

Interim Report

January 1–June 30, 2021

Financial summary April – June 2021

- Net sales increased to SEK 172m (81), an increase of 113.3 percent. Adjusted for currency effects, net sales increased by 131.3 percent.
- EBIT amounted to SEK 36m (-23) and the EBIT margin to 20.9 percent (-28.6).
- Adjusted EBIT¹ improved to SEK 53m (-30). Adjustments for the quarter related to resetting of IPO expenses of SEK 17m. Adjustment for the second quarter 2020 related to received government grants of SEK 6m.
- Adjusted EBIT margin¹ for the quarter was 30.7 percent (-36.6).
- Profit for the period increased to SEK 22m (-21).
- Cash flow from operating activities totaled SEK 54m (5).
- Earnings per share (before and after dilution)² amounted to SEK 0.56 (-0.53).

Financial summary January – June 2021

- Net sales increased to SEK 325m (229), an increase of 42.0 percent. Adjusted for currency effects, net sales increased by 55.2 percent.
- EBIT amounted to SEK 76m (-10) and the EBIT margin to 23.3 percent (-4.4).
- Adjusted EBIT¹ improved to SEK 100m (-16). Adjustments for the six-month period related to resetting of IPO expenses of SEK 25m. Adjustments for the six-month period previous year related mainly to received government grants of SEK 6m.
- Adjusted EBIT margin¹ for the six-month period was 30.9 percent (-6.9).
- Profit for the period increased to SEK 54m (-11).
- Cash flow from operating activities amounted to SEK 96m (44).
- Earnings per share (before and after dilution)² amounted to SEK 1.34 (-0.27).

Significant events April – June 2021

- The Board of Directors decided on financial targets³: A constant currency annual organic growth rate of 10 percent, an EBIT margin of 25-30 percent and a dividend payout ratio exceeding 50 percent of net profit.
- On the Annual General Meeting on May 7 it was resolved to pay a total dividend of SEK 156m to the owner, Profoto Invest AB. The dividend was also paid during the reporting period.
- The Parent Company (Profoto Holding AB (publ)) has made a bonus issue in which the share capital was increased to SEK 0.5m.
- The Parent Company (Profoto Holding AB (publ)) carried out a share split, increasing the number of shares to 40,000,000.
- In June the Parent Company (Profoto Holding AB (publ)) entered into a loan agreement for a RCF loan with a total credit limit of SEK 250m. The conditions for using the credit facility have been met in July.

Significant events after the end of the period

- The Parent Company Profoto Holding AB (publ) has been listed on Nasdaq Stockholm's Mid-cap list with its first trading day on July 1, 2021.
- The former parent company Profoto Invest AB has exchanged all of its shares in Profoto Holding AB (publ) to its owners on July 5, 2021.

1) For information and explanations regarding alternative performance measures, see pages 19-20.

2) Calculated based on 40,000,000 ordinary shares before and after dilution (retroactive adjustment for periods prior to the second quarter of 2021).

3) The financial targets are presented in detail on page 6.

Net sales

SEK 172m

Q2 2021
(SEK 81m Q2 2020)

Adjusted EBIT¹

SEK 53m

Q2 2021
(SEK -30m Q2 2020)

Adjusted EBIT margin¹

31%

Q2 2021
(-37% Q2 2020)

This is a translation of the original Swedish interim report. In the event of a difference between the English translation and the Swedish original, the Swedish interim report shall prevail.

