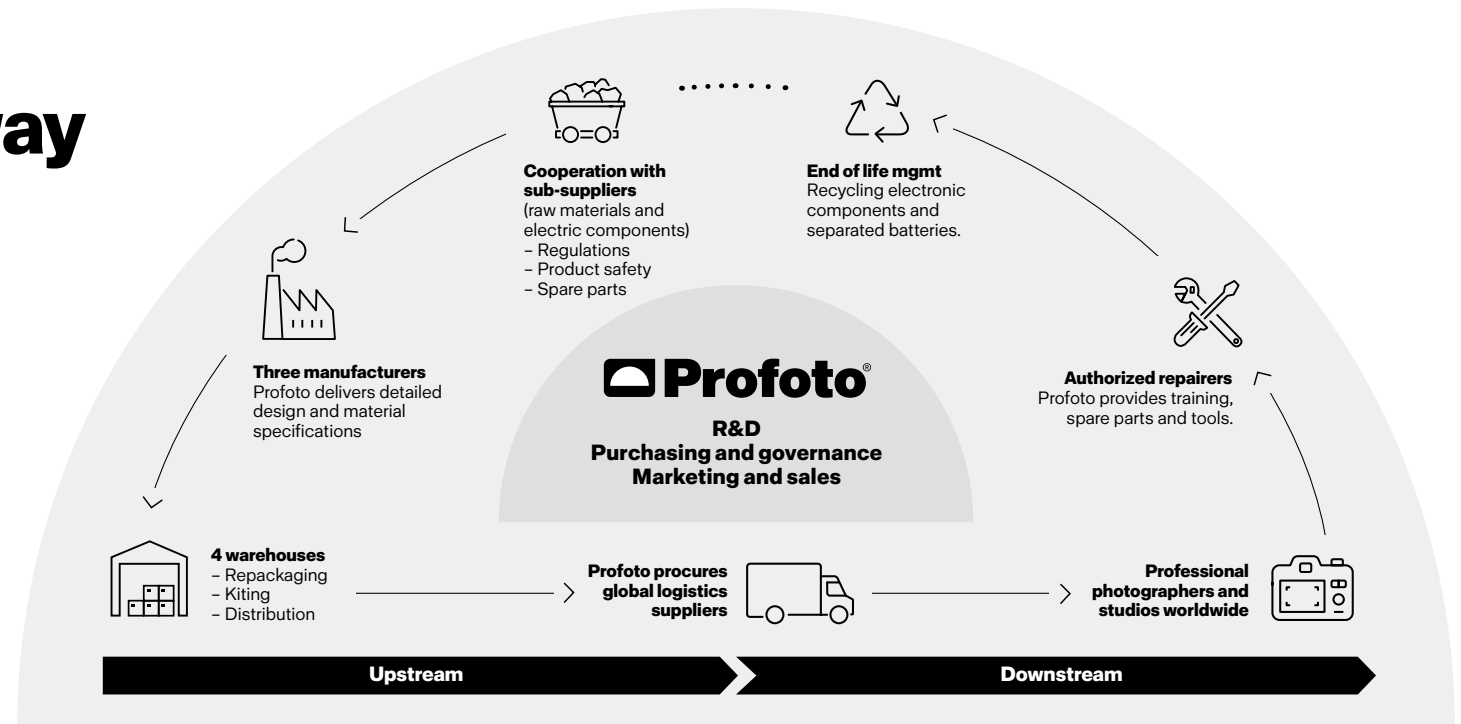
In addition to these, there are a number of internal guidelines that Group Management is responsible for ensuring compliance with. Sustainability work, with associated risk analyses, is evaluated regularly, including through the quarterly employee dialog conducted with all employees.



Value chain






Monitoring details every step of the way

At Profoto we do not leave anything up to chance. We work diligently with the best companies from product design to the product's end-of-life.



	Degree of impact	Description	Our approach	How we make a difference
Materials/ sub-suppliers	<p>Medium</p>	<p>We work closely and over a long period of time with around 50 material producers. These are major international players with production in Taiwan and China.</p> <p>Our purchasing volume is relatively small, but thanks to our close cooperation, we can set far-reaching requirements. In addition, there are many alternatives to existing suppliers on the market.</p>	<p>We work together to select materials that meet the highest safety standards, have the lowest possible carbon footprint and that meet international and European environmental and safety requirements.</p> <p>We buy prototypes and tools for repairs, but it is our contract manufacturers who procure the materials we specify in our product specifications.</p>	<p>Subcontractors sign our Code of Conduct. Our category managers are responsible for continuous supplier audits of both existing and potential material suppliers.</p> <p>We act proactively throughout our value chain.</p>
Suppliers	<p>High</p>	<p>We have three priority contract manufacturers, one in Thailand and two in Poland. The Polish factories are owned by listed European companies. Profoto provides detailed specifications and material requirements. The manufacturer's responsibility is efficient production under good working conditions.</p> <p>There are also a few suppliers producing accessories. In total, we have contact with about 10 suppliers.</p>	<p>Profoto has stringent requirements, and our category managers visit the manufacturing sites regularly.</p> <p>Procurement also takes into account environmental performance and human rights, not least in Poland where our renewable energy requirements led to a change of supplier.</p> <p>Use of renewable energy and working conditions are some of the factors that weigh in. All suppliers must sign the Supplier Code of Conduct.</p>	<p>Through our skilled product developers and buyers, we contribute to the development of the industry, the use of high-quality materials and an increase in the share of renewable energy. Our requirements for less packaging material also have a positive impact on carbon emissions in our value chain.</p>

Value chain

	Degree of impact	Description	Our approach	How we make a difference
Storage and Transportation	 Medium	<p>From manufacturing, the products are sent in bulk to the main warehouse in Poland, where they are repackaged and fitted with manuals and additional accessories. From there, complete packages are shipped to warehouses in the USA, Japan and China.</p> <p>In total four warehouses to facilitate transportation and logistics. Logistic services are purchased centrally, with high demands on transportation of lithium batteries that require special handling.</p>	<p>Warehousing is outsourced, but it is Profoto's managers who procure the services, demand efficient processes, good working conditions and focus on reducing environmental impact.</p> <p>Use of renewable energy and working conditions are some of the factors that weigh in. All suppliers must sign the Supplier Code of Conduct.</p>	<p>In procurement, we ensure that the counterparty has a high level of expertise, not the least regarding transportation of electronic products and efficient logistics.</p>
Own operations - R&D	 High	<p>Our life cycle perspective already at the drawing board.</p> <p>High quality and product safety in every aspect are key. Build to last and make sure all products (old and new) are compatible. The next step is to also bring a recycling perspective into the development phase, i.e. how the products can be disassembled without posing a safety problem during use.</p>	<p>We work with material suppliers in the development phase to find optimal solutions to different needs and new directives.</p> <p>We comply with extensive legislation that regulates chemicals, batteries and product safety.</p> <p>We ensure that our new products are compatible with older products and that spare parts and tools are available for at least 5 years after the product is pulled from the market.</p> <p>LCA-analysis is done on some products to provide new insights to the R&D team.</p>	<p>Through our product lifecycle approach and close cooperation with material suppliers, we drive development in our segment. Profoto's premium products are of the highest quality which make our customers use our products for decades.</p>
Own operations	 High	<p>High business ethics and anti-bribery/anti-corruption policies are part of our governance structure. All our suppliers and potential suppliers are informed and must sign our supplier code of conduct.</p> <p>Before becoming a supplier of ours you will be audited.</p> <p>By producing quality products with a very long life span compared to many of the products on the market, our sales and marketing team has a task to inform the customers of the sustainable in choosing quality products.</p>	<p>Our category managers set ambitious requirements across the value chain in procurement and follow up in supplier audits.</p> <p>Our marketing and sales managers help customers understand the benefits of choosing products with a long lifespan and high quality, as well as the possibility of service and repair.</p>	<p>Premium products made with care for people and the environment.</p> <p>Guarantee that spare parts are available from authorized repairers at least 5 years after the product has been withdrawn from the market.</p> <p>Instructions on how to recycle the product at the end of life.</p>
Customers	 Medium	<p>Profoto operates in the premium segment, targeting professional photographers and studios, including fashion and accessories e-commerce.</p> <p>The market for flashlights has gradually consolidated, which means that there are now a few leading brands in each segment. The five largest players are estimated to account for 65 percent of the market.</p> <p>Investments in lighting solutions are increasing globally.</p>	<p>Since our start in 1968, we have built our leading position as a premium brand for professional photographers and studios. We have an active dialog with customers and drive development through our innovative power. Product safety, functionality, customer efficiency, software development and communication services for fast migration to cloud services are key elements of our offering. All products are CE-marked and safe to use when used correctly.</p>	<p>Target of <0.5 percent complaints.</p> <p>Close dialogue with ambassadors and focus groups and providing online courses.</p> <p>Our products are robust and durable, making them sustainable in the long term. We call this 'built to last'.</p> <p>After-sales service is monitored on a weekly basis by cross-functional teams with representatives from R&D, quality development, sales and product management.</p>
Waste management	 Low	<p>When our products have reached the end of life, they should be handed in as electronic materials at a recycling station. Different countries have different conditions for recycling, and we have a low level of impact over the end-of-life management of our customers.</p>	<p>Already at the product development stage, we ensure that batteries can be properly separated and recycled.</p> <p>In Europe, we pay producer responsibility fees to cover our share of the costs of recycling.</p> <p>We ensure that information on recycling is included in our user manuals provided in local languages.</p>	<p>The biggest impact we have is to ensure the lifespan of our products and thus reduce the rate of consumption.</p> <p>The quality of our products is also recognized on the secondhand market. The prices for used products remain high.</p>

Our impact

Double materiality assessment

ESRS	Materiality topic	#	Sub-topic
E1	Climate change	1	Climate change adaptation
		2	Climate change mitigation
		3	Energy
E2	Pollution	4	Substances of (high) concern
E3	Water and marine resources		Out of scope
E4	Biodiversity and ecosystems		Out of scope
E5	Resource use and circular economy	5	Resource outflows
S1	Own workforce	6	Working conditions
		7	Equal treatment and opportunities
S2	Workers in the value chain	8	Working conditions
S3	Affected communities		Out of scope
S4	Consumers and end-users		Out of scope
G1	Business conduct	9	Business conduct, relationships with suppliers, Anti-corruption, Anti-bribery

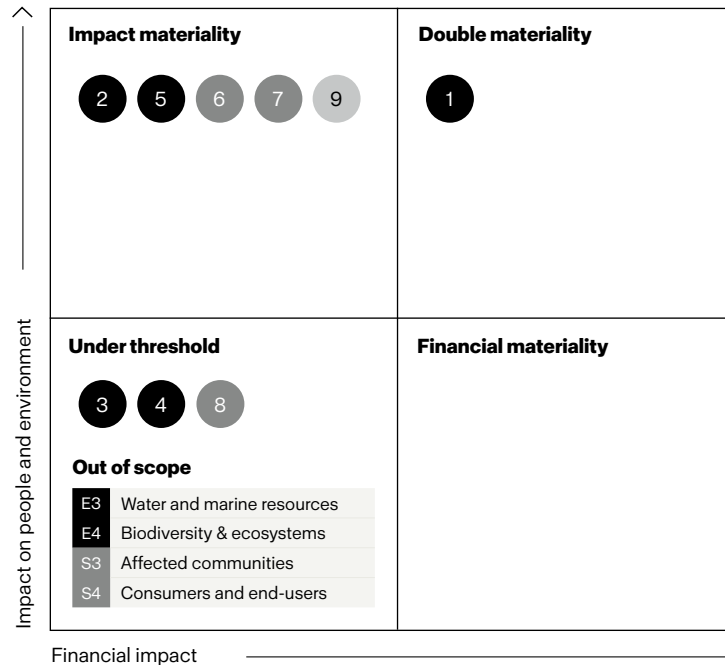
Material Sustainability Matters

Profoto has risks and opportunities related to the ESRS topics listed above.

In identifying material matters, the undertaking needs to consider its own specific circumstances in the business model and company strategy. It is not sufficient to evaluate the list of sustainability matters of ESRS.

Profoto has participated in several workshops and provided extensive information to identify company-specific sustainability matters.

All 73 subtopics and 37 sub-subtopics in the ESRS have been mapped against Profoto's value chain and potentially material sub-topics have been ranked and



weighed according to ESRS's instruction on double materiality. The materiality threshold was set to 5 (out of 10). Energy, Pollution and Workers in the value chain were all considered to be low risks and therefore below the materiality threshold but will continue to monitor and report some information on the three topics.

Stakeholder dialogues

The double materiality analysis was adopted by the Board of Directors in December 2024. With input from the stakeholder dialogues, work will be deepened to anchor and possibly adjust the outcome of the double materiality analysis.

Focus area

Environment

The stronger focus on carbon dioxide emissions and climate change is partly linked to growing legal and regulatory requirements globally, and to Profoto's desire to take clear responsibility for the climate impact of its operations.

During the fall, we have reviewed our entire value chain to identify where in the value chain we can contribute most to reducing climate change. In parallel, we are also evaluating different measurement and analysis models.

Product development philosophy

"Built to last" is more than an expression – it is a fundamental principle of Profoto's product development:

- Robust and durable products
- Long life and high technical performance
- Compatibility across the entire product ecosystem

"Built to last" - long-term sustainability

Our products are robust and durable, making them sustainable in the long term. We call this "built to last" and the approach permeates all product development. The products should not only be durable, but also work in the entire ecosystem of lighting solutions that Profoto offers. This means that they must interact with each other, for example by developing new, improved software for existing products and by expanding or improving connections and interfaces so that more products can be used together in a smooth way.

Strategic product development is currently conducted in relatively short planning cycles, spanning six weeks. These shorter perspectives simplify the possibilities for detailed planning and refinement of governance and control work.

High level of after-sales service

Long-term durability also means that the level of repairs is high. In practice, this means that flashes and light shapers should be repairable so that they maintain their functionality for a long time. We

have a wide network for repair and complaint handling, which also includes external actors such as distributors, retailers and rental companies. All these are recorded by the service department. They are followed up on a weekly basis by cross-functional teams with representatives from, for example, R&D, quality development, sales and product management.

Safety is also important when repairing the electronic products we offer. Therefore, certified service workshops are provided with documentation regarding Profoto's service strategy so that repairs are always carried out in a safe and correct manner.

Focus on life cycle assessment

The products we design should not only be robust and easy to repair, but also have a limited impact on the environment. By performing LCA on our products, we aim to increase our and our subcontractors' understanding of environmental impacts in order to continuously improve our sustainability performance.

Safety

Safety is another key aspect for Profoto. In 2024, no serious safety incidents were reported in or related to our operations. Throughout the development and manufacturing process, all products are rigorously analyzed and extensively tested, both internally and by independent testing institutes. A number of safety aspects are carefully regulated through industry requirements and regulations, such as REACH (chemical substances), RoHS (heavy metals, flame retardants) and regulations under the CE marking (environment, health and safety). The use of lithium-ion batteries is a risk area. Profoto purchases these products from

well-established suppliers. Handling is thus regulated by our Supplier Code of Conduct and by comprehensive regulations for the protection of human life and health.

Activities 2024

- There has been a strong focus on new technologies to meet requirements and functionality, such as LED.

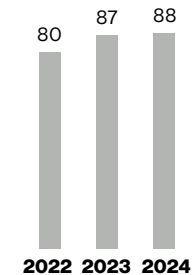
Risk

The main risk is that we cannot live up to customers' expectations of product leadership. This would affect Profoto's reputation and brand, which could ultimately lead to lower sales and a reduced ability to invest in more sustainable products.

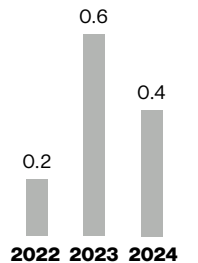
Priorities:

- > Active customer dialog
- > Efficient, sustainable product development
- > Product safety

Target: Percentage of repairable light units should be > 90%



Target: Percentage of products that do not meet customer expectations should be < 0.5%



Focus area

Social

Recruiting the best, making development demands, and driving change contribute to ensuring profitable growth and are key aspects for Profoto. Our employees have a high level of education, and a strong drive, and take personal responsibility with a focus on development and career advancement.

Employees

Profoto runs a highly efficient, creative and international business. To achieve this, we need motivated and committed employees who thrive in a high-performance environment and have the potential to grow within the company. We enable this by providing clear requirements regarding personal development and performance. To support this, we contribute professional leadership, with the attitude and potential of each individual being the starting point for recruitment.

Pinpoint accuracy for recruitment

Our recruitment efforts underpin Profoto's profitable growth. That's why we take extra care when recruiting new employees. To hire the best, we use objective evidence-based selection methods, which involve testing to ensure that the recruitment is accurate and that we hire based on potential and attitude. We assess areas such as individual ability, personality and motivation to find more top performers who can help us not only achieve, but exceed the high standards we set for ourselves and the business.

We only hire people who have the ambition and energy to maintain highly efficient, agile business operations. In return, we offer a challenging and stimulating work environment, but also lots of responsibility and opportunities to grow in a company with innovative and technologically driven international operations.

Quarterly development plans

We put the development of the individual at the heart of what we call "People Before Company". This means it is the employee's development and ambitions that guide the leadership. High ambitions and development potential are the starting point for role assignments, which always take into account the employee's capacity to quickly take the next step in their career.

Profoto's values guide employees to help outside their area of responsibility, to make demands on each other, including their manager, and to drive change and take greater responsibility. As the strategy evolves, it requires flexibility and drive from employees who themselves contribute to growth through their own development and individual competence development plans. In employee development, this means that the individual development plans are reconciled and updated quarterly with each manager. In this process, the employees have a great deal of personal responsibility, where the drive towards quarterly development goals to become more effective in their role weighs heavily.

Profoto - a gender equal company

Profoto is a gender-equal company, according to the Allbright Foundation's 2024 review of gender equality in Sweden's listed companies. Profoto has an even gender distribution in the management team and is therefore placed on Allbright's green list.

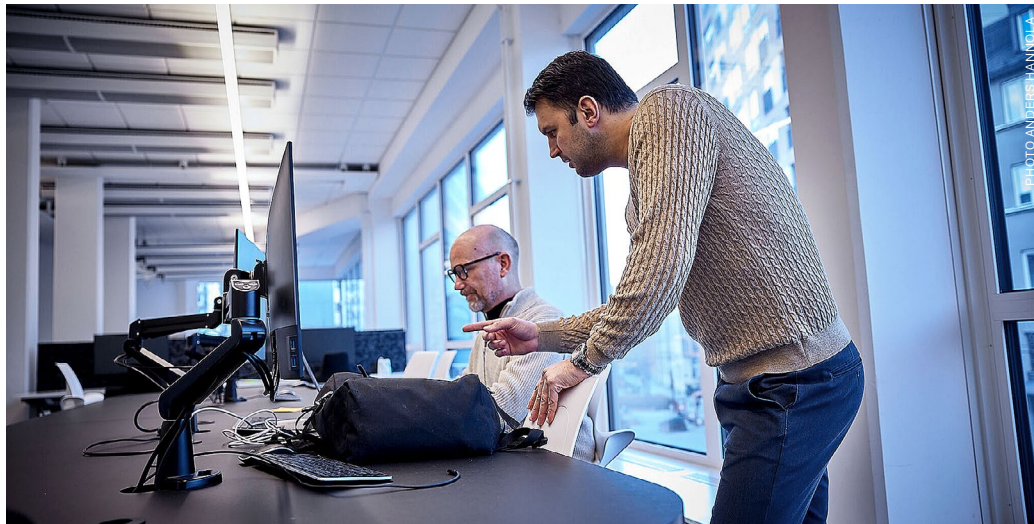
More equal gender split

Profoto is very much an engineering company, and these typically have more male than female employees. At present, the proportion of women in the company is 32 percent. We think this is an acceptable gender split, as it is in line with the balance for recent graduates from higher education in technical subjects. At the same time, we want to attract more female applicants to our R&D department, for example, as well as to other parts of the company. To continue to shift the split, women are prioritized if there are two equally qualified applicants in a recruitment process. We have also noticed that relatively small adjustments in the recruitment process can make a difference and attract more women, including changes in the way



PHOTO MATT BRASIER

Focus area: Social



recruitment advertisements and other information materials are designed.

Four out of nine members of the management team are women. Three out of six members of the company's Board of Directors are women. Regarding working conditions, we ensure equal pay for people in equivalent positions, regardless of gender. Furthermore, employees should not be disadvantaged as a result of parenthood, which includes pay levels. We have a positive view on parental leave for both men and women, and offer the opportunity to work flextime.

Working environment and follow-up

To maintain an attractive, healthy working environment, all managers are responsible for holding an

annual stress workshop with their employees. If needed, employees also have access to an external coach/therapist who can offer individual coaching and provide stress management tools. This year's employee engagement survey was done by 77 percent of all employees. The result shows that our engagement index is 4.2 (4.2) out of a maximum of 5.

Potential misconduct can be addressed anonymously via our whistleblowing function. In 2024, no cases were reported.

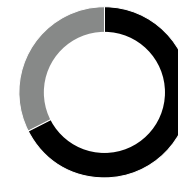
Activities in 2024

- During the year, all employees at Profoto have had quarterly individual discussions about their personal development. Development plans have

148

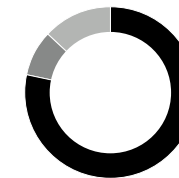
Employees at year-end

Gender distribution at year-end



● 100 (94) men
● 48 (44) women

Employees per region



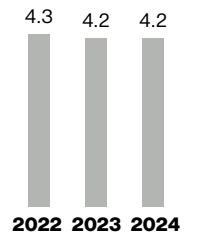
● EMEA 116 (108)
● APAC 13 (12)
● Americas 19 (18)

Priorities:

- > Recruitment
- > Skills development
- > Work environment
- > Equal opportunities

Target: Employee engagement (eNPS) should be > 4.0

Employee engagement is one of our important KPIs. In 2021, we switched from the Satisfaction Index to the Engagement Index as a more modern way to measure the health of the organization. The maximum score is 5.



been drawn up with a clear link to the company's overall business strategies and competence needs.