Key ratios**Group**

	2021	2020		2021	2020		2020
	April - June	April - June	Δ%	January - June	January - June	Δ%	full year
Net sales, SEKm	172	81	113.3	325	229	42.0	528
EBIT*, SEKm	36	-23	-	76	-10	-	-12
EBIT margin, %	20.9	-28.6	-	23.3	-4.4	-	-2.2
Adjusted EBIT* ¹ , SEKm	53	-30	-	100	-16	-	56
Adjusted EBIT margin ¹ , %	30.7	-36.6	-	30.9	-6.9	-	10.7
Net profit for the period*, SEKm	22	-21	-	54	-11	-	-17
Cash flow from operating activities, SEKm	54	5	970.6	96	44	117.8	153
Net debt ⁴ , SEKm	-14	-3	416.7	-14	-3	416.7	-91
Net debt/EBITDA	-0.09	-0.02	-	-0.09	-0.02	-	-1.20
Earnings per share* ²	0.56	-0.53	-	1.34	-0.27	-	-0.44

All amounts are in millions of SEK (SEKm) unless otherwise stated. Rounding differences of SEKm +/-1 may occur when adding up figures. Where an underlying figure is SEK 0m when rounded, it will be reported as 0. Figures in parentheses represent the same period last year.

1) For information and explanations regarding alternative performance measures, see pages 19–20.

2) Calculated based on 40,000,000 ordinary shares before and after dilution (retroactive adjustment for periods prior to the second quarter of 2021).

3) The financial targets are presented in detail on page 6.

4) A negative amount indicates a positive net cash position.

*Percentage change when changing the sign is not stated.

Gradually a re-opened world – good for Profoto too

The second quarter of 2021 has seen a gradual reopening of the economies in the US and Europe. This is gratifying and is clearly visible in our sales, which increased to SEK 172m (81) during the quarter. In APAC, however, the picture is more mixed. There was an opening up internally within regions or within countries, but quarantine regulations for travelers have continued in many countries. Both China and Japan have had some local outbreaks that have led to restrictions and affected market activity and our sales. In India and Indonesia, the pandemic is a major problem and restrictions are severe.

Nevertheless, it bodes well to see that as soon as restrictions are eased, we see a return in demand for our products, which was directly reflected in sales, especially to our larger customers, dealers and rental companies. Perhaps when the long-awaited wedding can finally happen, it will be all the more important to immortalize it?

The gradual reopening of society has also meant that we can travel and meet customers in person, which is important and a true pleasure. Both we and our dealers have increased our customer activities. Our products that are used for e-commerce photography have performed well throughout the period.

During the first quarter, we launched the Pro-11, a further development of our flagship product, the Pro-10. We see continued strong interest in it, especially from rental companies. During the second quarter, Profoto Camera was launched, a camera app for smartphones. Profoto Camera makes your smartphone into a professional camera. The Profoto Camera enables you to use your smartphone with the Profoto professional light shaping system to create great images. The light is the essence of every image!

However, not everything has been bright during the period. Like many other companies, we have seen component shortages and logistics problems, which have led to delays and, in some cases, non-delivery. The problems are not over, but we are putting a lot of effort to plan and find new solutions.

Nevertheless, it has been a useful time in many ways. We have learned many new ways to work more efficiently, which is reflected in the results and margins we deliver. The adjusted EBIT result amounted to SEK 53m (-30) with a margin of 31 percent, which I am proud of. We will focus on growth in the future and therefore have set our financial marginal target at 25-30 percent.



Just after the end of the period, on July 1, we were finally able to make our debut on the Nasdaq Stockholm stock exchange. It has been an intense but very rewarding period, meeting investors from all over the world. I am very pleased and proud of the great interest Profoto has received from strong and highly respected institutions and a number of private individuals. Thank you! Now it's up to us to shoulder the responsibility to deliver. Growth, earnings and dividends.

Anders Hedebark
President and CEO

Financial overview

The second quarter, April 1 – June 30, 2021

Net sales

Net sales for the second quarter amounted to SEK 172m (81), an increase of 113.3 percent compared with the corresponding period last year. Adjusted for currency effects, sales increased by 131.3 percent in the second quarter.

With the gradual reopening of the economies in Europe and the US, fashion photography and some events and weddings are now being held, which is particularly evident in the demand from Profoto's largest customers, both dealers and rental companies. Flashes for product photography in e-commerce also made a strong contribution to net sales during the quarter. The launch in the first quarter of the Pro-11, a further development of the Pro-10, one of Profoto's flagship products, continued to generate interest and sales. The second quarter also saw the launch of the brand new Profoto Camera, a camera app that can be downloaded to smart-phones and easily communicate with Profoto's lightshaping products. Total sales during the quarter were hampered in part by component shortages, resulting in delays and some loss of sales.

Regions

The US has now started to open up, which is evident in sales in the Americas region, amounting to SEK 73m (20), an increase of 262.1 percent compared to a very weak second quarter 2020. EMEA also saw a gradual recovery to SEK 61m (27) in sales in the quarter, an increase of 125.7 percent. In the spring of 2020, APAC was relatively more open, but the current picture is mixed. Some parts have been fully open in China and Japan, while other countries such as India and Indonesia have been hit hard by the pandemic this quarter. Total sales in APAC amounted to SEK 39m (34), an increase of 13.5 percent. For further information on sales by region, see note 2 on page 17.

Operating profit/loss (EBIT)

During the second quarter, EBIT amounted to SEK 36m (-23), which corresponds to an EBIT margin of 20.9 percent (-28.6).

Adjusted EBIT¹ was SEK 53m (-30) and adjusted EBIT margin was 30.7 percent (-36.6). In the second quarter, other external expenses of SEK 17m related to the IPO of the Parent Company were adjusted for. In the second quarter previous year, received government grants amounting to SEK 6m were adjusted for. The increases in EBIT and adjusted EBIT were mainly the result of increased sales, but also improved operational efficiency, which was a result of the cost-saving program implemented in the second half of 2020, but which has not yet had its full impact in the corresponding period last year. Compared with the same period the previous year, other external expenses excluding IPO related expenses of SEK 27m (30) and personnel expenses excluding received government grants related to short-time work of SEK 29m (31) have decreased.

Financial items

Financial items consisted of interest expenses of SEK 1m (1) and consisted of interest on lease liabilities, utilized overdraft facilities and external loans. Unrealized foreign exchange losses on financial items amounted to SEK 3m (3). Net expenses from financial items amounted to SEK 3m (4). Intra-group receivables/liabilities in relation to the ultimate Parent Company Profoto Invest AB did not carry interest.

Net profit for the period and tax expense

Net profit for the period was SEK 22m (-21). The tax expense was SEK 10m (-6), of which SEK 10m (-6) was current tax. The effective tax rate for the period was 31.3 percent (-21.1). The effective tax rate was affected by SEK 16m of IPO expenses were treated as non-deductible for tax purposes. Excluding the tax effect of these expenses, the effective tax rate for the second quarter was 21.4 percent.

1) For information and explanations regarding alternative performance measures, see pages 19–20.