- During the year, employees have been offered a health examination with personal feedback. Employees with risk areas have been offered a coaching program subsidized by the company.

Risk

Our biggest risk is that Profoto will not be able to secure the supply of skills needed, which could affect the company's ability to grow and develop profitably.

Focus area

Business conduct

Carefully selected partner companies are a fundamental part of the business model, which ensures high quality and efficiency. Clear guidelines and targeted audits ensure reliability and the observing of wide-ranging business ethics in suppliers' business operations.

Transparent supplier management

The work with our suppliers will ensure that the quality of our partner companies is as high as that of Profoto's own operations. Suppliers must have the required technical excellence, share our view on the importance of efficiency in everyday work and our values on ethics and responsibility.

Industrial approach

We have extensive quality procedures to ensure that Profoto's products are robust, durable and always associated with high technical performance. These include processes for product development called New Product Development (NPD), and the Production Part Approval Process (PPAP), which is intended to ensure the quality of production and is inspired by similar processes in the automotive industry.

The PPAP approach looks at the entire production chain - from design, which is handled in-house, to assembly and manufacturing, which is done in our partner companies. When this chain is more collaborative and industrialized, several improvements are achieved. For example, the design of products can be made more cost-effective, while issues of quality and manufacturing volumes are addressed more accurately. Other benefits of streamlining internal and external work include improved control, traceability and information exchange between Profoto and partner companies.

Ethical guidelines and accountability

The most important ethical guidelines in working with suppliers are our SCoC and Anti-Bribery and Anti-Corruption Policy. Our SCoC is based on the ten principles of the UN Global Compact. The code sets out our minimum standards regarding human rights, labor law, the environment and combating corruption. Currently, we are prioritizing Profoto's major manufacturing suppliers to be covered by the SCoC. In addition, all suppliers must demonstrate

the ability to navigate complex regulatory environments, such as complying with RoHS and REACH and ensuring that CE marking requirements are met.

Audit and control

Manufacturing suppliers are audited on an ongoing basis according to the audit plan, which aims to make sure suppliers reach up to Profoto demands and guidelines. This plan is based on supplier history, ESG and supply risk assessments, and random selection. The requirements include that each supplier must comply with our SCoC or equivalent code. In 2024, a total of 94 percent of our manufacturing suppliers have committed to comply with the SCoC.

Audit plans are developed quarterly in line with the agreed annual plan. The audits focus on compliance with the SCoC, on checking that companies meet the set requirements, ensure a healthy working environment (safety procedures, air quality, noise level, temperature) for employees, and provide relevant skills development.

In addition, a review of quality issues is carried out in a process similar to ISO 9001. This involves a comprehensive review of production covering the entire production process - from verification of incoming goods to final delivery. The audit also includes deviation management in production, control of changes in processes and work instructions, and a general follow-up of production performance via relevant key performance indicators.

In 2024, 13 suppliers underwent a detailed production audit and a Code of Conduct review. The visits were satisfactory and every opportunity was taken to question working practices and implement continuous improvements. This was done with the aim of strengthening skills and the partnership, which is of utmost importance for cooperation. The audits are carried out according to a model that emphasizes suppliers' compliance

with the requirements of the Code of Conduct and evaluates their industrial capacities and capabilities. In this way, the evaluation becomes part of a dialog that is essential in the joint development of Profoto's products.

Activities in 2024

- The work on supply chain nearshoring has continued and several products have been strategically sourced within Europe, strengthening the robustness and flexibility of the supply chain with improved quality and cost aspects.
- A number of new product regulations have come into force during the year and more will come into force in 2025. This has led to work to adapt the development process to include methods to ensure compliance with the new requirements

Risk

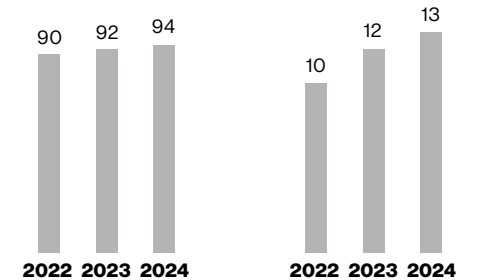
The main risks are shortcomings in product quality and ethical shortcomings among suppliers, for example in relation to human rights, health and safety issues and social responsibility. If these risks are not managed in a proactive manner, they could damage Profoto's business operations and reputation. For a more detailed description of the Group's risks and risk management, see the Risks and risk management section in the Director's report on pages 38–41.

Priorities:

- > Industrial approach to quality and efficiency
- > Responsibility
- > Code of conduct
- > Review and control of processes and quality requirements

Target: Percentage of manufacturing suppliers that have signed the SCoC should be > 75%

Number of suppliers audited out of approximately 70.



Statutory reporting areas

According to the Annual Accounts Act, Chapter 6, §10–14, information is required about the four areas listed below. Information about how the company is managing these areas is integrated into Profoto's three focus areas on previous pages.

- Environmental impact mainly occurs through contract manufacturers and other suppliers, and is governed contractually through the SCoC and screening processes when on-boarding new suppliers. More information about this can be found in the Business conduct section; see page 31.
- Social aspects and employees are mainly discussed as part of the section Social and when describing our various policies; see pages 29–30.
- Respect for human rights is described in the SCoC, the Anti-Stress policy and the Work Environment policy, and is covered in our section Social as well as in the Business conduct section; see pages 29–31.
- Prevention of bribery and corruption are described in our Anti-Bribery and Anti-Corruption Policy, as well as in the Business conduct section; see page 31.

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Profoto Holding AB (publ), corporate identity number 556810-9879.

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2024 on pages 24–32 and that it has been prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is substantially different and 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 opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm on the day shown by our electronic signature

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow

Authorised Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

A high-quality studio light, likely a Profoto A10 or similar, is shown in a dark, moody setting. The light is angled towards the viewer, with its digital display prominently showing the number '6.7'. The Profoto logo is visible on the side of the light's body. The background is black, making the light stand out.

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Directors' Report

The Board of Directors and the CEO of Profoto Holding AB (publ.) hereby submit the following Annual Report and Consolidated Financial Statements for fiscal year 2024.

Key ratios, Group	2024	2023	2022	2021	2020
Net sales, SEKm	731	787	848	732	528
EBIT, SEKm	167	204	249	212	-12
EBIT margin, %	22.9	26.0	29.4	28.9	-2.2
Adjusted EBIT, SEKm	153	204	257	237	56
Adjusted EBIT margin, %	20.9	26.0	30.3	32.3	10.6
Profit/loss for the period, SEKm	126	155	194	158	-17
EBITDA LTM, SEKm	225	282	322	269	76
EBITA LTM, SEKm	204	258	299	247	25
EBITA margin, %	27.9	32.8	35.3	33.8	4.7
Net debt, SEKm	235	44	4	-134	-91
Net debt/EBITDA LTM	1.04	0.16	0.01	-0.50	-1.20
Cash flow from operating activities, SEKm	97	211	236	240	153
Earnings per share, SEK*	3.15	3.88	4.85	3.95	-0.44

*) Calculated based on 40,000,000 ordinary shares, retroactive adjustment

For the definitions of the ratios and how they are calculated, please refer to page 72 "Explanation of alternative ratios"

Business, organization and market

Profoto Holding AB (publ.) with subsidiaries ("the Group") is a Swedish limited company with company identification number 556810-9879 and headquartered in Sundbyberg.

Profoto is a premium niche global leader in photography lighting systems and solutions for photographers. Profoto develops, markets and sells lighting systems for professional photography, such as flashes, light shaping tools, and automated systems for e-commerce.

The end users are professional photographers and commercial customers, including major consumer brands and e-commerce companies. Profoto's products combine hardware and software, incorporate leading-edge technology and are robust and easy to use, allowing end users to focus on what's important – being creative and taking the best photos. All end users are image creators rather than just picture takers, and for

them light shaping is an essential part of the process. The company sells its products through dealers worldwide. Since 2018, Profoto has also had its own online store, Profoto.com, where sales are direct to end customers.

The Profoto Group had 148 employees at the end of 2024. Profoto has wholly owned sales companies in Japan, Germany, France, the UK, the US, China, the Netherlands and Sweden. The sales company in the Netherlands also carries out product development. Profoto currently has sales in 51 countries. Although the company is Swedish, only 3.59 percent of its revenue comes from Sweden.

Profoto has adopted a scalable business model and outsources all noncore activities. These activities include outsourcing of production, warehousing, accounting, IT, service and repairs, and noncore R&D. This allows for greater flexibility and access to experts in the outsourced areas. Profoto believes that focusing on what it does best, prod-

uct development, product design and all aspects related to brand management, is what will ensure the company's position as the premier provider of light shaping products.

Current market turmoil such as inflation, interest rates, tariffs, and geopolitical conflicts have contributed to market uncertainty, which may have a negative effect on Profoto's sales and earnings. In addition, there is uncertainty surrounding the ongoing discussions on tariffs, but we are following developments closely to adapt to any changes.

Significant events during the year

There were no other significant events during the year.

Significant events after the end of the fiscal year

The Board of Directors proposes a dividend of SEK 2.00 (3.75) per share, corresponding to a total amount of SEK 80m (150) divided into two payments.

Revenue and profit trend

In 2024, the Group had decreased sales and operating profit/loss (EBIT) compared to 2023.

Net sales for the full year 2024 were SEK 731m (787), down 7.1 percent. Organic growth totaled -6.5 percent, and currency effect, -0.6 percent. Overall demand was subdued, affected by the prevailing interest rate and economic uncertainty. This contributed to some hesitation from e-commerce customers, as well as professional photographers. In the regions, demand was sluggish, with sales down 4.6 percent in the Americas, 14.1 percent in APAC and 5.9 percent in EMEA.

Operating profit/loss (EBIT) for the full year totaled SEK 167m (204), down 18.1 percent as a result of decreased sales. Profit for the year totaled SEK 126m (155), a decrease of 18.7 percent. Adjusted EBIT for the full year totaled 153 (204). Adjustments for the period 2024 related to the SEK 14m Assetflow earn-out.

Other external costs totaled SEK 229m (185) for the year, and personnel expenses totaled SEK 172m (159). The increase was mainly due to higher

development costs and were offset by the increase in capitalized work for own account.

Depreciation and amortization for the period totaled SEK 58m (77), of which SEK 22m (24) was attributable to property, plant and equipment and SEK 37m (54) to intangible fixed assets. Of the depreciation/amortization of intangible fixed assets, SEK 20m (32) consisted of depreciation/amortization of capitalized development expenditure, SEK 17m (15) of depreciation/amortization of acquisition-related intangible assets, and SEK 1m (7) of depreciation/amortization of other intangible assets.

Other income totaled SEK 21m (0), and other expenses to SEK 0m (-5). They consisted mainly of realized and unrealized foreign exchange gains and losses on accounts receivable and payable. Net financial items were negative and totaled SEK 9m (7). Realized and unrealized exchange rate effects on financial items totaled SEK 1m (-3), and interest expenses SEK 12m (7). Interest expense mainly related to interest on lease liabilities, utilized overdraft credit and external loans.

The tax expense was SEK 32m (42), of which SEK 20m (35) was current tax and SEK 12m (7) was deferred tax. The effective tax rate for the period was 20.1 percent (21.2).

Financial position

On December 31, 2024, consolidated equity totaled SEK 370m (396). Consolidated net debt as of December 31, 2024, was SEK 235m (44). Interest-bearing liabilities totaled SEK 256m (139), attributable to lease liabilities totaling SEK 40m (41) and liabilities to credit institutions of SEK 217m (80) and other interest-bearing liabilities of SEK 0m (16). Cash and cash equivalents decreased from SEK 95m to SEK 21m; this change is explained in greater detail in the "Liquidity and cash flow" section.

Current receivables totaled SEK 148m (100), and other current liabilities, excluding interest bearing liabilities, totaled SEK 153m (152). Current tax liabilities decreased to SEK 0m (6) as a result of the lower net profit. Accrued expenses and deferred income totaled SEK 53m (59).

Liquidity and cash flow

Cash flow from operating activities for the full year totaled SEK 97m (211). The decrease is mainly due to a negative change in the profit/loss.

Operating profit for the year was SEK 167m (204); the change is attributable to lower sales. The change in working capital during the year was SEK -79m (-8).

Cash flow from investing activities was SEK -133m (-109), with the largest item relating to investments in product development. Cash flow from financing activities totaled SEK -38m (-155) and included dividend payments totaling SEK -150m.

Product development

Product development aims to create new products that can be launched on the market and to develop mobile applications that complement the user experience. The systematic process for product development coupled with detailed product life cycle management, where all products in the range are provided a strategy, has driven sales and enabled Profoto's successful growth within existing customer groups.

Core research and development activities – product development – are handled internally. Profoto has experts, in the form of employees and consultants, in the fields of Image Technology, Power Electronics, Connectivity, Embedded Software, as well as Product Design and Mechanics in the tech areas of product development and web development.

Product development focuses on a steady and high rate of product launches. Typically including one to two major launches per year and several smaller launches. The department develops and manages unique, patented technology, mainly in flash control, mobile photography and photography accessories, such as light shaping tools.

New product ideas and plans are formulated through a continuous idea generation process and quarterly reviews of the product plan. Knowledge of project management, electronics, mechanics and product design are traditionally critical competencies. In recent years, there has been growing demand for embedded software, as well as image

processing, UX design and app development, to provide a good user experience. Product development designs products for all categories of photography in which the Group is active, for use both inside and outside the studio. Examples include commercial campaign photos, portraits, product photography, weddings and events, and mobile applications with camera and control functionality for the Group's products.

Total product development and technology expenses for the full year totaled SEK 134m (99). Of these, SEK 96m (67) was recognized as investments in product development. The capitalization relates to ongoing product development projects. Product development expenses expensed during the year totaled SEK 38m (32). Expenditure incurred mainly related to product maintenance costs, pre study phase projects and project-wide administrative costs not attributable to the development of specific products. During the full year, SEK 17m (3) attributable to other intangible assets was capitalized. During the full year, SEK 14m (14) were invested in tools and equipment, mainly related to ongoing development projects.

The plan is to drive further growth through product launches and, ideally, exceed our historical rate of one to two major product launches per year. We continue to increase our investments in product development in order to translate these investments into exciting new products and solutions for our customers in the three areas that will drive our future growth: Lighting for professional photographers, workflow solutions for e-commerce and studios, and lighting for film production.

Financial targets

The Group's financial targets focus on growth, profitability and dividend level and are defined as:

1. Growth: Profoto's objective is to achieve, over time, a constant currency annual organic net sales growth in excess of 10 percent.
2. Profitability: Profoto's objective is to achieve an EBIT margin of 25 to 30 percent, while maintaining year-on-year growth in EBIT

3. Dividend level: Profoto aims to pay out at least 50 percent of net profit, while taking into account other factors such as financial position, cash flow and growth opportunities.

Corporate Governance Report

The Corporate Governance Report for 2024 is presented on pages 42–48 of this Annual Report.

Sustainability

The 2024 sustainability report can be found on pages 23–31 of this Annual Report.

The Profoto share

On July 1, 2021, the Parent Company Profoto Holding AB (publ.) was listed on Nasdaq Stockholm's Mid Cap index.

The number of shares in Profoto Holding AB (publ.) at the end of 2024 will be 40 million fully paid ordinary shares. Each share carries one vote for resolutions at the general meeting. The Articles of Association do not contain any restrictions on the transferability of shares. The quota value (nominal value) of the share is SEK 0.0125.

The ten largest shareholders at the end of 2024 are presented in the table below:

Owners	Number of shares	%
Anders and Helén Hedebark ¹	15 252 321	38.1
Conny Dufgran	6,120,000	15.3
Herenco Holding AB	4,411,148	11.0
Lannebo Kapitalförvaltning	2,560,279	6.4
Svolder	2 100 000	5.2
Hans Eckerström	1,230,508	3.1
Aeternum Capital AS	1,150,000	2.9
Investment AB Spiltan	823 846	2.1
Life insurance company Skandia	490,530	1.2
Skandia Fonder	416,954	1.0

¹) Ownership through Burken Invest AB

Employees

The average number of employees in the Profoto Group during the year was 141 (139), of which 42 (42) were women and 99 (97) were men.

The Board of Directors' proposal for guidelines for remuneration to senior executives

The Guidelines were adopted by the Extraordinary General Meeting on May 5, 2023.

These guidelines apply to the CEO and other senior executives of Profoto Holding AB (publ.). The guidelines are forward-looking, i.e., they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting. These guidelines do not apply to any remuneration decided by the General Meeting.

To the extent a board member performs work for Profoto that goes beyond the board assignment, these guidelines shall be applicable for such remuneration (e.g., fees for consultancy work) as well.

Share-based incentive programs

The Annual General Meeting 2023 decided to establish a share-based incentive program for senior executives and key personnel in the Profoto Group. The program means that 1,080,000 warrants, divided into three equal series – TO 2025/2028, TO 2023/2026 and TO 2024/2027 – have been issued to the wholly owned subsidiary Profoto Holding AB (publ.), Profoto AB, for further transfer to participants. During the third calendar quarter of 2023, a total of 360,000 warrants in series 2023/2026 were transferred to seven participants. The transfers were made at a price of SEK 8.50 per warrant. The warrants can be called for subscription of shares between June 15 and December 15, 2026, and the redemption price per share has been set at SEK 110.77, which corresponds to 140 percent of the volume-weighted average price according to Nasdaq Stockholm's official price list during the five trading days immediately preceding the transfer. The ceiling price was set at SEK 174.38, which corresponds to 220.4 percent of the same average price. This means that if the market price of the company's share exceeds the ceiling price when the option is

redeemed, the redemption price will be increased accordingly.

During the second calendar quarter of 2024, a total of 171,800 warrants in series 2024/2027 were transferred to twenty participants. The transfers were made at a price of SEK 7.04 per warrant. The warrants can be called for subscription of shares between June 15 and December 15, 2027, and the redemption price per share has been set at SEK 96.78, which corresponds to 140 percent of the volume-weighted average price according to Nasdaq Stockholm's official price list during the five trading days immediately preceding the transfer. The ceiling price was set at SEK 152.36, which corresponds to 220.4 percent of the same average price.

The guidelines' promotion of Profoto Holding's business strategy, long-term interests and sustainability

Briefly, the company's business strategy is to design and sell light unit and light shaping products mainly to the professional photography market and more recently also to the ambitious nonprofessional photographers' market. For more information on the company's business strategy, see page 13. A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines make it possible for senior executives to be offered a competitive total remuneration package to attract, motivate and retain competent and skilled staff.

Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration. The Board of Directors shall annually evaluate whether share-related or share price-related long-term incentive

programs shall be proposed to the general meeting.

The fixed cash salary shall be individual and based on the responsibility and role of the senior executive, as well as the executive's competence and experience in the relevant position.

If certain targets are met, senior executives shall be entitled to variable cash remuneration that may consist of an annual variable cash salary and a long-term variable cash salary (for details, see Criteria for variable cash remuneration).

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

For the Chief Executive Officer, pension benefits shall be defined contribution and shall not exceed 35 percent of the pensionable remuneration (fixed and variable cash remuneration). For other senior executives covered by the ITP plan, the pension premium shall be equal to that applicable under the ITP plan. For other senior executives, the pension premium shall not exceed 25 percent of pensionable remuneration (fixed and variable cash remuneration).

Other benefits may include health insurance and car benefits. Such benefits shall be of limited value in relation to other compensation and be consistent with what is customary in the respective geographical market. The total amount of other benefits may not exceed 10 percent of the fixed annual cash salary.

Additional cash remuneration may be paid as a one-off arrangement in extraordinary circumstances in order to recruit or retain staff. Such remuneration may not exceed an amount equivalent to one year's fixed cash remuneration. Decisions on such remuneration shall be taken by the Board of Directors on a proposal from the Remuneration Committee.

For employments governed by rules other than Swedish rules, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

In cases where a Board member (including through a wholly owned company) performs

services for Profoto in addition to Board work, a special cash fee may be paid for these services (consultancy fee). The fee shall be market-based and relative to the benefit to Profoto. Remuneration of Board members, as well as other terms, are decided by the Board of Directors.

Duration and termination of employment

In the event of termination by the company, the period of notice for the Chief Executive Officer may not exceed 24 months, and in the event of termination by the Chief Executive Officer, the period of notice may not be less than six months. For other senior executives, the notice period may not exceed 12 months in the case of termination by the company and at least three months in the case of termination by the executive. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for two years for the Chief Executive Officer and one year for other senior executives.

Senior executives may be remunerated for anti-competitive commitments after the termination of their employment, but only to the extent that severance pay is not paid for the corresponding period of time. Such remuneration shall aim to compensate the executive for the difference between the monthly fixed cash salary at the time of termination and the (lower) monthly income received, or that could be received, through a new employment contract, assignment or self-employment. The compensation may be paid for the duration of the anticompetitive undertaking, but for a maximum period of six months after the termination of employment.

Criteria for variable cash remuneration

Annual variable cash remuneration should be linked to predetermined and measurable criteria, which can be financial and linked to, e.g., sales growth and profit generation, or nonfinancial. They may also be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being linked to the business strat-

egy or promoting the executive's long-term development. The annual variable cash salary may not exceed 12 months' salary.

The fulfilment of the criteria for payment of variable annual cash salary shall be measured over a period of one calendar year. To which extent the criteria for awarding variable annual cash salary has been satisfied shall be determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation so far as it concerns variable annual cash salary to the CEO. For variable annual cash salary to other senior executives, the Chief Executive Officer is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

If and to the extent that the general meeting does not decide on the implementation of a long-term share or share price-related incentive program, the variable salary may also consist of a long-term variable cash salary implemented annually. To participate in the long-term variable remuneration scheme, a personal investment by the participant is required. Long-term variable remuneration shall be measured over a period of at least three calendar years and be subject to the achievement of defined and measurable targets during the measurement period. The long-term variable salary shall be maximized with respect to each measurement period up to a maximum of 220 percent of the fixed salary.

Salary and employment conditions for employees

In the preparation of the Board of Director's proposal for these remuneration guidelines, salary and employment conditions for company employees have been taken into account by including information on the employees' total income, the components of the remuneration and increases and growth rate over time, in the Remuneration Committee's and the Board's basis of decision when evaluating whether the guidelines and the resulting limitations are reasonable.

The decision-making process to determine, review and implement the guidelines

The Board has established a Remuneration Committee. The Committee's tasks include preparing the Board's decision to propose guidelines for senior executive remuneration. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration to the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. In 2024, the members of the Remuneration Committee were considered independent of the company and its executive management. The CEO, Board members and other executives may not be present when the Board of Directors and the Remuneration Committee process and decide on remuneration-related issues, insofar as these individuals are affected by the issues.

Deviation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of

Directors' resolutions in remuneration-related matters, which includes any resolutions to derogate from the guidelines.

Parent company

Profoto Holding AB (publ.) is the holding company in the Group, and its business is to own shares in the other companies in the Group, and to provide Group-wide services. The company has sales of SEK 21.6m (18.2) and profit before tax is SEK 58.6m (137.4). Current assets totaled SEK 35.6m (1.1) and total current liabilities were SEK 157.1m (20.8). Other noncurrent liabilities at the end of 2024 totaled SEK 0m (8.3). The long-term portion of the vendor note from the acquisition of Profoto B.V. (formerly StyleShoots) has decreased as a result of the full settlement of the remaining debt. The holding company has one employee: the CEO. For risks and risk management, see pages 38–41.

Dividend

The Board of Directors proposes a dividend of SEK 2.0, which amounts to a total of SEK 80m and corresponds to 63.5 percent of net profit. The proposal is based on Profoto's strong financial position and estimated future cash flows.

Expected future developments

The macroeconomic conditions remain uncertain, which has a direct impacts on demand in fiscal year 2025. The existing product portfolio and continuous investment in new products are expected to secure future growth.

Proposed appropriation of profits (SEK)

The following profit is available to the Annual General Meeting

Retained earnings	37,424,321
Share premium reserve	4,074,658
Profit/loss for the year	59,084,326
	100,583,305

The Board of Directors proposes that:

SEK 2.0 per share be distributed to the shareholders	80,000,000
to be carried forward	20,583,305
	100,583,305

Regarding the earnings and position of the Parent Company and the Group in general, please refer to the following income statements, balance sheets and additional disclosures below. All amounts are stated in millions of Swedish kronor unless otherwise stated.

Directors' Report

Risks

The Profoto Group is an international group exposed to operational risks, industry and market-related risks, legal and tax risks, as well as financial risks. Below is a description of the risks identified within each category, the risk value and a description of how the risk is managed within the organization.

The objective of risk management is not to eliminate risk completely, but rather to prioritize internal risk management to ensure that the focus is on the most significant risks, with the aim of helping to limit the negative financial impact that may be associated with the risk.

The level of risk is assessed annually for a three-year period, based on the likelihood of the risk occurring and the financial impact of the risk according to a predetermined materiality level.

The risk score is defined as low, medium, high or very high, where a risk score at the low level indicates that the probability of the risk occurring is low or would have a low, nonmaterial financial impact. In contrast, a risk score of very high indicates that the risk is certain or highly likely to occur during the time horizon and the financial impact will be material.

Risk management is based on the internal control framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and consists of five basic components: control environment, risk assessment, control activities, information and communication, and monitoring.






Risk management is a normal part of the business and helps to create added value. Risk manage-







ment is reported to the Board of Directors, which bears ultimate responsibility. The Board is responsible at an overarching level for ensuring compliance with policies and guidelines related to internal control. The annual risk assessment is carried out by the management team. In the risk assessment, the management team identifies the risks based on the Group's overall objectives and strategies. As part of the risk assessment, measures and controls related to risk management are identified, along with who is responsible for managing the risk and how it is monitored.







For a more detailed description of Profoto's financial risks (see Note 5). Profoto is also exposed to certain sustainability and climate risks. The Group's scalable business model depends on good relationships with and control of its key





suppliers. Profoto needs to continuously improve and ensure an environmentally friendly business chain. There is a risk of ethical shortcomings regarding human rights, health and safety issues and social responsibility among suppliers, which could damage Profoto's business and reputation. For a description of Profoto's sustainability risks, see the Sustainability Report on pages 23–32.



Risk category	Risk	Description of risk	Risk value	Management of risk
Financial	Currency risk, translation exposure and transaction exposure	Profoto's operations are exposed to foreign exchange risk, i.e., the risk of fluctuations in the fair value of future cash flows. Currency risk arises mainly as a result of foreign currency cash flows and foreign currency borrowings.		Profoto mainly has flows denominated in SEK, EUR, USD, CNY, JPY and GBP and borrowings in USD, JPY and CNY. Risk related to translation exposure is not hedged in accordance with the financial policy. The aim is to have net cash flows in currencies that offset each other, with the remainder exchanged into the Group currency SEK to minimize any loss due to currency fluctuations.
	Liquidity and financing risk	Profoto is exposed to the risk that the necessary financing may not be available to Profoto, resulting in significantly increased costs. If Profoto faces this risk in the future, Profoto may be forced to raise capital through alternative resources, or be forced to reduce other important costs, such as costs related to product development, or personnel expenses.		The Parent Company has an available undrawn credit facility of SEK 100m. In addition, the local companies have available credit facilities which can be used to cover temporary liquidity problems. In accordance with the financial policy, Profoto shall maintain a liquidity reserve of at least SEK 30m, which shall consist mainly of an unused overdraft facility. The size of the liquidity reserve is set taking into account relevant risks related to the ability of customers to pay, other financing and expected profit and liquidity growth.
	Interest rate risk	Interest rate risk refers to the risk of fluctuation in variable interest rates associated with borrowings in the Group.		Profoto has low debt and strong cash flow, which limits the risk.
	Credit and counterparty risk	Credit risk refers to the risk that the counterparty in a transaction will cause a loss to the Group by failing to fulfil its contractual obligations, with reference to accounts receivable and cash and cash equivalents.		To mitigate the risk, quarterly credit assessments of customers are performed. In addition, Profoto strives to use banks with good credit ratings.
	Capitalized development expenditure	Changes in the value of capitalized development expenditure could have a negative impact on Profoto's earnings and financial position if impairment testing shows that it is necessary to take an impairment charge on capitalized development expenditure.		Profoto performs quarterly impairment tests based on 12-month forecasts to identify whether any impairment exists. This allows the Group to act at the earliest possible stage to prevent the risk of, and avoid, an impairment loss.

Risk category	Risk	Description of risk	Risk value	Management of risk
Industry and market-related risk	Declining market for still photography	Profoto sells premium lighting systems for professional still photography. There is a risk that the market for traditional still photography is declining at the expense of video recording, which may result in the obsolescence of the Group's products, with a shrinking market resulting in a loss of revenue.		Profoto's products are already adapted to be used for video production. It is also the company's view that although video is growing in importance, the trend is that high-quality still images will continue to be needed as a complement. Should video increase in importance to our existing customers in a way that current products do not fully address, Profoto is prepared with plans for organic growth in the video segment.
	Artificial intelligence	There is a risk that artificial intelligence will replace professional still photography and film, and thus erode demand for the premium lighting systems sold by Profoto.		Profoto closely monitors developments in artificial intelligence. Profoto is focusing on building expertise in the field to ensure the future relevance of our product offering.
	Competition	Profoto's future competitive opportunities depend on future product development, the successful launch of new products on the market and the preservation of intellectual property rights. Competition from companies in low-wage countries may force Profoto to reduce prices, which would result in a lower level of profitability. Large competitors in the international market may have more financial and operational resources than Profoto, which may lead them to present more advantageous products and services to customers.		To mitigate this risk, Profoto has an action plan linked to investments in research and development, a growth strategy on how to continuously strengthen the brand, and a structure for market analyses of existing and new customers and competitors. To ensure that product plans contain a sufficient degree of innovation – technologically, market-wise and sales-wise – the company also has a clearer focus on prioritizing product plans and a first-class customer experience. The work on product and service plans includes defined criteria that strengthen customer loyalty. In addition, measures are identified to ensure that the service offering is perceived as high, which in turn contributes to increased customer satisfaction and a higher resale value for Profoto's products.
	Political environment	The company's international operations expose it to certain risks, such as the risk that Profoto's sales will be adversely affected by changes in political situations, the emergence conflicts/wars and trade barriers, and changes in customs and trade regulations. If these risks were to materialize, it could have a material adverse effect on Profoto's earnings and financial position.		Profoto's current exposure to risks resulting from the political environment, trade barriers/wars and customs barriers is considered limited. Profoto constantly monitors current situations and tries to find alternative solutions if problems arise. In addition to this all customers, existing and new, are reviewed against updated sanction lists.
	Business cycle	The company's business is affected by the current state of the global market and, in the event of a recession due to rising inflation and interest rates, this could have a material adverse effect on Profoto's financial position and results.		Profoto has a low debt ratio with strong underlying cash flows and closely monitors developments in the global market. Profoto's assessment is therefore that it is well equipped to face a possible future recession.
Legal and tax	Risk related to control and interpretation of laws and regulations	There is a risk that Profoto does not comply with EU laws and regulations, for example due to inadequate internal controls or misinterpretation of regulations, which may result in penalties or fines. There is also a risk that the necessary certifications for new products cannot be obtained without unreasonable cost or delay, which could result in adverse financial consequences for Profoto. Disruptions or errors in the company's IT systems may affect the handling of personal data. There is a risk that the measures Profoto has taken to comply with the GDPR and any other privacy policies worldwide may prove to be inadequate, leading to unauthorized disclosure or improper processing of personal data, which may result in fines, claims, and/or adversely affect customer perception.		Profoto cooperates with various legal specialists. In addition, annual scoping of internal controls is carried out, minimizing the risk of control deficiencies, as is an annual internal audit of GDPR compliance.

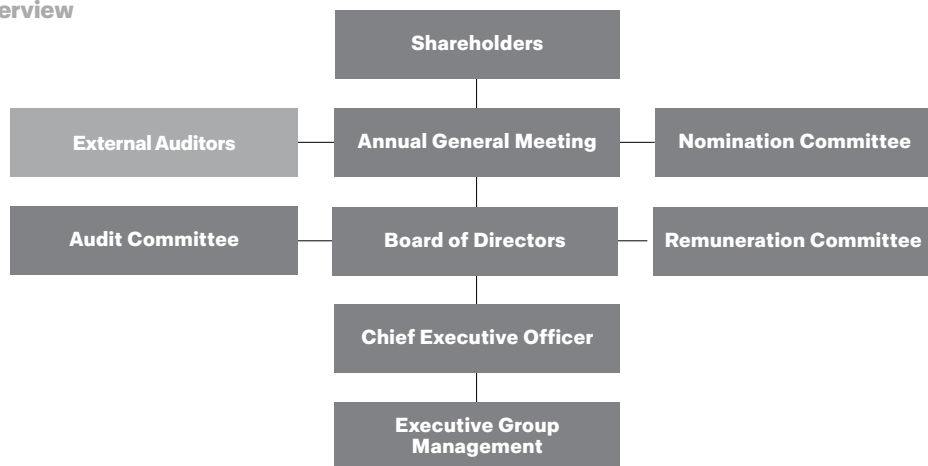
Risk category	Risk	Description of risk	Risk value	Management of risk
Legal and tax cont.	Patents and trademarks	There is a risk that Profoto's protection of registered intellectual property rights, such as patents and trademarks, will prove insufficient or that current applications will not be granted. If Profoto fails to protect and enforce its intellectual property rights, or if it is accused of infringing upon the intellectual property rights of third parties, it could result in extensive litigation, disputes, claims and other legal proceedings, along with legal and financial liability that would result in financial losses, which could also adversely affect the company's brand and reputation.		Profoto has secured in-house intellectual property expertise and also uses legal advisors to minimize risk.
	Tax, VAT and customs issues	This risk includes the risk of incorrect interpretation of tax rules and/or incorrect handling of customs which may result in incorrectly reported tax or customs declarations.		Profoto has various internal controls in place to minimize the occurrence of risks in these areas. In addition, annual training sessions are held to ensure staff competence in the field, as well as collaboration with external consultants with key expertise.
Operational	Component shortage	Profoto is dependent on the supply of components for its products in order to be able to deliver to customers. Risks include loss of key suppliers, delayed or nondelivery of products due to supply chain problems and/or component shortages, or failure to meet customer quality requirements.		Profoto is constantly working to ensure closer coordination with suppliers. For new products, a strategy has been applied that advocates the selection of components with high availability.
	Poor quality	There is a risk that Profoto's products will be defective or otherwise fail to meet relevant product requirements, which could have a material adverse effect on Profoto's brand, reputation and relationships, which could materially result in an inability to maintain the premium price market position, which in turn will result in reduced profitability and revenue. Safety defects are a high risk and the company has a producer responsibility; any faulty products could cause physical damage and would expose the company to criticism and negative media statements, as well as legal action.		Profoto is working to consolidate the global and comprehensive quality situation across the company and is working to improve and ensure action on quality issues reported from the market.
	Skills shortage	There is a risk of not being able to grow and find new business if experience and skills are not available in the company.		Profoto has development plans for employees with the aim of securing employee competence, development and motivation. Profoto has developed plans to attract and retain employees with critical skills.
	Loss of key personnel	Profoto's ability to achieve its business objectives depends on its ability to recruit, retain and train qualified employees with specific skills and experience, especially in management positions and in research and development. There is a risk that one or more key people will leave Profoto. If Profoto is unable to attract key employees, consequences may include an adverse effect on the company's product development activities and growth, failure to drive innovation, reduced efficiency, a significant negative impact on the competitive position, missed business opportunities that may result in reduced revenue and failure to maintain the premium market position.		Profoto has development plans for employees with the aim of securing employee competence, development and motivation. Profoto conducts annual employee surveys for all employees and based on the survey results, relevant change plans are formulated both in Profoto as a whole and at departmental level. Profoto has developed plans to attract and retain employees with critical skills, especially technical skills in Research and Development. Use external recruitment partners when recruiting for business-critical roles.

Risk category	Risk	Description of risk	Risk value	Management of risk
Operational cont.	Lack of innovation	Profoto faces the risk of losing its category leadership position due to its inability to produce a constant flow of innovations with real customer value to increase sales through new and existing customers in still photography. This risk may be the result of long development periods, insufficient resources for research and development activities, or product portfolios that do not meet customer requirements due to Profoto's failure to predict and analyze market trends.		Profoto is continuously working to identify new business opportunities and to bring these to market faster through more efficient work in the development teams. Profoto does not rely on a single idea, but conducts several different feasibility studies and tests of early business concepts in parallel, often in close dialogue with customers, to avoid overdependence on a single venture.
	Failed growth strategy	In the future, Profoto may seek further growth through acquisitions of other businesses, which entails the risk of additional costs or losses in investments, the risk that legal or financial risks are not identified in the acquired company prior to the acquisition, and challenges in integrating businesses into existing operations, which could lead to an inability to realize expected synergies and growth plans and thereby adversely affect earnings and financial position. Profoto may have to contribute additional capital to the acquired companies, become involved in costly legal proceedings, or be unable to realize expected synergies, which may adversely affect Profoto's operating results or financial position.		The extent of the risk is highly dependent on the size of the acquired company. Profoto has an integration plan in place to ensure successful integration, expert support for the acquisition process, and extensive due diligence to minimize the possibility of legal and financial risks arising. It also learns from and documents previous acquisitions.
	IT systems and cybersecurity	It is essential that Profoto and its IT suppliers are able to maintain and update existing IT systems, firewalls and anti-virus software, to reduce the risk of loss of important product data or other critical sensitive data due to malicious software or viruses. This risk can result in unauthorized access, increased costs, breaches of regulatory requirements, dissatisfied customers, unavailability of the system and adversely affect the business and Profoto's financial position.		Profoto has standardized its IT processes, performs an annual risk scoping of actual risks, and the technical solutions are constantly updated to ensure effective IT protection.
	Sales channels	Dealers are the main sales and rental channel for Profoto's products. In addition, online sales are made directly to end customers. Profoto may be adversely affected if dealers are involved in financial, legal, or operational problems, or have other limitations in their operations. The dealer network is diverse both in terms of geography and size. There is a risk that the measures Profoto implements in relation to its dealers are not appropriate for all of them, which may result in a material adverse effect on Profoto's sales, financial position and growth.		Profoto strives not to be dependent on a single dealer. With existing dealers, the risk is managed by maintaining good relationships and, where possible, ensuring that there are several resellers in the same country to reduce dependency. In addition, Profoto has launched its own website through which it sells directly to end customers. Existing dealers are constantly evaluated. Develop sales strategy for dealers and direct sales.

Corporate Governance Report

Corporate governance

Overview



Corporate governance

Profoto Holding AB (publ.) is a Swedish public limited company listed on the Nasdaq OMX Stockholm Mid Cap list. Profoto complies with the Swedish Companies Act, the Annual Accounts Act, Nasdaq Stockholm's Nordic Main Market Rulebook for Issuers of Shares and the Swedish Corporate Governance Code ("the Code"). The Code applies to all Swedish companies with shares listed on a regulated market in Sweden, and must be applied in full. The Code itself allows for deviation from the rules, provided that any such deviations and the chosen alternative solution are described and the reasons for doing so are explained in the corporate governance report (according to the "comply or explain principle").

Profoto has applied the Code from July 1, 2021, when the shares were listed on Nasdaq Stockholm. Profoto deviates from the Code on two points, which are described in the section on the Nomination Committee for the 2025 AGM.

In addition to these external regulations, Profoto also follows internal rules and guidelines, including the Articles of Association, the Rules of Procedure

for the Board of Directors and the CEO, instructions for the Remuneration and Audit Committees, as well as internal Board policies, other policies and standard operating procedures. Profoto's complete Articles of Association can be found on its website: <https://investors.profoto.com/en/articles-of-association/>.

The Board of Directors approves the Board policies on an annual basis. These policies regulate operations on an overarching level. Other policies provide the basis to guide decisions and achieve reasonable results, including information on what should be done and by whom. Standard operating procedures (SOPs) are process descriptions that explain work practices at a more detailed level. Management is responsible for other policies and standard operating procedures.

In addition to the above internal guidelines and regulations, Profoto also has a whistleblowing process that aims to mitigate risks and ensure that confidence in the business can be maintained. The whistleblowing process makes it possible to act in response to possible misconduct within the organization at the earliest possible stage.

Annual General Meeting

Under the provisions of the Swedish Companies Act (2005:551), the Annual General Meeting of shareholders is the company's highest decision-making body. At the Annual General Meeting, shareholders exercise their right to vote on major decisions, for example, adoption of the income statement and balance sheets, distribution of the company's profit, decision to discharge the members of the Board of Directors and the Chief Executive Officer from liability, election of Board members and Auditors, and decisions on remuneration to the members of the Board and the Auditors.

According to the Articles of Association, the Annual General Meeting is convened by advertising in the Swedish Official Gazette (*Post- och Inrikes Tidningar*) and by posting the notice on the company's website. At the same time, a notice must be published in the Dagens Industri newspaper stating that notification has been made.

The Annual General Meeting shall be held no later than six months after the end of the fiscal year. The 2025 Annual General Meeting of Profoto Holding AB (publ.) will be held on May 7, 2025, at the company's premises at Landsvägen 57 in Sundbyberg, Sweden.

Right to participate in the Annual General Meeting

Shareholders who wish to participate in the proceedings at the Annual General Meeting must be registered in the share register maintained by Euroclear Sweden six business days before the meeting, and must register for participation in the Annual General Meeting no later than the date specified in the notice of the meeting. Shareholders may attend Annual General Meetings by postal voting, digitally, in person or by proxy and may also be assisted by up to two persons. Usually, shareholders can register for the Annual General Meeting in several ways, which are specified in the notice of the meeting. Shareholders are entitled to vote for all shares held by the shareholder.

Shareholder initiatives

Shareholders who wish to have a matter addressed at the Annual General Meeting must submit such proposal to the Board of Directors (at the company's

address) no later than March 21, 2025 in order to be certain that the request will be considered.

2024 AGM

The 2024 Annual General Meeting was held on May 14, 2024, in Sundbyberg, Sweden. The following decisions were made at the AGM:

- Adoption of the Income Statement and Balance Sheet for 2023.
- Payment of a total of SEK 150m as a dividend and SEK 40m to be carried forward in accordance with the Board's proposal.
- Discharge the members of the Board of Directors and the Chief Executive Officer from liability in respect of their management of Profoto's affairs during the 2023 fiscal year.
- Fees to the members of the Board of Directors and Profoto's Auditor.
- Number of members of the Board of Directors.
- Election of Board members and Auditor for the period until the end of the next Annual General Meeting.
- Election of nomination committee.
- Guidelines for remuneration to senior executives.
- Authorize the Board of Directors to decide on a new issue of shares.

Nomination Committee

The tasks of the Nomination Committee include submitting proposals for fees to the Chairman and other members of the Board, submitting proposals for election of and fees to auditors and submitting proposals for election of the Chairman and other members of the Board.

The Annual General Meeting resolved on May 14, 2024, that the Nomination Committee will consist of Profoto's Chairman of the Board and representatives from the company's three largest shareholders based on Euroclear Sweden's printout of the share register as of September 30 each year. The Chairman of the Board of Profoto shall convene the Nomination Committee.

The member representing the largest shareholder shall be appointed as chairman of the Nomination Committee unless the Nomination

Committee unanimously appoints another member. In the event that one or more of the shareholders who appointed a member to the Nomination Committee is no longer among the three largest shareholders at the latest two months before the Annual General Meeting, the member appointed by such shareholder shall resign and the shareholder who has joined the three largest shareholders shall be entitled to appoint a representative.

If a member resigns from the nomination committee before completion of the mandate and if deemed appropriate by the Nomination Committee, the shareholder who has appointed the member shall appoint a new member. If such shareholder is no longer one of the three largest shareholders, a member shall be appointed by the shareholder who has become one of the three largest shareholders. Shareholders who have appointed a representative to the Nomination Committee shall have the right to discharge such representative and appoint a new representative. Changes to the composition of the nomination committee shall be announced immediately.

No remuneration shall be paid to the members of the Nomination Committee. Profoto shall reimburse such necessary expenses as the Nomination Committee may incur for its work. The mandate period for the Nomination Committee shall extend until a new nomination committee has been appointed.