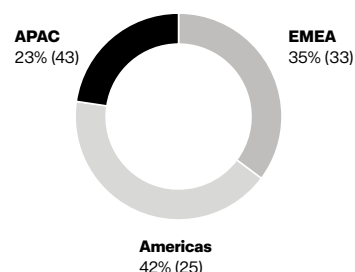
Change in net sales

%

	2021 April – June
Net sales adjusted for currency effect	131.3
Currency effect	-18.0
Total	113.3

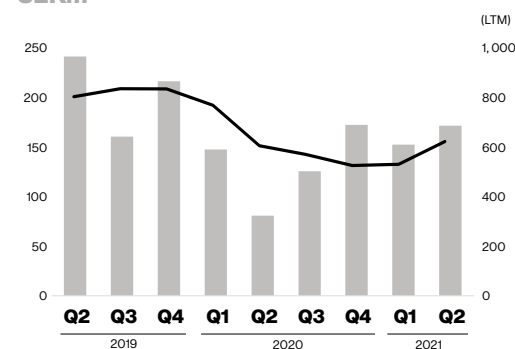
Sales by region April – June 2021

%



Net sales by quarter and LTM

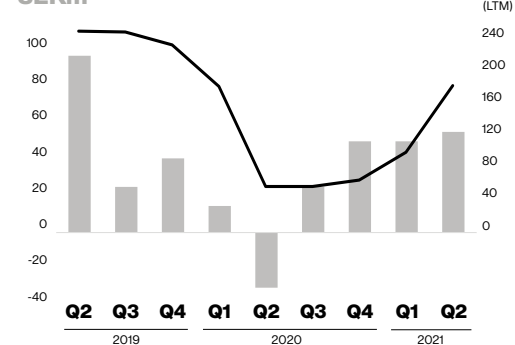
SEKm



■ Net sales — LTM

Adjusted EBIT¹ and LTM

SEKm



■ Adjusted EBIT — LTM

First half of the year, January 1 – June 30, 2021

Net sales

Net sales for the first six months of the year amounted to SEK 325m (229), an increase of 42.0 percent compared with the corresponding period last year. Adjusted for currency effects, sales increased by 55.2 percent in the first half of the year.

Flashes for product photography in e-commerce made a strong contribution to net sales of the reporting period. The launch in the first quarter of the Pro-11, a further development of the Pro-10, one of Profoto's flagship products, generated interest and sales. The second quarter also saw the launch of the new Profoto Camera, a camera app that can be downloaded to smartphones and easily communicate with Profoto's lightshaping products.

Regions

The Americas region had sales of SEK 124m (80) in the first half of the year, an increase of 54.6 percent from the corresponding period in 2020. EMEA also saw a gradual recovery to SEK 114m (89) in sales in the first half of the year an increase of 28.6 percent. The coronavirus pandemic did not shut down Europe until the second quarter of 2020. Total sales in APAC amounted to SEK 87m (61), an increase of 41.7 percent. In China, for example, restrictions were eased in the second quarter of 2020. For further information on sales by region, see note 2 on page 17.

Operating profit/loss (EBIT)

During the first half of the year, EBIT amounted to SEK 76m (-10), which corresponds to an EBIT margin of 23.3 percent (-4.4).

Adjusted EBIT¹ was SEK 100m (-16) and adjusted EBIT margin was 30.9 percent (-6.9). During the first half of the year, other external expenses of SEK 25m related to the IPO of Profoto were adjusted for. During the first half of the previous year, received government grants amounting to SEK 6m were adjusted for. The increases in EBIT and adjusted EBIT were due to increased sales, as well as to improved operational efficiency, which in turn is a result of the cost-savings program carried out in the second half of 2020., and which reduced the costs. Compared with the same period the previous year, other external expenses excluding IPO related expenses of SEK 53m (74) and personnel expenses excluding received government grants of SEK 58m (72) had decreased.

Financial items

Financial items consisted of realized and unrealized exchange gains on cash and cash equivalents of SEK 0m (1) during the first half of the year and interest expense of SEK 1m (2), which related to interest on lease liabilities, utilized overdraft facility and external loans. Net expenses from financial items amounted to SEK 1m (3). Intra-group receivables/liabilities in relation to the Parent Company Profoto Invest AB did not carry interest.

Net profit for the period and tax expense

Net profit for the period was SEK 54m (-11). Tax expense was SEK 21m (-2), of which SEK 25m (-2) was current tax and SEK -3m (-0) related to a change in deferred taxes. The effective tax rate for the period was 28.5 percent (-17.1). The effective tax rate was affected by SEK 22m of the expenses related to the IPO were treated as non-deductible for tax purposes. Excluding the tax effect of these expenses, the effective tax rate for the first half of the year was 22.4 percent.

1) For information and explanations regarding alternative performance measures, see pages 19-20.

Financial position and other information

Product development and other investments

During the second quarter, SEK 5m (5), and during the first half of the year SEK 9m (11), were capitalized as internally generated development expenditure. In total capitalized development expenditures amounted to SEK 93m (121) per June 30, 2021. Research and development expenses that were expensed during the second quarter amounted to SEK 8m (11) and SEK 17m (26) for the reporting period. The non-capitalized expenses relate mainly to expenses in the pre-study phase and project-wide administrative expenses that cannot be attributed to the development of specific products.