Nomination Committee for the 2025 Annual General Meeting

Information about the representatives of the largest shareholders in terms of voting rights who have chosen to participate in the Nomination Committee was published by press release and on Profoto's website in October 2024.

Carl Christian Ottander, representing Conny Dufgran, Nedergransta, has been appointed Chairman of the Nomination Committee; the other representatives on the Committee are Anders Hedebark (Burken Invest AB), Carl-Mikael Lindholm (Herenco Holding AB) and the Chairman of the Board, Hans Eckerström.

The Board of Directors has carried out an evaluation of its work during the year, which was

discussed by the Board and shared with the Nomination Committee. The evaluation was based on a questionnaire, in which each member of the Board was asked to answer a number of questions.

Profoto deviates from the Code on point 2.3. in the section Nomination Committee. Point 2.3. recommends that the Chief Executive Officer of the company should not be a member of the Nomination Committee. The members of the Nomination Committee agreed that it is reasonable to deviate from the Code in this respect in view of Anders Hedebark's large shareholding in Profoto. Point 2.3. also recommends that a majority of the members of the Nomination Committee should be independent of the company and its management. The members of the Nomination Committee agreed to deviate from the Code in this respect given the involvement of the Chairman of the Board and the advantage of the Chairman of the Board being involved in the work of the Nomination Committee.

Composition of the Board of Directors

The Board of Directors is the highest decision-making body of the company after the Annual General Meeting. Board members are normally appointed by the Annual General Meeting for the period until the end of the next Annual General Meeting. According to Profoto's Articles of Association, the members of the Board of Directors elected by the Annual General Meeting shall be at least three and at most ten members.

According to the Code, the chairman of the Board of Directors is to be elected by the Annual General Meeting and have special responsibility for leading the work of the Board and for ensuring that the work of the Board is efficiently organized.

Profoto's Board of Directors currently consists of six ordinary members elected by the Annual General Members, who are presented in the "Board of Directors" section.

Responsibilities and tasks of the Board

According to the Swedish Companies Act, the Board of Directors is responsible for the organization of the company and the management of the company's affairs, which means that the Board is responsible for, among other things, setting targets

and strategies, securing routines and systems for evaluation of set targets, continuously assessing the financial condition and profits as well as evaluating the operating management. The Board is also responsible for ensuring that the annual and interim reports are prepared in a timely manner and for approving Board policies. In addition, the Board appoints the company's Chief Executive Officer and evaluates the performance of the CEO. At least once a year, the Board of Directors shall meet with the company's auditor without the presence of the CEO or senior management.

The Board follows written rules of procedure which are revised annually and adopted at the inaugural Board meeting each year. Among other things, the rules of procedure govern the practice of the Board of Directors, functions and the division of work between the members of the Board of Directors and the CEO. At the inaugural board meeting, the Board of Directors also adopts instructions for the CEO, including instructions for financial reporting.

The Board of Directors meets according to an annual predetermined schedule.

In accordance with the Board's rules of procedure, the ordinary meetings of the Board address:

- Financial reporting by the CEO in accordance with the financial reporting instructions
- Investment issues
- Remuneration issues and strategic plan
- Reports from the audit and remuneration committee

The main areas addressed by the Board during the year were preparations and strategic and operational issues, as well as investments in product development and acquisitions. The Board meets with the company's auditor annually, without the management present. In addition to the regular Board meetings, additional Board meetings may be convened to address matters that cannot be referred to a regular Board meeting. In addition to the Board meetings, the Chairman of the Board and the Chief Executive Officer continuously discuss the management of the company.

Audit Committee

Profoto has an Audit Committee consisting of Helene Willberg (Chair) and Pernilla Ekman. The Audit Committee shall, without it affecting the responsibilities and tasks of the Board of Directors, monitor the company's financial reporting, monitor the efficiency of the company's internal controls, internal auditing and risk management related to the financial reporting, keep informed of the auditing of the annual report and the consolidated accounts, review and monitor the impartiality and independence of the auditor and pay close attention to whether the auditor is providing other services besides audit services for the company, as well as assist in the preparation of proposals for the Annual General Meeting's decision on election of auditors.

Board members and meeting attendance

Name	Position	Board meetings	Audit Committee meetings	Remuneration Committee Meetings	Independence from companies/principal shareholders
Hans Eckerström	Chairman of the Board	13/14			Not/Yes
Magnus Brännström	Member of the Board	14/14		3/3	Yes/Yes
Pernilla Ekman	Member of the Board	13/14	7/7		Yes/Yes
Anders Hedebark	Member of the Board	14/14			No/No
Helena Holmgren	Member of the Board	13/14		2/3	Yes/Yes
Helene Willberg	Member of the Board	14/14	7/7		Yes/Yes
Total		14	7	3	

1) Hans Eckerström has received significant remuneration for consulting services during the year and is therefore not considered independent in relation to the company. For further information, see Note 11 – Number of employees, personnel expenses, and senior executives.

The Audit Committee follows adopted rules of procedure and an annual calendar. During the year, the Audit Committee held seven meetings. Significant areas covered by the Audit Committee during the year include the review of audit reports, audit plan, and the auditor's independent review of financial statements, review of the year-end plan, review of internal control and risk matrix for financial reporting, consideration of reporting of internal controls performed during the previous period.

Remuneration Committee

Profoto has a remuneration committee consisting of Helena Holmgren (chair) and Magnus Brännström. The Remuneration Committee prepares proposals for guidelines for remuneration of senior executives and compliance with them, including remuneration and other terms of employment for the CEO and senior executives.

The Remuneration Committee held two meetings during the year. The Remuneration Committee considers, among other things, CEO remuneration and executive bonuses, a compensation overview and proposed bonus targets.

Chief Executive Officer and other senior executives

The CEO reports to the Board of Directors and is responsible for the day-to-day management and operations of the company. The division of labor between the Board and the CEO is set out in the Rules of Procedure for the Board of Directors and the Instructions to the CEO. The CEO is also responsible for preparing reports and compiling management information for Board meetings and for presenting such documents at the Board meetings.

According to Profoto's financial reporting instructions, the CEO is responsible for financial reporting and, accordingly, is to ensure that the Board receives sufficient information for the Board to be able to continuously evaluate the company's financial position.

The CEO keeps the Board continuously informed of developments in Profoto's operations, sales trend, results and financial position, liquidity and credit status, important business events and

all other events, circumstances or conditions that can be assumed to be of significance to Profoto's shareholders.

The CEO and other senior executives are presented in the "Board of Directors" and "Management" sections.

Remuneration of members of the Board, the Chief Executive Officer and senior executives Remuneration to members of the Board of Directors

Fees and other remuneration to the members of the Board of Directors, including the chair, are resolved by the Annual General Meeting. At the Annual General Meeting on May 14, 2024, it was resolved that the remuneration to the Board of Directors, for the period until the end of the next Annual General Meeting, shall amount to SEK 1,800,000, of which the Chairman of the Board shall receive SEK 600,000 and the other members who are not employees of Profoto shall receive SEK 300,000 each.

The AGM further resolved that fees for work in the Board of Directors' committees shall be paid as follows: the Chairman of the Audit Committee shall receive SEK 180,000 and the other members shall receive SEK 90,000, and SEK 60,000 shall be paid to each of the members of the Remuneration Committee.

The table below shows the remuneration to the Board of Directors decided by the AGM in 2024 until the next AGM.

Name	Position	Board fee (SEK)
Hans Eckerström	Chairman of the Board	600,000
Magnus Brännström	Member of the Board	360,000 ¹⁾
Pernilla Ekman	Member of the Board	390,000 ²⁾
Anders Hedebark	Member of the Board (and CEO)	–
Helena Holmgren	Member of the Board	360,000 ¹⁾
Helene Willberg	Member of the Board	480,000 ³⁾
Total		2,190,000

1) Including SEK 60,000 for work in the Remuneration committee.

2) Including SEK 90,000 for work in the Audit Committee.

3) Including SEK 180,000 for work in the Audit Committee.

In 2024, the Board decided to enter into a consultancy agreement with Aligro Advisory AB, which is owned by the Chairman of the Board of Profoto.

According to the agreement, consulting services corresponding to an invoice value of SEK 1,000,000 have been performed and invoiced during 2024. The remuneration was paid in addition to the regular Board fees.

Guidelines for remuneration to senior executives

The Annual General Meeting of May 14, 2024, resolved to adopt guidelines for remuneration to the CEO and other members of executive management, which mainly entail that the remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the Annual General Meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration. The Board of Directors shall annually evaluate whether share-related or share price-related long-term incentive programs shall be proposed to the Annual General Meeting.

The fixed cash salary shall be individual and based on the responsibility and role of the senior executive, as well as the executive's competence and experience in the relevant position.

In the event that certain targets are met, senior executives shall be entitled to variable cash remuneration. Such variable cash remuneration shall not exceed twelve months' salary.

For the Chief Executive Officer, pension benefits shall be defined contribution and shall not exceed 35 percent of the pensionable remuneration (fixed and variable cash remuneration). For other senior executives covered by the ITP plan, the pension premium shall be equal to that applicable under the ITP plan. For other senior executives, the pension premium shall not exceed 25 percent of pensionable remuneration (fixed and variable cash remuneration).

Other benefits may include health insurance and car benefits. Such benefits shall be of limited value in relation to other compensation and be consistent with what is customary in the respective geograph-

ical market. The total amount of other benefits may not exceed 10 percent of the fixed annual cash salary.

Current employment contract for the Chief Executive Officer and other senior executives

The current remuneration levels and other terms of employment for the CEO and other senior executives have been decided by the Board.

The employment contract with the CEO provides for a mutual notice period of 12 months. For other senior executives, the notice period is three to six months. The agreements also contain customary competition clauses and provisions preventing the parties from engaging in competing activities.

Shares and shareholders

Profoto Holding AB (publ.) had 1,695 shareholders at the end of 2024. The largest owners at the end of 2024 were Anders and Helén Hedebark (through Burken Invest AB), with 38.1 percent of the capital and votes. The next three largest shareholders were Conny Dufgran with 15.3 percent, Herenco Holding AB 11.0 percent, and Lannebo Fonder with 6.4 percent. There is no limit to the number of votes each shareholder may cast at the AGM.

Auditing

The auditor is elected annually at the AGM. The auditor reviews the company's annual reports and accounting, as well as the management of the Board of Directors and the CEO. This is done on behalf of the shareholders. Following each fiscal year, the auditor shall submit an audit report and a consolidated audit report to the Annual General Meeting.

Pursuant to Profoto's Articles of Association, the company shall have not less than one and not more than two auditors. Profoto's Auditor is Öhrlings PricewaterhouseCoopers AB, with Aleksander Lyckow as auditor in charge.

In 2024, the total remuneration of the Group's auditors amounted to SEK 2.3m, of which advisory services accounted for SEK 0.3m (see Note 9 for further details).

Statement regarding internal audit

Profoto does not have a dedicated internal audit function. The Board has evaluated the efficiency of the internal control system and found it to be working well. Consequently, the Board has decided that there is currently no need for a separate internal audit function.

REPORT OF THE BOARD OF DIRECTORS ON INTERNAL CONTROL REGARDING FINANCIAL REPORTING

Pursuant to the Swedish Companies Act and the Swedish Corporate Governance Code, the Board of Directors is responsible for internal control. Internal control over financial reporting includes control of the organization, procedures and support measures of the company and the Group.

Objective

The objective of internal control over financial reporting is to ensure that reliable and accurate financial reporting is achieved, that the financial statements of the company and the Group are prepared in accordance with the law and applicable accounting standards, that the assets of the company and the Group are safeguarded, and that there is compliance with other requirements. The system for internal control over financial reporting is also designed to monitor compliance with company and Group policies, principles and instructions. Internal control over financial reporting also includes analysis of risks and monitoring of embedded information and business systems.

Profoto has adopted a Board policy on risk management and internal control in order to describe the overall control environment and risk management, applicable to all legal and operational entities within Profoto. The CFO is responsible for the content of, and compliance with, the policy.

Profoto's internal control process for financial reporting and risk management is based on the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) framework for internal control, focusing on the five components – control environment, risk assessment, control

activities, information and communication, and monitoring. These are described in more detail below.

Control environment

The control environment gives direction to how internal control is implemented and influences employees' awareness and understanding of internal control. Profoto has created internal processes, guidelines and policies that are key elements of the process. Profoto's control environment is based on clear guidelines communicated to all subsidiaries in the Group to ensure compliance with adopted rules and principles throughout the organization.

The Board is ultimately responsible for internal control over financial reporting and an important part of the Board's work is to ensure an effective control environment. The Rules of Procedure of the Board, and the instructions to its committees and the Chief Executive Director, aim to define a division of responsibilities to ensure effective risk management within the organization. The Board also reviews and approves on an annual basis certain governance documents that are important to the organization's internal control environment, including Profoto's financial policy and insider policy. In addition, Profoto has other internal policies and processes that affect the organization's control environment, such as authorization instructions, business objectives, strategy, business plan and forecasts.

Risk assessment

Risk assessment entails actively identifying and assessing the magnitude of both internal and external risks in financial reporting. This risk assessment provides a basis for managing the identified risks. Profoto conducts an annual risk assessment with the aim of identifying, assessing and managing financial reporting risks that threaten the Group's vision and objectives.

The risk assessment is performed by Management and is then together with the risk management reviewed annually by the Board. The risk assessment focuses on significant areas of the balance sheet and income statement that have a material impact on financial reporting. Significant

accounts are identified on the basis of significant amounts, frequency and/or complexity of transactions, a high degree of subjective judgement, or risk of fraud. The identified areas are mapped against business-critical risks that have a significant impact on financial reporting.

Risks related to financial reporting shall be comprehensive and documented in a consistent format and assessed based on specific impact and likelihood criteria. Impact and likelihood criteria are measured using a risk score. Profoto uses this risk score as the basis for allocating resources to the most relevant and prioritized risks. Risk management strategies include accepting, monitoring and mitigating identified risks. All risks that exceed a certain specified risk score are referred to as key risks and must be mitigated. The key risks identified for 2024 are in the areas of order-to-cash, purchase-to-pay, product life cycle management, accounting and intellectual property rights (IPR), legal and taxes, and ESG.

Control activities

Based on the risk assessment, objectives and activities are designed to reduce and prevent the risks from occurring. These activities are called control activities.

Profoto has established specific control activities to reduce the identified risks that have been assigned the highest risk score, as well as key controls to reduce inherent risks in critical processes. Key controls include controls that are considered important for reducing key risks. These controls can be divided into automatic, IFS and other controls. IFS is the company's business system. Automatic controls are preventive controls in the form of a technical solution that sets limits when a process is carried out, while IFS controls are manual controls that are followed up after the event and documented directly in the ERP system by selected, independent users. Any identified process errors and deficiencies are communicated and addressed in conjunction with the IFS control. Other controls are controls that have a technical limitation in a system other than the ERP system, but can also be preventive measures carried out by an external party. Risk assessment and control activities related to financial reporting are updated

annually and approved by management; significant changes to the risk and control matrix are reported back to the Audit Committee and the Board. This is further described in the "Follow-up and monitoring" section.

Information and communication

Information and communication entails identifying and communicating relevant information in compliance with the requirements of a listed company. Profoto's Board of Directors has adopted a communication policy, information security policy and insider policy, which address Profoto's handling and communication of inside information, information security and other information. The insider trading policy is intended to reduce the risks of insider trading and other illegal behavior and to facilitate Profoto's compliance with applicable rules regarding the handling of inside information.

The information security policy is designed to protect Profoto, employees, customers and partners from harm resulting from inadequate information management and dissemination. The communication policy describes Profoto's overall focus on communication issues. Information that Profoto provides to the market shall be accurate, relevant and reliable and shall be provided in accordance with Nasdaq Stockholm's Nordic Main Market Rulebook for Issuers of Shares.

Follow-up and monitoring

Profoto has established procedures for testing controls. The checks are carried out in the form of manual checks and automatic system checks directly in the ERP system. Control measures for operational and financial monitoring are carried out on a monthly and quarterly basis by selected independent individuals within the organization. Any identified internal control weaknesses are reported upwards in the organization. Ongoing monitoring includes meetings and written documentation. Testing of efficiency in the internal control regarding financial reporting is evaluated and updated annually. Based on the assessment, the CFO annually submits reports to the Audit Committee and the Board, enabling the Board to conduct its annual review of risks and risk management.

Board of Directors

PHOTO RICKARD L. ERIKSSON

Shareholding as of December 31, 2024



Hans Eckerström
Chairman of the Board

Elected: 2018

Education: MSc Mechanical Engineering, Chalmers University of Engineering, and MBA, University of Gothenburg.

Born: 1972

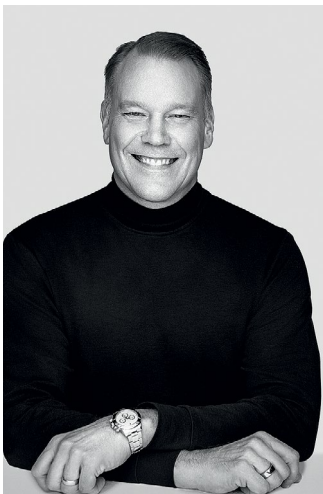
Other assignments: Member of the Board Swedbank. Chairman of the Board, Thule Group.

Previous assignments, selection: Chief Investment Officer i APAC. Chairman of the Board, Nobia. Member of the Board of Nordstjernen and Cloetta. Partner and employee of Nordic Capital.

Independent of company: No

Independent of the main owner: Yes

Shares in Profoto Holding: 1,230,508 shares, 1,000,000 call options



Magnus Brännström
Member of the Board

Member of the Remuneration Committee

Elected: 2018

Education: MSC, Uppsala University.

Born: 1966

Other assignments: Chairman of the Board, Molimb and East Office. Board member of the Swedish-Estonian Investment Fund, Hand in Hand and Swedish Ukrainian Business Action.

Previous assignments, selection: Chairman of the World Federation of Direct Selling Associations and CEO at Oriflame Holding AB.

Independent of company: Yes

Independent of the main owner: Yes

Shares in Profoto Holding: 250,494 shares, 125,000 call options



Pernilla Ekman
Member of the Board

Member of the Audit Committee

Elected: 2021

Education: MBA, Stockholm University and Executive Management Program, Stockholm School of Economics.

Born: 1972

Other assignments: CEO, Aarke. Member of the Board of Fractal Gaming Group.

Previous assignments, selection: Chairman of the Board at Stronger, Aarke and CEO at Zound Industries.

Independent of company: Yes

Independent of the main owner: Yes

Shares in Profoto Holding: 0 shares, 125,000 call options



Anders Hedebark
Member of the Board

Elected: 2010

Education: MS Electrical Engineering, Royal Institute of Technology (KTH) and MBA, INSEAD.

Born: 1964

Other assignments: President and CEO of Profoto.

Independent of company: No

Independent of the main owner: No

Shares in Profoto Holding: 15,252,321 shares



Helena Holmgren
Member of the Board

Chairman of the Remuneration Committee

Elected: 2021

Education: MS in Business Administration, Lund University, and MBA, University of Ottawa.

Born: 1976

Other assignments: Member of the Board, Hexatronic Group and ProGlove.

Previous assignments, selection: CEO and CFO of Pricer, CFO of Edgware.

Independent of company: Yes

Independent of the main owner: Yes

Shares in Profoto Holding: 3,000 shares, 250,000 call options



Helene Willberg
Member of the Board

Chair of the Audit Committee

Elected: 2018

Education: MSc in Accounting and Finance, Stockholm School of Economics.

Born: 1967

Other assignments: Chairman of the Board Accru Partners Group AB. Member of the Board of Thule Group, Vetopia ApS, Infrea AB, Indecap Holding, Enzymatica AB, AX VII INV2 Holding AB.

Previous assignments, selection: Member of the Board and CEO of Alvarez & Marsal Sweden and KPMG. Member of the Board Nordic Paper Holding AB, Group Nordic HoldCo AB, and Byggfakta.

Independent of company: Yes

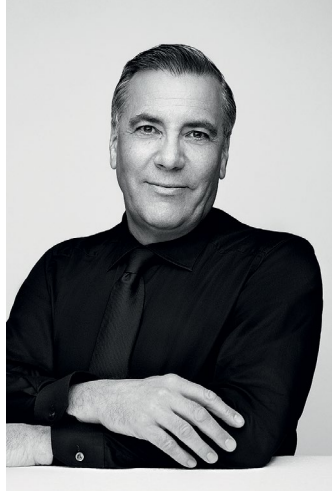
Independent of the main owner: Yes

Shares in Profoto Holding: 250,494 shares, 300,000 call options

Management

PHOTO RICKARD L. ERIKSSON

Shareholding as of December 31, 2024



Anders Hedebark
President and CEO

Employed at Profoto: 1997

Education: MS in Electrical Engineering, Royal Institute of Technology (KTH), and MBA, INSEAD.

Born: 1964

Shares in Profoto Holding:
15,252,321 shares



Linus Marmstedt
Acting CFO

Employed at Profoto: 2024

Education: MSc finance, Stockholm University and MBA, Stockholm School of Economics.

Born: 1972

Shares in Profoto Holding:
0 shares



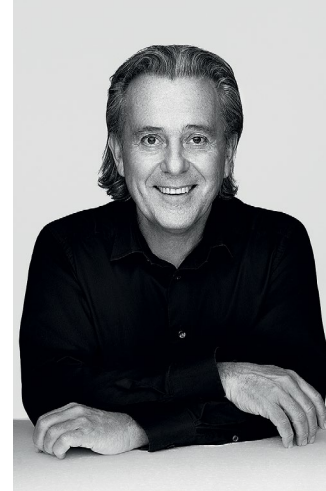
Amanda Åström
Head of Investor Relations

Employed at Profoto: 2018

Education: MSc Engineering (Industrial Economics), Royal Institute of Technology (KTH) and MBA, Quantic School of Business and Technology.

Born: 1994

Shares in Profoto Holding:
1,349 shares, 10,000 TO 2024/2027 series warrants



Patrik Bluhme
VP Global Sales

Employed at Profoto: 2014

Education: MSc Mechanical Engineering, Royal Institute of Technology (KTH).

Born: 1962

Shares in Profoto Holding:
66,045 shares, 30,000 TO 2023/2026 series warrants, 20,000 TO 2024/2027 series warrants



Martina Nillenstedt
VP Marketing & Customer Success E-Com Studios

Employed at Profoto: 2017

Education: MBA, Stockholm School of Economics, and MS Business and Economics, Jönköping University.

Born: 1973

Shares in Profoto Holding:
18,600 shares, 30,000 TO 2023/2026 series warrants, 10,000 TO 2024/2027 series warrants

Shareholding as of December 31, 2024

PHOTO RICKARD L. ERIKSSON



Tobias Lindbäck
VP Strategy & Alliances

Employed at Profoto: 2015

Education: MSc in Mechanics, Linköping University of Technology.

Born: 1968

Shares in Profoto Holding:

56,329 shares, 30,000 TO 2023/2026 series warrants, 15,000 TO 2024/2027 series warrants



Sara Strid
VP Customer growth

Employed at Profoto: 2011

Education: BFA in Photography, Parsons School of Design, and MBA, Rutgers University.

Born: 1975

Shares in Profoto Holding:

21,605 shares, 30,000 TO 2023/2026 series warrants, 20,000 TO 2024/2027 series warrants



Gilles Rossi
VP Operations & Quality

Employed at Profoto: 2017

Education: MSc Mechanical Engineering, ENSAIS.

Born: 1976

Shares in Profoto Holding:

65,595 shares, 30,000 TO 2023/2026 series warrants, 25,000 TO 2024/2027 series warrants



Ulrika Björk
VP Product R&D

Employed at Profoto: 2016

Education: MSc in Mechanical Engineering, Linköping University of Technology.

Born: 1979

Shares in Profoto Holding:

24,220 shares, 30,000 TO 2023/2026 series warrants, 20,000 TO 2024/2027 series warrants

Financial Reports Group

Consolidated Statement of Income

SEKm	Note	Jan. 1, 2024 Dec 31, 2024	Jan. 1, 2023 Dec 31, 2023
Net sales	6, 7	731	787
Other income ¹	8	21	–
Total revenue		751	787
Capitalized work for own account	18	113	70
Goods	20	-237	-226
Other external expenses	9, 10, 25	-229	-185
Personnel expenses	11	-172	-159
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	18, 19	-58	-77
Other operating expenses ¹	12	–	-5
Operating profit/loss		167	204
Finance income and costs			
Finance income	13	2	3
Finance costs	14	-12	-10
Profit/loss before tax		158	197
Tax	16	-32	-42
Profit/loss for the year		126	155
<i>Attributable to:</i>			
Parent Company shareholders		126	155
Earnings per share basic and diluted ²		3.15	3.88

Consolidated statement of comprehensive income

SEKm	Note	Jan. 1, 2024 Dec 31, 2024	Jan. 1, 2023 Dec 31, 2023
Profit/loss for the year		126	155
Other comprehensive income items that may be reclassified to the consolidated statement of profit and loss:			
Translation differences for the year		-2	6
Comprehensive income for the year		124	161
<i>Attributable to:</i>			
Parent Company shareholders		124	161

1) Starting from Q4 2024, the company reports foreign exchange effects on a net basis. The comparative figures for the previous year have been adjusted to ensure consistent reporting.

2) Calculated based on 40,000,000 ordinary shares, basic and diluted.

Consolidated statement of financial position

SEKm	Note	Dec 31, 2024	Dec 31, 2023
ASSETS			
Non-current assets			
Intangible assets	18		
Capitalized development expenditure		214	137
Goodwill		132	128
Technology, customer assets and brand		60	74
Other intangible assets		25	5
Total intangible assets		430	343
Property, plant and equipment	19		
Leased assets	10	39	40
Equipment, tools and installations		35	31
Leasehold improvements		1	0
Total property, plant and equipment		76	71
Financial assets		4	2
Deferred tax assets	16	24	24
Total non-current assets		534	441
Current assets			
Inventories	20	168	164
Current receivables			
Accounts receivable	5, 21	102	78
Current tax assets		31	7
Other current assets		6	8
Prepayments and accrued income	22	8	7
Total current receivables		148	100
Cash and cash equivalents	23	21	95
Total current assets		338	358
TOTAL ASSETS		872	799

cont. Condensed consolidated statement of financial position

SEKm	Note	Dec 31, 2024	Dec 31, 2023
Equity			
Share capital	24	1	1
Reserves		3	6
Other contributed capital		4	3
Retained earnings including profit/loss for the year/period		363	386
Total equity*		370	396
Non-current liabilities			
Liabilities to credit institutions	5, 27	0	1
Other non-current liabilities		0	8
Lease liabilities	10	29	31
Provisions	26	7	8
Deferred tax liabilities	16	117	104
Total non-current liabilities		153	152
Current liabilities			
Liabilities to credit institutions	5, 27	217	79
Lease liabilities	10	11	10
Provisions	26	8	12
Accounts payable		56	59
Current tax liabilities		0	6
Other current liabilities		2	25
Accrued expenses and deferred income	28	53	59
Total current liabilities		347	250
TOTAL EQUITY AND LIABILITIES		872	799

*) Attributable to Parent Company shareholders

Consolidated statement of changes in equity

SEKm	Share capital	Other contributed capital	Translation reserve	Retained earnings including profit/loss for the year	Total equity*
Opening balance January 1, 2023	1	-	0	390	391
Profit/loss for the year	-	-	-	155	155
Total other comprehensive income	-	-	6	-	6
Total comprehensive income	-	-	6	155	161
Option premiums	-	3	-	-	3
Dividends to shareholders	-	-	-	-160	-160
Closing balance December 31, 2023	1	3	6	386	396
Opening balance January 1, 2024	1	3	6	386	396
Profit/loss for the year	-	-	-	126	126
Total other comprehensive income	-	-	-3	1	-2
Total comprehensive income	-	-	-3	127	124
Option premiums	-	1	-	-	1
Dividends to shareholders	-	-	-	-150	-150
Closing balance December 31, 2024	1	4	3	363	370

Financial Reports

Parent Company

Consolidated statement of cash flows

SEKm	Note	Jan. 1, 2024 Dec 31, 2024	Jan. 1, 2023 Dec 31, 2023
Cash flow from operating activities			
Operating profit/loss		167	204
<i>Adjustments for non-cash items:</i>	29		
Depreciation, amortization and impairment		58	77
Adjustments for other non-cash items		12	-3
Interest received		0	2
Interest paid		-12	-7
Income tax paid		-50	-54
Cash flow from operating activities before changes in working capital		177	218
Changes in working capital			
Decrease (+) / increase (-) in inventories		-34	-31
Decrease (+) / increase (-) in accounts receivable		-42	19
Decrease (+) / increase (-) in other receivables		-19	-2
Decrease (-) / increase (+) in accounts payable		22	8
Decrease (-) / increase (+) in other current liabilities		-6	-2
Cash flow from operating activities		97	211
Investing activities			
Investments in intangible fixed assets		-113	-78
Acquisition of property, plant and equipment		-19	-14
Acquired subsidiary		1	-17
Cash flow from investing activities		-133	-109
Financing activities			
Repayment of other external loans	29	-24	-15
Amortization of leasing liability		-15	-14
New loans		150	31
Payment of option premiums		1	3
Repurchase of option premiums		0	-
Dividends paid		-150	-160
Cash flow from financing activities		-38	-155
Cash flow for the year		-78	-53
Cash and cash equivalents at beginning of year		95	150
Exchange rate differences in cash and cash equivalents		0	-2
Cash and cash equivalents at year-end		21	95

Parent Company Income Statement

SEKm	Note	Jan. 1, 2024 Dec 31, 2024	Jan. 1, 2023 Dec 31, 2023
Net sales	31	21.6	18.2
Operating expenses			
Other external expenses	9	-6.4	-6.8
Personnel expenses	11	-11.4	-13.5
Other operating expenses		-0.2	-
Operating profit/loss		3.6	-2.2
Profit/loss from financial items			
Income from participations in Group companies		59.0	140.0
Interest income and similar income statement items		-	11.8
Interest and similar expenses		-11.1	-11.6
Profit after financial items		51.5	138.0
Appropriations	15	7.1	-0.6
Profit/loss before tax		58.6	137.4
Tax on profit/loss for the year		0.5	0.5
Profit/loss for the year		59.1	137.9

Parent Company Statement of Comprehensive Income

SEKm	Note	Jan. 1, 2024 Dec 31, 2024	Jan. 1, 2023 Dec 31, 2023
Profit/loss for the year		59.1	137.9
Comprehensive income for the year		59.1	137.9

Parent Company balance sheet

SEKm	Note	Dec 31, 2024	Dec 31, 2023
ASSETS			
Non-current assets			
Intangible assets 18			
Other intangible assets		3.2	–
Total intangible assets		3.2	–
Financial assets			
Participations in Group companies	17	217.3	217.3
Deferred tax assets	16	2.1	1.6
Total non-current assets		222.6	218.9
Current assets			
Current receivables from Group companies	31	34.6	–
Current tax assets		0.5	0.7
Other current assets		0.2	–
Prepayments and accrued income		0.4	0.4
Total current receivables		35.6	1.1
Cash and bank balances			
Total current assets		35.6	1.1
TOTAL ASSETS		258.2	220.0

cont. Parent Company Balance Sheet

SEKm	Note	Dec 31, 2024	Dec 31, 2023
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		0.5	0.5
Total restricted equity		0.5	0.5
Unrestricted equity			
Non-restricted share premium account		4.1	3.1
Retained earnings		37.4	49.5
Profit/loss for the year		59.1	137.9
Total unrestricted equity		100.6	190.5
Total equity		101.1	191.0
Non-current liabilities			
Other non-current liabilities		–	8.3
Total non-current liabilities		–	8.3
Current liabilities			
Liabilities to credit institutions		150.0	–
Accounts payable		0.2	0.2
Liabilities to Group companies	31	–	4.4
Other current liabilities		1.3	10.0
Accrued expenses and deferred income	28	5.6	6.2
Total current liabilities		157.1	20.8
TOTAL EQUITY AND LIABILITIES		258.2	220.0

Parent Company Statement of Changes in Equity

SEKm	Restricted equity	Unrestricted equity			Total equity
	Share capital	Non-restricted share premium account	Retained earnings	Profit/loss for the year	
Opening balance January 1, 2023	0.5	–	55.9	153.6	210.0
Transfer of previous year's profit/loss	–	–	153.6	-153.6	–
Profit/loss for the year	–	–	–	137.9	137.9
Other comprehensive income	–	–	–	–	–
Total comprehensive income	–	–	–	137.9	137.9
Option premiums	–	3.1	–	–	3.1
Dividends to shareholders	–	–	-160.0	–	-160.0
Closing balance December 31, 2023	0.5	3.1	49.5	137.9	191.0
Opening balance January 1, 2024	0.5	3.1	49.5	137.9	191.0
Transfer of previous year's profit/loss	–	–	137.9	-137.9	–
Profit/loss for the year	–	–	–	59.1	59.1
Other comprehensive income	–	–	–	–	–
Total comprehensive income	–	–	–	59.1	59.1
Option premiums	–	1.0	–	–	1.0
Dividends to shareholders	–	–	-150	–	-150
Closing balance December 31, 2024	0.5	4.1	37.4	59.1	101.1

Parent Company Statement of Cash Flows

SEKm	Note	Jan. 1, 2024 Dec 31, 2024	Jan. 1, 2023 Dec 31, 2023
Cash flow from operating activities			
Operating profit/loss		3.6	-2.2
Income tax paid		1.1	-1.1
Cash flow from operating activities before changes in working capital		4.7	-3.2
Changes in working capital			
Decrease (+) / increase (-) in other receivables		-0.1	0.0
Decrease (-) / increase (+) in accounts payable		-0.0	-0.3
Decrease (-) / increase (+) in other current liabilities		-2.4	0.0
Cash flow from operating activities		2.2	-3.5
Investing activities			
Investments in intangible fixed assets		-3.3	–
Acquired subsidiary		-4.3	-16.5
Cash flow from investing activities		-7.6	-16.5
Financing activities			
Change in intercompany liabilities		4.1	176.9
Borrowings		150	–
Payment of option premiums		1.3	3.1
Dividends to shareholders		-150	-160.0
Cash flow from financing activities		5.3	20.0
Cash flow for the year		0.0	0.0
Cash and cash equivalents at beginning of year		0.0	0.0
Cash and cash equivalents at year-end		0.0	0.0

Notes

All figures are in millions of SEK unless stated otherwise.

Note 1 General information

Profoto Holding AB, corporate registration number 556810-9879, is a limited company registered in Sweden with its registered office in Sundbyberg. The company's headquarters is located at Landsvägen 57, Box 1264, 172 25, Sundbyberg, Stockholm, Sweden. The company and its subsidiaries ("the Group") are active in a global market and include the manufacture and sale of light

units, systems and other accessories in the professional photo industry. The composition of the Group is described in Note 17.

Profoto Holding AB (publ.) has been listed on the Nasdaq OMX Stockholm Mid-Cap list, with its first trading day on July 1, 2021.

Note 2 Significant accounting policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. In addition, the recommendation of the Financial Reporting Council RFR 1 Supplementary Accounting Rules for Groups has been applied.

Items included in the consolidated accounts have been stated at cost, except in respect of revaluations of certain financial instruments measured at fair value. The most important accounting policies that have been applied are described below.

The annual accounts for the Parent Company have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Under RFR 2, the parent company must apply all International Financial Reporting Standards, adopted by the EU, as far as possible within the framework of the Swedish Annual Accounts Act and with regard to the relationship between accounting and taxation.

The Annual Report and the Consolidated Financial Statements were approved for issuance by the Board of Directors and the Chief Executive Officer on April 7, 2025. The financial statements of the Group and the Parent Company are subject to adoption by the Annual General Meeting on May 7, 2025.

New and amended standards applied for the first time

No new IFRS standards have been published for application in 2024. Changes in IFRS standards applicable from 2024 have had no impact on the Group's financial statements.

New and amended standards and interpretations not yet in force

New and amended IFRS standards applicable from 2024 are not expected to have a material impact on the Group's financial statements. The Group will apply the new standard for IFRS 18 from its mandatory effective date on January 1, 2027. Retroactive application is required, and therefore comparative information for the financial year ending December 31, 2026, will be restated in accordance with IFRS 18.

Consolidated accounts

The consolidated accounts include the Parent Company Profoto Holding AB (publ.) and the companies over which the Parent Company has controlling influence. A controlling influence is usually achieved by owning or controlling, directly or indirectly, more than 50 percent of voting rights.

Reporting currency

The consolidated financial statements are presented in Swedish kronor (SEK). All amounts have been rounded to the nearest million SEK unless otherwise stated. For the Parent Company, amounts are expressed in millions of SEK to one decimal place. Rounding may occur in tables and calculations, for which reason reported amounts are not always an exact sum of rounded amounts.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business acquisition is measured at fair value at the time of acquisition. Acquisition-related costs are recognized

in the income statement as they are incurred. Contingent consideration is recognized at fair value at the acquisition date. Contingent consideration is remeasured at each reporting date and the change is recognized in profit or loss, as other operating income or other operating expenses.

Segment reporting

The company's reporting of operating segments agrees with internal reporting to the chief operating decision-maker, i.e., the CEO. All follow-up of the Group is carried out in the Photographics segment, which thereby becomes the Group's only reportable segment. Group also has a Digital Business segment, but does not report this as a separate segment as long as sales are not at a material level.

Revenue from contracts with customers

The Group essentially recognizes revenue only from the sale of goods. Revenue from the sale of goods to the distributor or directly to the customer is reported at the time the products are transferred to the distributor or the customer, i.e., when the distributor or the customer gain control of the goods. Based on the most common underlying delivery terms agreed, control will be transferred once the goods have been delivered to the respective freight forwarder/carrier. Payment terms for invoiced sales of light units are normally 30 days after commencement of delivery. Invoiced sales of systems are normally paid in advance at least 10 days before delivery. Corporate and private customers shopping in the Group's online shop are charged directly by credit card when the order is registered and the purchase is made. Customers shopping in the Group's online shop have full right of return if the goods are returned within 14 days of receipt. This sales channel represents approx. 5 percent of the Group's total sales and the impact of returns is considered to have an insignificant impact on the Group's total sales (0.2 percent of total sales in 2024 and 2023), for which reason no current provisions for costs related to returns are made. The Group reassesses its estimate of expected returns at each balance sheet date and updates the asset and liability amounts accordingly.

Issued guarantee commitments are recognized as a provision in accordance with IAS 37 and are described in more detail in the section "Provisions".

In addition to the main revenue stream above, courses, installations, service contracts for systems and software are also sold as a SaaS service. Service contracts are invoiced in advance for a period of 12 months at a time, with a commitment period of 36 months after completion of the sale. At the end of the initial commitment period, the service contracts are renewed annually, unless they are terminated by the customer. Software via SaaS service is recognized as revenue on a straight-line basis over the contract period. However, these revenue

streams, in addition to regular streams, do not represent a significant part of the Group's total revenue.

Leases

Profoto's leases consist mainly of the rental of premises and, to a lesser extent, of cars and certain equipment. A lease liability is recognized at the present value of the remaining lease payments over the estimated lease term. Interest expense is recognized as the discount rate, normally the incremental borrowing rate, multiplied by the lease liability.

A right-of-use asset is initially recognized at cost, which consists of the initial value of the lease liability plus any lease payments made on or before the commencement date plus any initial direct costs. The right of use is amortized on a straight-line basis from the commencement date to the end of the lease term.

The lease liability for premises with index-linked rent is calculated on the basis of the rent in force at the end of each reporting period. Once the rent level has been indexed, the liability is adjusted, based on the new rent level, by a corresponding adjustment to the carrying amount of the right of use. Similarly, the value of the liability and the asset is adjusted when the lease term is reassessed. This occurs when the final termination date within the previously assessed lease term for premises leases has passed or when significant events occur or circumstances change in a way that is within the Group's control and affects the current assessment of the lease term.

For leases with a lease term of 12 months or less or with an underlying asset of low value, no right-of-use asset and lease liability are recognized. Lease payments for these leases are recognized as an expense on a straight-line basis over the lease term.

Profoto subleases some space to a lesser extent. Where applicable, the lease term of the subleases has been deemed to be significantly shorter than the lease term of Profoto's head lease, resulting in the subleases being classified as operating leases. Profoto's right of use is then recognized in the balance sheet and the rents received are recognized as income on a straight-line basis over the lease term in the sublease.

Employee benefits

Employee benefits in the form of salaries, bonuses, paid holidays, paid sick leave, etc., and pensions are recognized as an expense as they are earned. Pensions and other post-employment benefits are classified as defined contribution or defined benefit plans. The Group has defined contribution and defined benefit pension plans.

Defined contribution plans

The Group's earnings are charged with expenses as the benefits are earned, which normally coincides with the payment of premiums.

Note 2 cont.

Defined benefit plans

The defined benefit plans within the Group consist of the ITP 2 plan for civil servants in Sweden, which is insured by Alecta. The ITP 2 pension plan, which is secured by insurance in Alecta, is a defined benefit plan covering several employers. However, the plan is accounted for as a defined contribution plan because Alecta cannot provide information that would allow accounting for each member company's proportionate share of the plan's obligations, plan assets and expenses. Otherwise, there are no defined benefit pension plans.

Pension contracts with endowment insurance

There are pension plans where the Group has acquired endowment insurance which is hedged in favor of employees through pledges. The employees concerned are only entitled to compensation equal to the value of the endowment insurance upon redemption. These pension agreements are classified and accounted for as defined contribution pension plans. A provision for special payroll tax is made based on the fair value of the endowment insurance, except where the endowment insurance is contractually required to cover special payroll tax.

Share-based payments

Senior executives and key personnel in the Group purchased warrants for shares in the Group's Parent Company at fair value within the framework of an incentive program in 2023. The term of the options is three years, and if the option program participant remains in service in December 2026, a bonus in the form of a gross salary supplement will be received, which, in total, corresponds to the amount paid by the participant for the 2023 warrants. Cost and liability are recognized from the start of the program until December 2026 for the accrual of the bonus. The payment received for the options is recognized in equity. During the second quarter of 2024, further transfers have been made under the incentive program. The term of the options is three years, and if the option program participant remains in service in December 2027, a bonus in the form of a gross salary supplement will be received, which, in total, corresponds to the amount paid by the participant for the 2024 warrants. Costs and liabilities are reported from the start of the program through December 2027 for bonus earnings.

Deferred tax

Deferred tax liabilities are recognized for taxable temporary differences attributable to investments in subsidiaries, except where the Group is able to control the time when the temporary differences are reversed and it is unlikely that such a reversal will take place within the foreseeable future. The deferred tax assets that are attributable to tax deductible temporary differences in

relation to such investments are only recognized to the extent it is likely that the amounts can be offset against future taxable profit and it is likely that this will take place within the foreseeable future.

Property, plant and equipment

Property, plant and equipment is recognized at cost less accumulated depreciation and impairment losses.

The useful lives of categories of property, plant and equipment are as follows:

Tools and equipment	4–5 years
Leasehold improvements	5 years

Intangible fixed assets - internally generated

The Group's development expenditure is mainly related to product development. Profoto's product development process includes different steps such as the pre-study phase, industrialization, launch and closure. The Group capitalizes development expenditure during the period starting when the capitalization criteria are met until the project is transferred to management.

After initial recognition, internally generated intangible fixed assets are recognized at cost less accumulated depreciation/amortization and impairment, if any. The estimated useful life is dependent on the asset, between two to six years.

Intangible fixed assets - in business combinations

Assets arising from business acquisitions consist of technology, customer assets and brand names. Assets are depreciated over periods ranging from four to nine years depending on the type of asset and its estimated useful life. Assets are stated at cost, less accumulated depreciation/amortization and any impairment losses.

Other intangible fixed assets - Capitalized expenditures for customization of business systems and website expenditure

Expenditure to adapt business systems is capitalized as intangible fixed assets to the extent that the expenditure is directly attributable to the adaptation. Depreciation starts when the customization of the ERP system is completed and put into operation. The Group also capitalizes expenses directly attributable to the adaptation of business systems based on cloud solutions, where the adaptation of the business system meets the criteria of IAS 38 in terms of identifiability, economic benefits and controllability. The estimated useful life for customization of business systems is five years. The Group also capitalizes website expenditure in accordance with SIC 32 Intangible assets - Website expenditure. The depreciation period for capitalized website expenditure is five years.

Impairment of property, plant and equipment and intangible fixed assets, including goodwill

At each balance sheet date, the Group assesses the carrying amounts of property, plant and equipment and intangible fixed assets to determine whether there is any indication of impairment. If this is the case, the asset's recoverable amount is calculated to determine the value of any impairment loss. If it is not possible to calculate the recoverable amount for an individual asset, the recoverable amount is calculated for the cash-generating unit or group of cash-generating units to which the asset belongs.

The recoverable amount is calculated annually for goodwill and other intangible fixed assets with indefinite useful lives and for intangible assets that are not yet ready for use. Goodwill is measured at cost, less any accumulated impairment losses. Goodwill has been allocated to the Group's Photographics segment and is tested for impairment at least annually or whenever there is an indication that an impairment may be necessary. Capitalized development expenditure is measured at cost less accumulated amortization, less any accumulated impairment losses. In the impairment test, the capitalized development expenditure is allocated to the product group to which it relates. For capitalized development expenditure related to technology that is common to several products, the impairment test is performed against a broader range of products.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is calculated by the first-in, first-out (FIFO). Net realizable value is the estimated selling price less the estimated costs of completion and the estimated costs required to affect a sale.

Provisions

A warranty provision is recognized when the underlying products or services are sold. The provision is based on historical data concerning warranties and consideration of possible outcomes in relation to the probabilities associated with the outcomes.

Financial instruments Classification and measurement

Financial assets are classified based on the business model within which the relevant asset is held and the asset's cash flow characteristics.

The Group applies a business model for cash and cash equivalents, accounts receivable, other current receivables and other financial assets where the company's business model is "hold to collect," which means that these assets are carried at amortized cost.

Accounts payable are measured at amortized cost. The expected terms of accounts payable are short, however, so the liability is recognized at nominal amount

without discounting. Interest-bearing bank loans, overdraft facilities and other loans are measured at amortized cost. Contingent consideration is classified and measured at fair value through profit or loss, where the calculation is determined according to generally accepted valuation models, such as the discounting of future cash flows and the use of information obtained from current market transactions.

Impairment

The Group recognizes a loss allowance for expected credit losses on a financial asset at amortized cost. On each reporting date the Group recognizes in the statement of comprehensive income the change in expected credit losses since initial recognition in the income statement. The objective of the impairment requirements is to recognize lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition, whether assessed on an individual or collective basis, considering all reasonable and supportable information, including that which is forward-looking. The Group measures expected credit losses from a financial instrument in a way that reflects an objective and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money and reasonable verifiable information on current conditions and forecasts of future economic conditions.

For accounts receivable and contract assets, simplifications allow the Group to directly recognize lifetime expected credit losses for the entire life of the asset. For all other financial assets, where there has been no material increase in credit risk, the Group measures the loss allowance at an amount that corresponds to 12 months of expected credit losses. For financial assets for which the credit risk has increased significantly since initial recognition, a reserve is recognized based on the expected credit losses of the asset over the remaining life of the asset.

The Group's exposure to credit risk is primarily attributable to cash and cash equivalents. The simplified approach is used to calculate credit losses on the Group's accounts receivable. The expected credit losses for accounts receivable are calculated with the aid of a provision matrix based on previous events, current conditions and forecasts for future economic conditions and the time value of the money if applicable.

Impairment of accounts receivable and other receivables is recognized in operating expenses. Impairment of cash and cash equivalents and Other long-term securities holdings are recognized as a financial expense.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Note 2 cont.

Parent Company accounting policies

The main differences between the accounting policies of the Group and the Parent Company are described below. The Parent Company's accounting policies have been consistently applied to all periods presented in the Parent Company's financial statements and are unchanged from the 2023 Annual Report. The differences between accounting policies of the Parent Company and the Group are described below:

Classification and presentation

The Parent Company's income statements and balance sheet are presented in accordance with the Swedish Annual Accounts Act. The difference in relation to IAS 1 Presentation of financial statements applied in preparation of the Group's financial statements is primarily recognition of capitalized work for own account, finance income and costs, noncurrent assets and equity.

Leases

All leases where the company is the lessor are accounted for as operating leases, regardless of whether the contracts are finance or operating leases. Lease charges are recognized as costs evenly over the lease period, as long as an additional systematic way doesn't better reflect the economic use for the lessor over time in accordance with RFR 2.

Subsidiaries

Investments in subsidiaries are made at cost including transaction costs. In the consolidated financial statements, transaction costs relating to subsidiaries are recognized directly in profit or loss as incurred. Dividends from subsidiaries are recognized as income when the right to receive the dividend is considered to be

established and the amount can be reliably measured. Anticipated dividends from subsidiaries are recognized in cases where the Parent Company unilaterally may determine the size of the dividend and provided that the Parent Company has made such a decision before it published its financial statements. Principles for impairment testing of shares in subsidiaries follow the same principles as the Group applies for property, plant and equipment and intangible fixed assets.

Financial instruments

The Parent Company applies the exception in RFR 2, which means that the rules on financial instruments in IFRS 9 are not applied in the Parent Company as a legal entity. In the Parent Company, financial assets are valued at cost less impairment. Financial assets and financial liabilities are measured at the lower of cost and net realizable value. However, some of the principles in IFRS 9 still apply – such as those relating to impairment, recognition/ derecognition, criteria for applying hedge accounting and the effective interest method for interest income and interest expense.

Group contributions and shareholder contributions

Group contributions are recognized as an appropriation. Shareholder contributions paid are recognized as an increase in the item participations in Group companies with the donor. The recipient recognizes shareholders' contributions directly against equity.

Note 3 Important estimates and assessments

Listed below are the key assumptions concerning the future and other key sources of estimation of uncertainty at the balance sheet date, which involve a significant risk of material adjustments to the carrying values of assets and liabilities within the next fiscal year.

Capitalized development expenditure

The value of capitalized development expenditure for products under development is tested quarterly and whenever events or changes in circumstances indicate that the value of these development costs may have decreased.

In order to determine whether the value of internally generated development costs has decreased, future cash flows arising from them are analyzed and assessed by discounting cash flows. In assessing cash flow for the next twelve months, forecasts are used that take into account known risks and uncertainties, such as inflation-related risks, and interest rate and political risks/factors, as well as climate risks.

In applying this method, the company evaluates a number of factors, including the discount rate, forecasted remaining development expenditure and forecasted future sales and costs related to each development project.

Judgments in applying the Group's accounting policies

According to IAS 36, goodwill from business combinations should be allocated to the cash-generating units that are expected to benefit from the synergies of the acquisition. If goodwill cannot be allocated on a reasonable basis between these entities, goodwill shall be allocated to the lowest level in the company at which the goodwill in question is monitored in the internal governance of the company, which cannot be higher than an operating segment. Goodwill arose from the acquisition of Profoto B.V. (previously StyleShoots), which after the acquisition date is included in the Photographics operating segment as the subsidiary has been integrated into the existing operational processes for Photographics and the unit's operating results are not regularly monitored by the chief operating decision-maker in the Group. The lowest level in Profoto at which the goodwill is monitored is the Group's only operating segment Photographics. Goodwill from the acquisition of Profoto B.V. cannot be allocated on a reasonable basis between the cash-generating units expected to benefit from the acquisition and has therefore been allocated in its entirety to the Photographics operating segment. Goodwill is therefore tested for impairment based on Photographics' (as well as the entire Group's) recoverable amount. See Note 18 for the impairment test performed and a description of important assumptions and assessments in the impairment test.

Note 4 Business acquisitions

On March 23, 2023, Profoto AB entered into an agreement to acquire Assetflow. The cash purchase price totaled SEK 8m, and the conditional purchase price, SEK 16m. The acquisition led to an increase in goodwill of SEK 16m and technology of SEK 6m. As the conditions for the earn-out have not been met, the liabil-

ity relating to the earn-out has been released in full. The effect on profit of SEK 14m has been recognized as an item affecting comparability within other operating income (see Note 25 – Items affecting comparability).

No acquisitions have been made in 2024.

Note 5 Financial risk management and financial instruments

Through its operations, the Group is exposed to various types of financial risks such as market, liquidity and credit risks. Market risk mainly consists of currency risk. The company's Board of Directors has ultimate responsibility for the exposure, management and monitoring of the Group's financial risks in accordance with the company's finance policy. The Board of Directors of the company approves the policy once a year and the company's CFO is responsible to the company's CEO and Board of Directors for compliance with the policy. Financial risk management and controls regarding the financial risks is reported one time per year to the Audit Committee and the Board.

Market risk

Currency risk

Currency risk refers to the risk of fluctuation in fair value or future cash flows as a result of changes in exchange rates. Exposure to currency risk arises mainly from borrowing in foreign currency and from payment flows in foreign currency, referred to as transaction exposure, and from the translation of the income statements and balance sheets of foreign subsidiaries to the presentation currency of the Group, which is Swedish kronor (SEK), referred to as translation exposure.

Transaction exposure

Transaction exposure involves a risk that earnings will be negatively affected by fluctuations in exchange rates for the cash flows that take place in foreign currency. The Group's outflows mainly consist of Swedish kronor (SEK), Euro (EUR) and US Dollar (USD), while the Group's inflows mainly consist of euro (EUR), US dollar (USD), Chinese yuan (CNY), Japanese yen (JPY) and British pound (GBP). The Group is thus affected by changes in these exchange rates. The company's policy is not to hedge forecasted cash flows in the currency.

The table below shows the nominal net amounts in Swedish kronor of the significant flows that constitute transaction exposure. The exposure is stated based on the Group's payment flows in the most significant currencies.

Currency	2024	2023
Euro (EUR)	44	61
US Dollar (USD)	86	140
Chinese Yuan (CNY)	40	41
Japanese Yen (JPY)	39	46
British Pound (GBP)	36	36

Interest rate risks

Interest rate risk refers to the risk of fluctuation in variable interest rates associated with borrowings in the Group. The interest rate risk is considered to be low. An increase or decrease in the market interest rate by 0.5 percentage points, based on the Group's current external borrowing, would not have a material impact on comprehensive income as the overall result would change by SEK 1.1m (0.4). This calculation is based on current borrowings totaling SEK 217m (80).

Translation exposure

Translation exposure involves a risk that the value of the Group's net investments and earnings in foreign currency will be adversely affected by changes in exchange rates. The Group consolidates net assets and earnings in SEK on the balance sheet date. This risk is referred to as translation exposure and is not hedged, in accordance with the Group's finance policy.

The table below shows the translation exposure for net investments in foreign operations. The amounts below are stated in SEKm at the closing day rate.

Currency	Dec 31, 2024	Dec 31, 2023
Euro (EUR)	24	-3
US Dollar (USD)	10	6
Chinese Yuan (CNY)	5	4
Japanese Yen (JPY)	8	5
British Pound (GBP)	1	1

The table below shows the translation exposure for profit/loss before tax in foreign operations. The amounts below are expressed in SEKm at average exchange rates.

Currency	2024	2023
Euro (EUR)	-12	-13
US Dollar (USD)	5	1
Chinese Yuan (CNY)	1	1
Japanese Yen (JPY)	1	2
British Pound (GBP)	0	0

The effects of changes in exchange rates in relation to SEK for the most significant foreign currencies are presented under "Sensitivity analysis for market risks" below.

Sensitivity analysis for market risks

The sensitivity analysis for currency risk shows the Group's sensitivity in the event of an increase or a decrease of five percent in the value of SEK compared with the most significant currencies. For transaction exposure, the effect on the Group's profit after tax in the event of a change in exchange rates is shown. This also

includes outstanding monetary receivables and liabilities in foreign currency at the balance sheet date, including loans between Group companies where the currency effect has an impact on the consolidated statement of comprehensive income.

The sensitivity analysis for translation exposure shows the Group's sensitivity in the event of an increase or decrease in the exchange rate of 10 percentage points. For translation exposure, the effect on the Group's equity is shown and for exchange rate changes the effect on the Group's profit after tax is shown.

Sensitivity analysis of currency risk	2024 Effect on profit/loss	Dec 31, 2024 Effect on equity	2023 Effect on profit/loss	Dec 31, 2023 Effect on equity
Transaction exposure				
EUR +5%	2		3	
USD +5%	4		7	
CNY +5%	2		2	
JPY +5%	2		2	
GBP +5%	2		2	
Translation exposure				
Euro (EUR) +10%		2		-0
US Dollar (USD) +10%		1		1
Chinese Yuan (CNY) +10%		1		0
Japanese Yen (JPY) +10%		1		1
British Pound (GBP) +10%		0		0

Note 5 cont.

Liquidity and financing risk

Liquidity risk refers to the risk that the Group will have problems meeting its obligations in relation to the Group's financial liabilities as a consequence of insufficient liquidity. Financing risk refers to the risk that the Group will be unable to arrange adequate financing at reasonable cost.

In accordance with the Group's finance policy, the company shall perform monthly liquidity forecasts for the next 60 days. The finance policy also requires the company to maintain a liquidity reserve of at least SEK 30m at all times, consisting mainly of unused overdraft facilities. The size of the liquidity reserve is set taking into account relevant risks related to the ability of customers to pay, other financing and expected profit and liquidity growth. The ongoing assessment of risks associated with current inflows and outflows of liquidity and the current availability of liquid assets determines the size of the liquidity reserve.

Expected cost and sales levels in the Group are adjusted on an ongoing basis in 12-month forecasts car-

ried out four times a year and may be adjusted to reflect an expected change in sales levels. Customer credit limits are also reviewed quarterly as part of ensuring an efficient ongoing flow of payments from customers. The credit limit for new customers is assessed case-by-case on the basis of estimated sales and credit checks.

The maturity distribution of contractual payment obligations relating to the financial liabilities of the Group and the Parent Company, are shown in the tables below. The figures in these tables are not discounted values and they also include interest payments where applicable, which means that these figures cannot be compared with the figures recognized on the statements of financial position. Interest payments are determined on the basis of the conditions prevailing at the balance sheet date. Amounts in foreign currencies are translated to Swedish kronor (SEK) at the exchange rates on the balance sheet date.

The Group's loan agreements do not contain any special conditions that may cause the payment date to be substantially earlier than shown in the tables.

December 31, 2024	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities to credit institutions	68	1	–	–	69
Lease liabilities	4	10	34	–	47
Accounts payable	56	–	–	–	56
Other liabilities	2	–	0	–	2
Total	130	11	34	–	174

December 31, 2023	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities to credit institutions	69	14	1	–	84
Lease liabilities	3	10	40	3	56
Accounts payable	59	–	–	–	59
Other liabilities	17	9	9	–	34
Total	149	32	50	3	234

Credit and counterparty risk

Credit risk refers to the risk that the counterparty in a transaction will cause a loss to the Group by failing to fulfil its contractual obligations. The Group's exposure to credit risk is attributable to accounts receivable and cash and cash equivalents. In order to limit the Group's credit risk, a credit assessment is made for each new customer. The financial situation of existing customers is also continually monitored in order to identify warning signs at an early stage. The Group has established a credit policy under which each new customer is individu-

ally analyzed for creditworthiness before the Group offers its general payment and delivery terms. The Group's review includes external credit ratings, where available, financial reports, information from credit rating agencies, industry information and, in some cases, bank references. Sales limits are set for each customer and reviewed quarterly. Sales in excess of these limits require special approval from the Group.

The Group limits credit risk exposure from accounts receivable by setting a maximum payment period of one and three months for individual and corporate

customers, respectively. For more information on past due receivables and loss allowance, see Note 21.

The Group's exposure to credit risk is primarily attributable to accounts receivable. The simplified approach is used to calculate the credit losses on the Group's accounts receivable, and gives an insignificant effect. Expected credit losses have been calculated based on historical bad debt data. The expected credit losses for accounts receivable are calculated with the aid of a matrix based on previous events, current conditions and forecasts for future economic conditions and the time value of the money if applicable. The estimated impact on trade receivables at December 31, 2024, of SEK 0m (-1) is considered insignificant, hence the receivables are reported at nominal values. Accounts receivable are spread across a large number of customers and no customer accounts for a significant portion of the total accounts receivable. Moreover, accounts receivable are not concentrated in a specific geographic area. The Group therefore, considers the concentration risks to be limited. In addition to the simplified approach a financial asset can be seen as doubtful when it is uncertain if the counterpart will be able to pay the full credit commitment to the Group and the Group can't regress in alternative securities, or the financial asset is overdue by more than 90 days. The Group's maximum exposure to credit risk is considered to be equal to the carrying amounts of all financial assets and is shown in the table below.

	Dec 31, 2024	Dec 31, 2023
Accounts receivable	102	78
Other current receivables	6	8
Noncurrent receivables	4	2
Cash and cash equivalents	21	95
Maximum credit risk exposure	133	183

Accounts receivable from external customers by region:

	Dec 31, 2024	Dec 31, 2023
APAC	27	22
Americas	34	30
EMEA	41	25
Total external accounts receivable	102	78

Credit risk in cash and cash equivalents

The Group has cash and cash equivalents of SEK 21m (95) at December 31, 2024. For cash and cash equivalents, banks and financial institutions are counterparties. These consist mainly of the Group's two main banks, Danske Bank and Svenska Handelsbanken, which are rated A+ to AA-, based on Standard & Poor's credit ratings. Expected credit losses in cash and cash equivalents have been assessed as insignificant and therefore are not recognized.

Capital management

Capital is defined in the Profoto Group as net debt, i.e., how much cash and equivalents would remain if all debts were paid. Net debt/EBITDA is a measure of financial risk and an indication of repayment capacity. According to the finance policy adopted by the Board of Directors, the Group's financial objective is to have an optimal capital structure that contributes to maintaining the confidence of investors and creditors and provides a stable basis for the continued development of the business. Capital structure refers to the company's financing (total capital) and the combination of equity and liabilities.

The key ratios that the company's management and external stakeholders mainly assess in terms of capital structure are net debt to EBITDA and interest coverage ratio (EBITDA/net financial expenses). Profoto intends to maintain an efficient long-term capital structure where net debt in relation to EBITDA is a maximum of 3.0 (3.0) and the interest coverage ratio is a maximum of 5.0 (5.0). These key ratios are monitored on an ongoing basis and reported to the Board.

Note 5 cont.

Classification of financial instruments

The carrying amounts of financial assets and liabilities by valuation category in accordance with IFRS 9 are shown in the table below.

	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value
December 31, 2024			
Financial assets			
Noncurrent receivables	4		
Accounts receivable	102		
Other receivables	–		
Cash and cash equivalents	21		
Total financial assets	127		
Financial liabilities			
Liabilities to credit institutions		217	
Accounts payable		56	
Accrued expenses		12	
Total financial liabilities		285	
	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value
December 31, 2023			
Financial assets			
Noncurrent receivables	2		
Accounts receivable	78		
Other receivables	–		
Cash and cash equivalents	95		
Total financial assets	175		
Financial liabilities			
Liabilities to credit institutions		80	
Accounts payable		59	
Accrued expenses		18	
Other current liabilities		–	14
Total financial liabilities		157	14

Net gains/losses from financial assets and liabilities broken down by valuation category in accordance with IFRS 9 are shown in the table below.

	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Total
2024			
Operating profit/loss			
Operating receivables – foreign exchange differences	4		4
Total operating profit	4	–	4
Net financial items			
Interest income	1		1
Interest expense		-12	-12
Foreign exchange differences	1	–	1
Total net financial items	2	-12	-10
	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Total
2023			
Operating profit/loss			
Operating receivables – foreign exchange differences	4		4
Total operating profit	4	–	4
Net financial items			
Interest income	3		3
Interest expense		-7	-7
Foreign exchange differences		-3	-3
Total net financial items	3	-10	-7

For information purposes, the methods and assumptions used to determine the fair value of the Group's financial instruments are summarized below.

Accounts receivable and accounts payable

Accounts receivable and accounts payable normally have a remaining useful life of less than three months, for which reason the carrying amount is a good approximation of the fair value.

Interest-bearing liabilities

Interest-bearing liabilities are recognized at amortized cost. The maturities are short, for which reason the reported value is a good approximation of the fair value.

Contingent considerations

Financial liabilities at fair value in 2023 included a liability for contingent consideration relating to a business combination of SEK 14m (-) made in 2023. The conditions in the agreement regarding the acquisition of customers and related turnover requirement per customer were not fulfilled in 2024 and the outcome was zero, whereby a release of SEK 14m has been made.

Note 6 Segment information

The Group's only operating segment is Photographics.

- Photographics derives revenue from the sale of light units and systems with accessories and related services.
- Group-wide consists of Group management. The segment's revenue consists of internal management fees from Group companies.

- The accounting policies of the reportable segment is consistent with the Group's accounting policies. Sales between the segment and the Group take place on market terms.

2024	Photo-graphics	Group-wide	Eliminations	Total Group
Revenue	731			731
Other operating income	22	22	-20	21
Total revenue	753	22	-20	751
Capitalized work for own account	113			113
Goods	-237			-237
Depreciation, amortization and impairment	-59			-59
Other operating expenses	-400	-18	20	-402
Operating profit/loss	171	4	0	167
Not distributed: Net financial items				
Profit/loss before tax				

2023	Photo-graphics	Group-wide	Eliminations	Total Group
Revenue	787			787
Other operating income	32	18	-18	—
Total revenue	819	18	-18	787
Capitalized work for own account	70			70
Goods	-226			-226
Depreciation, amortization and impairment	-77			-77
Other operating expenses	-380	-20	18	-350
Operating profit/loss	206	-2	0	204
Not distributed: Net financial items				
Profit/loss before tax				197

Revenue from external customers by region ¹	2024	2023
APAC	145	169
Of which Japan	49	57
Americas	323	338
Of which the US	306	304
EMEA	263	279
Of which Sweden	26	13
Total	731	787
	Dec 31, 2024	Dec 31, 2023
Fixed assets²		
Sweden	482	393
Other	24	22
Total	506	414

Information about large customers

The Group has one customer who individually accounts for 10 percent or more of consolidated revenue. Sales to this customer totaled SEK 143m (130).

1) Revenue from external customers by region is based on where the customers are located.

2) Noncurrent assets are exclusive of financial instruments and deferred tax assets.

Note 7 Breakdown of revenue

The Group recognizes revenue from the sale of goods at a certain point in the following main product categories. These are consistent with the revenue information presented for the Group's reportable segments in accordance with IFRS 8. In addition, revenue by region is presented in Note 6.

Revenue by product category	2024	2023
Photographics	730	786
Other	0	0
Total	731	787
	2024	2023
Revenue per product line		
Light units and systems	381	523
Accessories	182	192
Other	168	71
Total	731	787

Contract balances for advances and accrued income do not amount to significant amounts. Contract assets and contract liabilities are recognized as deferred income and accrued income respectively (see Notes 22 and 28). All contract assets and contract liabilities are mainly realized as income within 1 month. The character and time of the revenue are described in Note 2 and uncertainties about revenue and cashflow are described in Note 5.

Note 8 Other income

Group	2024	2023
Exchange gains	4	—
Adjustment of purchase price	14	—
Other income	2	—
Total	21	—

Other income consists of the net of realized and unrealized foreign exchange gains and losses from operating activities, as well as the revaluation of debt related to the business combination of Assetflow. The corresponding foreign exchange losses are recognized as Other operating expenses.

Note 9 Remuneration to auditors

	Group		Parent Company	
	2024	2023	2024	2023
<i>Öhrlings Pricewaterhouse-Coopers AB</i>				
Audit assignments	1.8	1.5	1.3	1.0
Other audit duties	–	–	–	–
Tax advisory services	–	0.3	–	0.3
Other services	0.3	–	0.3	–
<i>Deloitte AB</i>				
Audit assignments	–	0.4	–	0.4
Other audit duties	–	–	–	–
Tax advisory services	–	0.3	–	–
Other services	–	–	–	–
<i>Ecovis</i>				
Audit assignments	0.1	0.1	–	–
<i>Flynth</i>				
Audit assignments	–	0.1	–	–
<i>Azets</i>				
Audit assignments	0.1	0.1	–	–
Total	2.3	2.5	1.6	1.7

Audit assignment relates to the auditor's remuneration for the statutory audit. This work includes reviewing the annual report and consolidated financial statements, the accounts and the administration by the Board of Directors and the CEO, as well as fees for reporting advice provided in connection with the audit assignment.

All costs for the statutory auditing of Group companies included in the consolidated accounts, as part of the Group audit have, for both 2024 and 2023, been invoiced to the Parent Company Profoto Holding AB (publ.).

Note 10 Leasing

	2024	2023
Leases		
Leased assets		
Real Estate	37	39
Equipment	0	0
Vehicles	2	1
Total leased assets	39	40
Lease liabilities		
Current liabilities	11	10
Noncurrent liabilities	29	31
Total lease liabilities	40	42
Depreciation of right-of-use assets		
Real Estate	-11	-11
Equipment	0	-1
Vehicles	-1	-1
Interest expense on lease liabilities	-2	-1
Total impact on earnings	-14	-14

Additional rights of use in 2024 amounted to SEK 9m (6) and relate primarily to a new office and warehouse in China where the right of use for the old office and warehouse also ended during the year.

Typically, offices leases include extension options. The current fundamental assessment is that none of these extension options will be used, and no optional periods are therefore included in the terms or lease liabilities. These judgements are based on the long remaining contractual duration in one case, and the decision not to prolong periods in other cases. Reassessment of whether a renewal option will be exercised with reasonable certainty on office leases occurs if a significant event occurs or circumstances change significantly in a way that is within the lessee's control. Payments on leases of short duration and low-value leases are not material.

The total cash flow from leases in 2024 amounts to SEK 15m (14). Maturity analysis of lease liabilities is shown in Note 5. Total income from subleases of right-of-use assets amounts to SEK 0m (1) during the period.

Note 11 Number of employees, staff costs and senior executives**Average number of employees 2024**

	Women	Men	Total
Parent Company			
Sweden	0	2	2
Total Parent Company	0	2	2
Subsidiaries			
France	0	1	1
Japan	2	2	4
UK	0	1	1
Sweden	22	51	73
Germany	0	2	2
China	7	2	9
USA	4	14	18
The Netherlands	7	24	31
Total for subsidiaries	42	97	139
Total Group	42	99	141

Average number of employees 2023

	Women	Men	Total
Parent Company			
Sweden	0	2	2
Total Parent Company	0	2	2
Subsidiaries			
France	0	1	1
Japan	2	3	5
UK	0	1	1
Sweden	20	47	67
Germany	0	2	2
China	5	2	7
USA	4	14	18
The Netherlands	11	25	36
Total for subsidiaries	42	95	137
Total Group	42	97	139

Board members and other senior executives on the balance sheet date

	2024	2023
Parent Company		
<i>Women:</i>		
Board of Directors	3	3
Other senior executives	0	0
<i>Men:</i>		
Board of Directors, including CEO	3	3
Other senior executives	0	0
Total for Parent Company	6	6
Group		
<i>Women:</i>		
Board of Directors	3	3
Other senior executives	3	3
<i>Men:</i>		
Board of Directors, including CEO	3	3
Other senior executives	5	5
Total Group	14	14

Costs for employee benefits

	2024	2023
Parent Company		
Salaries and other remuneration	7.6	7.3
Social security contributions	3.2	3.6
Pension costs	1.8	2.3
Subsidiaries		
Salaries and other remuneration	108	105
Social security contributions	30	27
Pension costs	9	8
Total salaries and remuneration in the Group	116	112
Total social security contributions in the Group	33	31
Total pension costs in the Group	11	10
Total Group	160	153

Note 11 cont.

Salaries and other remuneration distributed between senior executives and other employees

	2024	2023
Parent Company		
Salaries and other remuneration to senior executives	4.6	5.0
including bonuses and similar remuneration to senior executives	0.3	0.4
Salaries and other remuneration to other employees	3.0	2.3
Total salaries and other remuneration in the Parent Company	7.6	7.3

Remuneration to senior executives (SEK)

	Basic salary/Fees	Variable remuneration	Other benefits and other allowances	Pension costs	Total
Remuneration to senior executives 2024					
Chairman of the Board, Hans Eckerström	600,000	–	1,000,000 ¹	–	1,600,000
Member of the Board, Magnus Brännström	360,000	–	–	–	360,000
Member of the Board, Pernilla Ekman	390,000	–	–	–	390,000
Chief Executive Officer, Anders Hedebark	4,169,760	290,328	123,304	1,410,552	5,993,944
Member of the Board, Helena Holmgren	360,000	–	–	–	360,000
Member of the Board, Helene Willberg	480,000	–	–	–	480,000
Other senior executives (8 people)	11,432,727	533,943	88,294	2,529,837	14,584,800
Total remuneration to senior executives	17,792,487	824,271	1,211,598	3,940,389	23,768,744

	Basic salary/Fees	Variable remuneration	Other benefits and other allowances	Pension costs	Total
Remuneration to senior executives 2023					
Chairman of the Board, Hans Eckerström	550,000	–	1,000,000 ¹	–	1,550,000
Member of the Board, Magnus Brännström	300,000	–	–	–	300,000
Member of the Board, Pernilla Ekman	325,000	–	–	–	325,000
Chief Executive Officer, Anders Hedebark	4,479,684	382,169	112,013	1,876,738	6,850,604
Member of the Board, Helena Holmgren	250,000	–	–	–	250,000
Member of the Board, Helene Willberg	369,677	–	–	–	369,677
Other senior executives (7 people)	9,613,456	704,759	67,928	2,565,903	12,952,046
Total remuneration to senior executives	15,887,817	1,086,928	1,179,941	4,442,641	22,597,327

During the year, the Group expensed consulting costs for the benefit of Aligro Advisory AB, which is owned by Profoto's board chairperson. In accordance with an agreement approved by the Board of Directors, the Chairman provided consultancy services with an invoice value of SEK 1m in 2023 and 2024. The services relate to strategic advice on corporate and business acquisitions.

Salaries and other remuneration and pensions to senior executives

	2024	2023
Group		
Salaries and other remuneration to senior executives	16	15
including bonuses and similar remuneration to senior executives	1	1
Pension costs to senior executives	4	4
Total salaries and other remuneration and pensions for senior executives in the Group	20	20

Pensions

The retirement age for the Chief Executive Officer is 65. The pension premium shall amount to 35 percent of the pensionable salary. Pensionable salary refers to basic salary and variable remuneration. Part of the pension premiums are premiums paid into a company-owned endowment policy. Pension liabilities and endowment insurance are presented net. The provision for special payroll tax is calculated on the basis of the value of the endowment policy.

Pension premiums are paid according to ITP 1 or ITP 2. Defined benefit plans consist of the ITP 2 plan for civil servants in Sweden, which is insured by Alecta. As Alecta is unable to provide the information required to report the ITP 2 plan as a defined benefit plan, it is recognized as a defined contribution plan (see below).

ITP 2 defined benefit plan obligations for old age pension and family pension obligations for salaried employees in Sweden are managed through insurance from Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Accounting for pension plan ITP 2 financed by insurance in Alecta, this is a defined benefit plan that covers several employers. For fiscal year 2024, the company did not have the information to account for its proportionate share of the plan's obligations, plan assets and expenses, which meant that the plan could not be accounted for as a defined benefit plan.

The ITP 2 pension plan, which is covered by an insurance policy with Alecta, is therefore accounted for as a defined contribution plan. The premium for the defined benefit old-age and family pension is calculated individually and depends on factors including salary, previously earned pension and expected remaining service.

Expected premiums for the next reporting period for ITP 2 insurance policies underwritten in Alecta amount to SEK 1m (1). The Group's share of the total contributions to the plan and the Group's share of the total number of active members of the plan amount to 0.0 percent (0.0) and 0.0 percent (0.0) respectively.

The collective consolidation level is the market value of Alecta's assets as a percentage of the insurance liabilities calculated according to Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective consolidation level should normally be allowed to vary between 125 and 175 percent. If Alecta's collective consolidation level falls below 125 percent or exceeds 175 percent, measures must be taken to create the conditions for the consolidation level to return to the normal range. At a low consolidation level, one measure could be to increase the agreed price for subscription and extension of existing benefits. At a high consolidation, one measure could be to implement premium reductions. At the end of 2024, Alecta's surplus in terms of the collective consolidation ratio was 162 percent (158).

Agreements on severance pay

If the Chief Executive Officer resigns or is dismissed by the company, the notice period is twelve months. In case the Chief Executive Officer resigns from position before the notice period has ended, any remuneration from other assignments should be deducted from the remuneration paid by the company during the notice period.

Share-based payments

In 2023, senior executives and key personnel purchased 360,000 warrants for shares in the Group's Parent Company at fair value. The warrants can be called for subscription of shares between June 15 and December 15, 2026, and the redemption price per share has been set at SEK 110.77, which corresponds to 140 percent of the volume-weighted average price according to Nasdaq Stockholm's official price list during the five trading days immediately preceding the transfer. The ceiling price has been set at SEK 174.38, which corresponds to 220.4 percent of the same average price. This means that if the market price of the company's share exceeds the ceiling price when the option is exercised, the exercise price will increase accordingly. If the program participant's employment with the Group is terminated, the Group has the right to buy back the options at fair value or the cost of the options, depending on the circumstances of the termination of employment. If the option program participant remains in service in December 2026, a bonus in the form of a gross salary supplement will be received, which, in total, corresponds to the amount paid by the participant for the warrants.

The fair value of the options was calculated at SEK 8.50 using the Black & Scholes option pricing model. The following inputs were used, in addition to the subscription price stated above:

Share price	79.07
Expected volatility	35%
Maturity	3.3 years
Expected dividend	SEK 0
Risk-free interest	3.24 %

Expected volatility was estimated using statistical data for comparable listed companies. No dividend estimate is applied in the value assessment; instead, the terms of the options mean that the exercise price and the number of shares that each option entitles the holder to subscribe for will be recalculated on each dividend date.

During the second calendar quarter of 2024, a total of 171,800 warrants in series 2024/2027 were transferred to 20 participants. The transfers were made at a price of SEK 7.04 per warrant. The warrants can be called for subscription of shares between June 15 and December 15, 2027, and the redemption price per share has been set

at SEK 96.78, which corresponds to 140 percent of the volume-weighted average price according to Nasdaq Stockholm's official price list during the five trading days immediately preceding the transfer. The ceiling price was set at SEK 152.36, which corresponds to 220.4 percent of the same average price. In connection with the termination of a key person in a senior position in 2024, Profoto repurchased 180,000 warrants of series TO 2023/2026 at an amount corresponding to the fair value of the warrants, SEK 147,600. A further 8,600 warrants were repurchased at a price of SEK 1.97 per warrant. At the end of 2024, 343,200 warrants were outstanding. The recognized bonus cost and bonus liability, including social security contributions recognized at year-end, totaled SEK 1m (0.4).

Note 12 Other operating expenses

Group	2024	2023
Exchange losses	-	-7
Other	-	2
Total	-	-5

Note 13 Finance income

Group	2024	2023
Interest income	1	3
Foreign exchange differences	1	0
Other	0	0
Total	2	3

Note 14 Finance costs

Group	2024	2023
Interest expense	-12	-7
Foreign exchange differences	-	-3
Total	-12	-10

Note 15 Appropriations

Parent Company	2024	2023
Group contributions paid	-	-0.6
Group contributions received	7.1	-
Total	-7.1	-0.6

Note 16 Tax on profit/loss for the year

	Group		Parent Company	
	2024	2023	2024	2023
Current tax				
Current tax on profit/loss for the year	-19	-36	-	-
Adjustments recognized in the current year for current tax in previous years	-1	0	-	-
Deferred tax				
Deferred taxes attributable to temporary differences	-12	-7	0.5	0.5
Total	-32	-42	0.5	0.5

Reconciliation of tax expense for the year

	Group		Parent Company	
	2024	2023	2024	2023
Profit/loss before tax	158	197	51.5	137.4
Tax at applicable Swedish tax rate, 20.6 percent (20.6)	-32	-41	-10.6	-28.3
Tax effect of nondeductible expenses	-4	-1	0.0	-0.0
Tax effect of nontaxable income	3	0	12.2	28.8
Effect of previously unrecognized deferred tax liabilities	-	-1	-	-
Effect of different tax rates for foreign subsidiaries	0	-1	-	-
Other items	1	1	-0.8	-0.1
Total	-31	-42	0.5	0.5
Adjustments recognized in the current year for current tax in previous years	-1	0	0	-
Reported tax expense for the year	-32	-42	0.5	0.5

The Group's deferred tax assets and deferred tax liabilities related to the following items:

	Dec 31, 2024	Dec 31, 2023
Deferred tax asset		
Internal profit on inventories	16	17
Other items	8	7
Deferred tax asset	24	24
Deferred tax liability		
Capitalized development expenditure	44	26
Acquired intangible assets	16	19
Untaxed reserves	51	55
Other items	6	5
Deferred tax liability	117	104

Deferred tax assets are valued at no more than the amount likely to be recovered based on current and future taxable earnings. The tax rate for the calculation of deferred tax is 20.6 percent based on the effective tax rate applicable from 2021. No tax is recognized in other comprehensive income. The Parent Company's deferred tax asset amounts to SEK 2.1m (1.6) at year-end and consists of a deferred tax asset related to tax on deferred cost deductions on a capital insurance of SEK 2.1m (1.6).

Note 17 Composition of the Group

The Group has the following subsidiaries at December 31, 2024:

Name and corp. reg. no.	Country of operation	Holding, (%) ¹
Profoto AB corp. reg. no. 556115-5838	Sweden	100
Profoto GmbH corp. reg. no. HRB 39399	Germany	100
Profoto France SARL corp. reg. no. 481 980 530 R.C.S	France	100
Profoto K. K. corp. reg. no. 0104-01-057702	Japan	100
Profoto Ltd corp. reg. no. 584-2094	UK	100
Profoto US Inc corp. reg. no. 32-0407352	USA	100
Profoto Shanghai Photographic Equipment Co Ltd corp. reg.no. 91310000MA1G8XK714	China	100
Profoto B.V reg. no. 54398800	NL	100

¹ Percentage shareholding refers to the share of equity and votes held by the Parent Company, directly or indirectly.

Profoto Holding AB is the direct owner (100 percent) of Profoto AB with a share book value of SEK 32.0m (32.0). Profoto Holding AB is also the direct owner (100 percent) of the Netherlands-based (NL) company Profoto B.V, acquired in 2022, with a book value of SEK 185.3m (185.3). Profoto AB is in turn the direct owner (100 percent) of all the other subsidiaries. In 2023, the subsidiary Profoto HK Limited, wholly owned by Profoto AB, was liquidated to simplify the Group structure. Furthermore, the subsidiaries Profoto Technologies B.V and Profoto Holding B.V merged into Profoto B.V in 2023, also to simplify the Group's structure.

No other changes in the composition of the Group took place in 2024.

Note 18 Intangible fixed assets

	Goodwill	Capitalized development expenditure	Technology, customer assets and brand	Other intangible assets	Total
Opening accumulated acquisition value January 1, 2024	128	344	100	39	611
Internally developed assets	–	96	–	21	117
Currency effects	4	1	3	–	8
Closing accumulated acquisition value December 31, 2024	132	442	103	59	736
Opening depreciation/amortization January 1, 2024	–	-189	-26	-34	-249
Depreciation/amortization for the year	–	-20	-17	-1	-37
Currency effects	–	-1	0	–	-1
Closing accumulated depreciation/amortization December 31, 2024	–	-210	-43	-35	-287
Opening impairment January 1, 2024	–	-19	–	–	-19
Impairment for the year	–	–	–	–	–
Closing accumulated impairment December 31, 2024	–	-19	–	–	-19
Carrying amount per December 31, 2024	132	214	60	25	430
Opening accumulated acquisition value January 1, 2023	110	278	95	35	518
Acquisitions	16	–	6	–	23
Internally developed assets	–	67	–	3	70
Currency effects	1	-0	-0	–	0
Closing accumulated acquisition value December 31, 2023	128	344	100	39	611
Opening depreciation/amortization January 1, 2023	–	-157	-11	-27	-195
Depreciation/amortization for the year	–	-32	-15	-7	-54
Currency effects	–	0	0	–	0
Closing accumulated depreciation/amortization December 31, 2023	–	-189	-26	-34	-249
Opening impairment January 1, 2023	–	-19	–	–	-19
Impairment for the year	–	–	–	–	–
Closing accumulated impairment December 31, 2023	–	-19	–	–	-19
Carrying amount per December 31, 2023	128	137	74	5	343

Total research and development expenses that were expensed in the period totaled SEK 38m (32). These relate mainly to costs in the feasibility phase and project-wide administrative expenses that cannot be attributed to the development of specific products.

Profoto's business operations are conducted entirely within the Photographics segment, and all business monitoring and reporting is therefore done within this segment.

The book value of goodwill and the pretax discount rate (WACC) are presented in the table below.

	Goodwill	WACC, % before tax	WACC, % after tax
December 31, 2024			
Photographics	132	11.4	11.1
Total	132		

All of the Group's goodwill arose from the 2022 acquisition of Profoto B.V. (formerly StyleShoots) and a business combination in the first quarter of 2023.

The recoverability of goodwill was determined by calculating the value in use of the cash-generating unit Photographics. The calculation model is based on a discounting of future projected cash flows against the carrying amounts of the entity. The forecast consists of a detailed forecast for the next twelve months, as well as

the financial targets for the following four years adopted by the Board of Directors. Beyond the budget and the five-year forecast period, cash flows have been extrapolated at an annual growth rate of 2 percent, which can be considered to be a reasonable level in a global market in Profoto's field of activity.

The assumptions used in the calculation are based on historical trends in sales volumes in different markets, current demand and expectations for new product development. Assumptions on profitability is based on previous years' results, existing plans for profitability improvements and the current inflation situation. The discount rate is based on the weighted average cost of capital (WACC), which describes the total cost of external and equity financing, taking into account the company-specific level of risk.

The pretax discount rate includes a risk premium to reflect the current macroeconomic uncertainty together with the specific risk of the market in which Profoto operates. A company-specific risk reflecting that there is a natural uncertainty around the sales volumes that form the basis of the forecast (12 months plus four years) is also included, particularly regarding products that have not yet been launched on the market.

The impairment testing carried out on a quarterly basis during the year has not indicated any need for impairment.

At the balance sheet date, the book value after depreciation/amortization of assets, other than goodwill, arising from acquisitions of SEK 60m (74) is allocated to technology SEK 22m (25), customer relationships SEK 22m (25), customer contracts SEK 11m (16) and brand names SEK 5m (8). The depreciation/amortization periods applied are six to eight years for technology, nine years for customer relationships, five years for customer contracts and four years for brand names.

Excess values from the acquisition of Profoto B.V. have been identified mainly related to acquired customer assets, technology and brands. Acquired technology relates to proprietary software and patented integration of hardware and software in Profoto B.V. products and is estimated to have a useful life of eight years. Customer assets relate to customer contracts and customer relationships comprising revenue from existing and future service contracts and revenue from future replacement of purchased and rented products by existing customers. Customer assets are depreciated over five to nine years. The StyleShoots brand is written off over four years.

Parent Company

The total license fees expensed during the period were SEK 3m (-), accumulated amortization during the period amounted to SEK 0.2m (-) and is amortized over 10 years. The carrying amount totaled SEK 3.2m (-).

Note 19 Property, plant and equipment

	Tools and equipment	Leasehold improvements	Total
Opening acquisition value January 1, 2024	126	10	136
Investments	15	1	16
Sales/retirement	-1	-1	-2
Translation differences	1	0	1
Closing accumulated cost December 31, 2024	140	10	150
Opening depreciation January 1, 2024	-87	-10	-97
Sales/retirement	0	1	1
Depreciation/amortization for the year	-10	0	-10
Translation differences	0	0	0
Closing accumulated depreciation/amortization December 31, 2024	-97	-8	-106
Opening impairment January 1, 2024	-9	-	-9
Impairment for the year	-	-	-
Closing accumulated impairment December 31, 2024	-9	-	-9
Carrying amount per December 31, 2024	34	1	35
Opening acquisition value January 1, 2023	112	10	122
Investments	18	-	18
Sales/retirement	-4	-0	-4
Translation differences	-0	0	-0
Closing accumulated cost December 31, 2023	126	10	136
Opening depreciation January 1, 2023	-79	-9	-86
Sales/retirement	1	0	1
Depreciation/amortization for the year	-9	-1	-10
Translation differences	-0	0	-0
Closing accumulated depreciation/amortization December 31, 2023	-87	-9	-97
Opening impairment January 1, 2023	-9	0	-9
Impairment for the year	-	-	-
Closing accumulated impairment December 31, 2023	-9	0	-9
Carrying amount per December 31, 2023	31	0	31

Note 20 Inventories

The composition of inventories is shown in the table below.

	Dec 31, 2024	Dec 31, 2023
Finished goods inventory	151	140
Consignment inventories	9	19
Other stock	8	5
Carrying amount	168	164
	2024	2023
Cost of goods	237	226
Total	237	226

Consignment inventories mainly consist of components held in inventory by manufacturers and/or suppliers.

Total inventory impairments in 2024 totaled SEK -1m (-1).

Note 21 Accounts receivable

	Dec 31, 2024	Dec 31, 2023
Accounts receivable, gross	106	80
Provision for expected credit losses	-4	-2
Accounts receivable, net after provision for bad debts	102	78

The management's assessment is that the carrying amount of accounts receivable, net of provisions for bad debts, corresponds to fair value.

Provision for expected credit losses	Dec 31, 2024	Dec 31, 2023
Provision for expected credit losses, beginning of year	-2	-2
Provision for expected credit losses for the year	-2	-0
Reversal of unused amounts	0	0
Total	-4	-2

Accounts receivable aging analysis	Dec 31, 2024	Dec 31, 2023
Not past due	88	62
Past due <30 days	9	12
Past due 30-60 days	2	2
Past due 60-90 days	1	1
Past due > 90 days	6	2
Total	106	80

The company's assessment is that payment will be received for accounts receivable that are overdue but have not been written off, since the payment history of the customers is good. For the Group's analysis of financial risk management and financial instruments, see Note 5. Estimated expected credit losses are disclosed in Note 5 and have been assessed as immaterial in their estimated amount, but are included in the above note disclosures.

Note 22 Prepayments and accrued income

	Dec 31, 2024	Dec 31, 2023
Prepaid rent and licenses	4	5
Prepaid insurance premiums	1	1
Other items	3	1
Carrying amount	8	7

Note 23 Cash and cash equivalents

Cash and cash equivalents consist exclusively of available balances with banks and other credit institutions. Utilized overdraft facilities are recognized as current liabilities to credit institutions.

Financial risk management (credit risk) is described in Note 5.

Note 24 Share capital

On December 31, 2024, share capital consisted of 40,000,000 (40,000,000) shares with a nominal value of SEK 0.0125 (0.0125). All shares are ordinary shares with equal voting rights.

Note 25 Items affecting comparability

	2024	2023
Revaluation of earn-out consideration	14	–
Total revenue	14	–

The above items are considered by the Group to be unusual in nature and also material to the Group's results. These items are therefore specified separately in the notes, as they play an important role in understanding the underlying business development. The revenue for 2024 relates to the change related to the earn-out for Assetflow.

Note 26 Provisions

Group – total provisions	Dec 31, 2024	Dec 31, 2023
Provisions at the beginning of the year	20	31
Provisions during the period	7	7
Provisions reversed during the period	-11	-18
Provisions at year-end	16	20

Group – warranty provisions	Dec 31, 2024	Dec 31, 2023
Provisions at the beginning of the year	16	18
Provisions during the period	7	7
Provisions reversed during the period	-8	-9
Provisions at year-end	16	16

Of the total provisions, SEK 16m (16) relates to provisions for guarantee commitments, of which SEK 7m (8) are long-term and SEK 8m (8) are short-term. Long-term provisions consist of guarantee commitments expiring within 1–2 years, short-term provisions expire within 1 year. The amounts are not discounted, and the discounting effect is not material. Other provisions consist of risks related to material costs of SEK 0m (3) and other provisions of SEK 0m (0). Provisions for material costs are considered to be short-term and other provisions long-term.

Note 27 Noncurrent and current liabilities to credit institutions

	Dec 31, 2024	Dec 31, 2023
Noncurrent interest-bearing liabilities		
Noncurrent liabilities to credit institutions	0	1
Carrying amount	0	1
Current interest-bearing liabilities		
Current liabilities to credit institutions	217	79
Carrying amount	217	79

The Group's utilized overdraft credit was SEK 58m (58) and is included in the item Current liabilities to credit institutions. The interest rate on the overdraft facility used is variable. The USD overdraft is based on the SOFR (formerly LIBOR) reference rate, while the EUR overdraft is based on the EURIBOR reference rate. The switch from LIBOR to SOFR took place as a direct consequence of the reference rate reform, where the new reference rate has been deemed economically equivalent to the previous one. The Group's total overdraft facility was SEK 100m (105). The Group also has a revolving credit facility of SEK 250m, 150m of which was drawn on by year-end. The interest rate on the revolving credit is variable and based on the STIBOR reference rate for credit in the SEK currency. The majority of other liabilities that are not overdraft facilities are based on a fixed interest rate. The long-term debt matures in 2025 and is reclassified to short-term debt in 2024. Fair value is estimated to be the carrying amount of the liabilities.

Note 28 Accrued expenses and deferred income

Group	Dec 31, 2024	Dec 31, 2023
Accrued wages, etc.	23	23
Prepaid income	8	9
Accrued materials costs	2	8
Accrued marketing costs	2	1
Accrued consultancy fees	8	9
Other accrued costs	9	9
Carrying amount	53	59
	Dec 31, 2024	Dec 31, 2023
Parent Company		
Accrued wages and payroll overhead	4.3	5.5
Accrued interest expense	0.8	0.3
Other items	0.5	0.4
Carrying amount	5.6	6.2

Prepaid income consists of goods paid for but not yet delivered and payments for service and maintenance contracts.

Accrued material costs consist of material and freight-related commitments and risks, and risks related to goods in inventory.

Note 29 Specifications for Statement of Cash Flows

Group	2024	2023
Depreciation/amortization and impairment of property, plant and equipment and intangible assets	58	77
Provisions and similar items	8	-1
Other items	3	-2
Total	70	74

In preparing the Statement of Cash Flows, adjustments are made for noncash items which are summarized in the table on the left.

Reconciliation of liabilities arising from financing activities is presented in the tables below:

Group	Liabilities to credit institutions	Lease liabilities	Total
Opening balance January 1, 2024	80	41	120
Cash flow	130	3	133
Net contracts entered into	–	-4	-4
Foreign exchange differences	6	1	7
Carrying amount per December 31, 2024	217	40	257

Group	Liabilities to credit institutions	Lease liabilities	Total
Opening balance January 1, 2023	71	50	120
Cash flow	16	-14	2
Net contracts entered into	–	5	5
Foreign exchange differences	-7	-0	-7
Carrying amount per December 31, 2023	80	41	120

Note 30 Pledged assets and contingent liabilities

	Dec 31, 2024	Dec 31, 2023
Contingent liabilities		
Swedish Customs Service	1	1
Total	1	1

The Parent Company has issued a general guarantee on behalf of Profoto AB, 556115-5838. No outstanding liabilities are covered by the guarantee at the balance sheet date. Profoto AB also has an unlimited general guarantee in favor of its subsidiary Profoto US Inc.

None of these guarantees could be considered contingent liabilities, since the probability that the guarantees would be called in for payment is extremely low.

Note 31 Related-party transactions

For the full year, invoiced management fees totaled SEK 20.1m (18.3). Related-party transactions also include remuneration to directors and other senior executives. The remuneration level is determined on a commercial basis. The Parent Company has issued a general guarantee on behalf of its subsidiary (see Note 30). Closing balances are presented in the table for the Group and the Parent Company, respectively.

During the year, the Group expensed consulting costs of SEK 1m (1) for the benefit of Aligro Advisory AB, which is owned by Profoto's board chairperson. In accordance with an agreement approved by the Board of Directors, the Chairman provided services with an invoice value of SEK 1m in 2024.

	2024	2023
Receivables from related parties		
Parent Company		
Receivables from other Group companies	34.6	–
Carrying amount	34.6	–
Liabilities to related parties		
Parent Company		
Liabilities to other Group companies	–	4.4
Carrying amount	–	4.4

Note 32 Events after the balance sheet date

The Board of Directors has decided on an extended dividend policy to also allow for share buybacks as follows: "Profoto aims to distribute at least 50 percent of its net profit to its shareholders through cash dividends and/or share buybacks while taking into account other factors such as financial position, cash flow, and growth opportunities." The Board of Directors proposes a dividend of SEK 2.00 (3.75) per share, corresponding to a total amount of SEK 80m (150) divided into two payments.

Note 33 Appropriation of profits

The following profits are at the disposal of the Annual General Meeting (SEK)

Retained earnings	37,424,321
Share premium reserve	4,074,658
Profit/loss for the year	59,084,326
Total	100,583,305

The Board of Directors and the CEO propose:

to be distributed to shareholders	80,000,000
to be carried forward	20,583,305
Total	100,583,305

Signatures

The annual accounts and consolidated accounts were approved for issue by the Board of Directors on April 7, 2025. The consolidated income statements and balance sheet as well as the Parent Company's income statements and balance sheet are subject to adoption by the Annual General Meeting on May 7, 2025.

The Board of Directors and the CEO hereby certify that the Annual Report has been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities, and that it gives a true and fair view of the company's position and results. It is further certified that the Directors' Report gives a true and fair view of the develop-

ment of the company's business, position and performance and that it describes the principal risks and uncertainties that the company faces. The Board of Directors and the CEO hereby certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and give a true and fair view of the Group's financial position and performance and the Directors' Report give a true and fair view of the Group's operations position and results and describes significant risks and uncertainties that the companies included in the Group face.

Stockholm, on the date indicated by electronic signature

Hans Eckerström
Chairman of the Board

Anders Hedebark
Member of the Board and CEO

Magnus Brännström
Member of the Board

Pernilla Ekman
Member of the Board

Helena Holmgren
Member of the Board

Helene Willberg
Member of the Board

Our audit report was issued on the date indicated by our electronic signature
Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow
Authorized Public Accountant

Auditors' Report

Unofficial translation

**To the general meeting of the shareholders of Profoto Holding AB (publ),
corporate identity number 556810-9879**

Unofficial translation

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Profoto Holding AB (publ) for the year 2024 except for the corporate governance statement on pages 42–48. The annual accounts and consolidated accounts of the company are included on pages 33–68 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 and the group as of 31 December 2024 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 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 42–48. The statutory administration report is consistent with the other parts of the annual 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 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.

Key audit matters

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 MATTERS

Valuation of capitalized development expenses

As of December 31, 2024, the consolidated reported value of capitalized development expenses amounts to 214 million SEK. Given that the criteria described in note 2 are met, capitalized development expenses are reported as intangible assets according to the group's accounting principles. The company management assesses the commercial and technical potential of development projects during capitalization and valuation of the capitalized development expenses.

There is a risk that the development expenses do not meet the criteria for capitalization and that the reported value exceeds the recoverable amount. If so this could have significant consequences for the group's financial results and position. Therefore the valuation of capitalized internally generated development expenses represent a key audit matter in our audit.

For more detailed information, refer to note 2 for important accounting principles, note 3 for significant estimates and judgments, and note 18 for intangible fixed assets.

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 1–32 and 72–76. The Board of Directors and the Managing Director are 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

HOW OUR AUDIT CONSIDERED THE PARTICULARLY SIGNIFICANT AREA

Our audit included, but was not limited to, the following audit procedures:

- Assessment of relevant controls over capitalization of development expenses.
- Evaluation of the group's principles for capitalization of internally generated development expenses.
- Review of a sample of capitalized internally generated development expenses and assessment of management's view on that the asset qualifies for being capitalized.
- Evaluation and challenging of key assumptions in management's impairment testing, such as forecasted cash flows and the weighted average cost of capital (WACC).
- Assessment of accounting principles applied and disclosure of necessary information in the annual report.

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 Accounting Standards 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 intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Profoto Holding AB (publ) for the year 2024 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 Director's 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 contravention 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 ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Profoto Holding AB (publ) for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Profoto Holding AB (publ) 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of Esec report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esec report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esec report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esec report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esec report has been prepared in a format that enables uni-

form electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esec report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esec report has been prepared in a valid XHTML format and a reconciliation of the Esec report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esec report have been marked with iXBRL in accordance with what follows from the Esec regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 42-48 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 RevR 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.

Öhrlings PricewaterhouseCoopers AB, was appointed auditor of Profoto Holding AB (publ) by the general meeting of the shareholders on the 14 May 2024 and has been the company's auditor since the 5 May 2023.

Stockholm on the day shown by our electronic signature.

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow

Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Definitions

Average number of employees

Average number of full-time employees during the period.

Currency-adjusted organic growth

Change in net sales, recalculated at the preceding year's exchange rate, excluding acquired entities during the last 12-month period.

LTM

The last twelve months; 12-month period ending on the date specified.

Organic growth

Change in net sales excluding acquired entities during the last 12-month period.

Profoto Group/Group

The Group or the Profoto Group consists of the Parent Company, as well as direct and indirect subsidiaries. The terms are used interchangeably.

Region Americas

Central America, North America and South America.

Region APAC

Oceania and Asia with the exception of Russia, Turkey and the Middle East.

Region EMEA

Africa, Europe including Turkey and Russia, as well as the Middle East.

Explanations for alternative performance measures

Adjusted operating profit/loss (adjusted EBIT)

Alternative performance measures are used to describe trends in the business and to increase comparability between periods. Adjustments include significant effects from impairment of inventories, as well as development costs, listing costs, and acquisition costs. For 2024, revaluations of purchase prices related to acquisitions have been made.

Adjusted items have a significant impact on EBIT. These are business-related events involving material amounts that have not occurred to the same extent in the past, and where the likelihood is low that similar transactions will occur in future periods. In order to provide a good understanding of the Profoto Group's operating activities and what EBIT would have looked like without these items, the company has chosen to present adjusted EBIT without items affecting comparability.

The table below shows profit/loss from the company's operating activities excluding items affecting comparability.

SEKm	2024	2023
Net sales	731	787
Operating profit/loss (EBIT)	167	204
Total items affecting comparability	14	–
Revaluation related to acquisitions	14	–
Adjusted operating profit (EBIT)	153	204
Adjusted EBIT margin, %	20.9	26.0

Adjusted EBIT margin, %

Adjusted EBIT in percentage of net sales. Shows adjusted operating profit or loss in relation to net sales and is a measure of the profitability of the company's operating activities, excluding items affecting comparability.

EBITA

Operating profit before depreciation and amortization of intangible fixed assets. The objective is to assess underlying operating profit from continuing operations before depreciation/amortization of intangible assets.

EBIT

Profit or loss before financial items and tax. Shows the profit or loss from the company's operating activities.

EBIT margin, %

EBIT as a percentage of net sales. Shows operating profit or loss in relation to net sales and is a measure of the profitability of the company's operating activities.

EBITA margin, %

EBITA as a percentage of net sales. The aim is to give an indication of profitability and future investment scope in relation to sales.

EBITDA

EBITDA (earnings before finance income and costs, taxes, depreciation and amortization) is the operating profit plus depreciation, impairment and amortization. EBITDA provides a picture of the ability of the business to generate resources for investments and payments to financiers.

SEKm	2024	2023
Operating profit/loss (EBIT)	167	204
Depreciation and impairment of intangible fixed assets	37	54
EBITA	204	258
Depreciation, amortization and impairment of property, plant and equipment	22	24
EBITDA	225	282

Items affecting comparability

Business transactions that represent the difference between operating profit/loss (EBIT) and adjusted operating profit/loss. These are transactions such as significant impairment of inventories and property, plant and equipment/intangible fixed assets, government grants, acquisition-related costs and IPO expenses/revenue, which by nature are unusual and have a material impact on earnings. The transactions play an important role in understanding underlying business developments.

Net debt

Interest bearing liabilities minus cash and cash equivalents. A measurement of the company's financial position. Shows how much cash and cash equivalents would remain if all debts were paid off. A negative amount indicates a positive net cash position.

SEKm	Dec 31 2024	Dec 31 2023
Liabilities to credit institutions, noncurrent	0	1
Other interest-bearing liabilities, noncurrent	0	8
Lease liabilities, noncurrent	29	31
Liabilities to credit institutions, current	217	79
Other interest-bearing liabilities, current	–	8
Lease liabilities, current	11	10
Cash and cash equivalents	-21	-95
Net debt	235	44

Net debt/EBITDA

Net debt in relation to EBITDA over the past rolling twelve months. A measure of financial risk, as well as an indication of repayment capacity.

SEKm	Dec 31 2024	Dec 31 2023
Net debt	235	44
EBITDA, LTM	225	282
Net debt/EBITDA LTM, ratio	1.04	0.16

Organic growth, %

Change in net sales for the year, excluding acquisitions, recalculated at the preceding year's transaction-based daily average exchange rate. Shows whether a company is growing or shrinking, excluding exchange rate effect and acquisitions.

%	2024	2023
Change in net sales	-7.1	-7.2
Acquisitions	–	-2.1
Currency effect	0.6	-3.2
Organic growth	-6.5	-12.6

Return on equity, %

Twelve-month rolling profit as a percentage of average equity based on the flow of equity for the last twelve months. Shows the return generated on equity invested in the business.

SEKm	Dec 31 2024	Dec 31 2023
Profit/loss for the period, LTM	126	155
Equity	370	396
Equity, LTM	383	394
Return on equity, %	32.9	39.5

Capital employed

Total assets less noninterest bearing provisions and liabilities. The metric shows how much capital is used in the business and is a component to measure the returns from the business.

SEKm	Dec 31 2024	Dec 31 2023
Total assets	872	799
Provisions, long-term	-7	-8
Deferred tax liabilities	-117	-104
Provisions, short-term	-8	-12
Accounts payable	-56	-59
Current tax liabilities	0	-6
Accrued expenses and deferred income	-53	-59
Other noninterest-bearing liabilities, current	-2	-17
Capital employed	628	535

Return on capital employed, %

EBIT last twelve months (LTM) as a percentage of average capital employed based on incoming and outgoing capital employed for the last twelve months. A key figure to measure the return on the capital tied up in the business.

SEKm	Dec 31 2024	Dec 31 2023
EBIT, LTM	167	204
Capital employed	628	535
Capital employed, LTM	581	539
Return on capital employed, %	28.7	37.9

Operating capital

Total assets less cash and cash equivalents, other interest-bearing assets and noninterest-bearing provisions and liabilities. Operating capital shows how much capital the business requires to run its core business. It is mainly used to calculate the return on operating capital.

SEKm	Dec 31 2024	Dec 31 2023
Total assets	872	799
Provisions, long-term	-7	-8
Deferred tax liabilities	-117	-104
Provisions, short-term	-8	-12
Accounts payable	-56	-59
Current tax liabilities	0	-6
Accrued expenses and prepaid income	-53	-59
Other noninterest-bearing liabilities, current	-2	-17
Cash and cash equivalents	-21	-95
Operating capital	607	440

Return on operating capital, %

EBIT rolling twelve months (LTM) as a percentage of average operating capital based on operating capital inflows and outflows for the last twelve months. The return on operating capital shows how well the business uses the net capital tied up in operations. It reflects the combined effect of the operating margin and turnover rate on operating capital. The key performance figure is mainly used to monitor the Group's value creation over time.

SEKm	Dec 31 2024	Dec 31 2023
EBIT, LTM	167	204
Operating capital	607	440
Operating capital, LTM	523	417
Return on operating capital, %	31.9	49.0

Financial information

Financial calendar

Annual Report 2024 – April 7, 2025
 Interim Report Q1 2025 – May 7, 2025
 AGM 2025 – May 7, 2025
 Interim Report Q2 2025 – July 18 2025
 Interim Report Q3 2025 – October 23, 2025

For further information, please contact

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Financial information

The annual report and other relevant company information is published on <https://investors.profoto.com/en/>.

Annual General Meeting

Profoto's Annual General Meeting will take place on Wednesday, May 7 at 1:00 p.m. at Profoto's premises at Landsvägen 57 in Sundbyberg, Sweden. Shareholders who wish to have a matter addressed at the Annual General Meeting must, for the request to be considered with certainty, submit their proposal to the Board of Directors agm@profoto.com no later than March 21, 2025. Shareholders who wish to submit proposals regarding the Board of Directors, Chairman of the Board, Chairman of the AGM or the Nomination Committee for next year's AGM may, no later than March 21, 2025, contact Profoto's Nomination Committee via nomination@profoto.com or by mail to Profoto Holding AB (publ), Attn: Nomination Committee, Box 1264, Landsvägen 57, 172 25 Sundbyberg, Sweden.

Conditions for participation

A shareholder who would like to participate in the general meeting must (i) be entered in the register of shareholders maintained by Euroclear Sweden AB by April 30, 2025, and (ii) give notice of participation in the Annual General Meeting no later than May 5, 2025, by mail to Profoto Holding AB (publ), "General Meeting," Box 1264, Landsvägen 57, 172 25 Sundbyberg, Sweden, or by email to info@profoto.com. The notification must include the participant's name, personal or corporate identity number, address, telephone number and the number of assistants (maximum two).

To be entitled to participate in the general meeting, a shareholder who has registered their shares in the name of a nominee, in addition to announcing their intention to participate in the general meeting, must request that their shares be registered in their own name so the shareholder is entered into the register of shareholders by April 30, 2025. This registration may be temporary (so-called voting right registration) and is requested with the nominee in accordance with the nominee's procedures and in advance as determined by the nominee. Voting rights registration made by the nominee no later than April 30, 2025, will be taken into account in when preparing the shareholder register.

Shareholders' right to receive information

The Board of Directors and the CEO shall, if any shareholder so request and the Board of Directors that it can be done without material harm to the company, provide information regarding circumstances that can affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the Group.

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