Working capital, liquidity and cash flow

At the end of the second quarter, inventories totaled SEK 96m (144) and accounts receivable SEK 75m (35). Accounts payable amounted to SEK 47m (14). Inventories decreased mainly due to a higher demand than the company can supply. This is mainly a consequence of shortage of components. Accounts receivable and accounts payable have increased due to higher sales compared with the second quarter of 2020. Total current liabilities amounted to SEK 159m (169). Cash flow from operating activities for the quarter totaled SEK 54m (5). The increase was mainly due to a higher operating result compared with the second quarter of previous year.

Depreciation and amortization

Depreciation/amortization during the second quarter amounted to SEK 14m (15) and for the first half of the year to SEK 29m (31). No impairment of intangible assets and property, plant and equipment was recognized in the first half of the year 2021.

Financial position

On June 30, 2021 consolidated equity totaled SEK 230m (336). Equity was negatively impacted in the second quarter by the dividend of SEK 156m to the previous parent company Profoto Invest AB, as resolved by the Annual General Meeting. Interest-bearing liabilities to credit institutions amounted to SEK 44m, which was unchanged from year-end 2020. Lease liabilities amounted to SEK 51m (60) under IFRS 16. The Group reported a net cash position of SEK 14m (3).

Financial targets

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

- 1) Growth: Achieve a constant currency annual organic growth in net sales of above 10 percent over time. Achieve net sales of SEK 800m by the end of 2023.
- 2) Profitability: Maintain an EBIT margin within 25-30 percent whilst growing EBIT year on year.
- 3) Dividend level: Pay out at least 50 percent of net profit, whilst also taking into account other factors such as financial position, cash flow and growth opportunities.

Employees

The average number of employees in the second quarter was 97 (132), of whom 38 (47) were employed in sales companies in China, Japan, the US, Germany, France and the UK. The reduction in staff is an effect of the cost-saving program implemented in the second half of 2020.

Parent Company

Profoto Holding AB (publ) with registration number 556810-9879 is the Parent Company of the Group and was in turn a wholly

owned subsidiary of Profoto Invest AB (559099-2326) on June 30, 2021.

The Parent Company is a holding company with management fees from other Group companies of SEK 2.9m (2.9) as its only income in the second quarter, and with personnel expenses and other external expenses related to management of the Group as expenses. IPO expenses of SEK 22.3m had a negative impact on other external expenses in the first half of the year.

The operating profit/loss (EBIT) amounted to SEK -15.9m (0.4) for the second quarter. Current assets totaled SEK 1.3m (51.1) and short-term financial liabilities amounted to SEK 33.7m (82.7). The change is mainly attributable to the settlement of intra-group receivables and payables from the ultimate parent company Profoto Invest AB during the second quarter. The Parent Company has, in June, entered into an agreement for a credit facility of SEK 250m. A dividend totalling SEK 156m to the owner, Profoto Invest AB, was paid during the reporting period.

Summary of other significant events during the reporting period

- Pro-11, a new generation studio flash, was launched.
- A brand new camera app was launched, Profoto Camera, that can be downloaded to smartphones and easily communicate with Profoto's lightshaping products.
- Pernilla Ekman and Helena Holmgren were elected to serve as new Board members at the Extraordinary General Meeting.
- Gunilla Öhman was appointed Head of Investor Relations and joined the management team.

Summary of significant events after the end of the reporting period

As a consequence of the listing of Profoto Holding AB (publ) on Nasdaq Stockholm's Mid-cap list, with the first trading day on July 1, 2021, all of the former parent company Profoto Invest AB's shares in current Parent Company Profoto Holding AB (publ) were exchanged to its shareholders on July 5, 2021. As from this date, Profoto Invest AB is no longer the parent company of Profoto Holding AB (publ).

Shareholders

Profoto had 1 297 shareholders on July 31, 2021 out of which the 10 major shareholders were:

Burken Invest AB	15 127 321 shares
Nedergransta Förvaltning AB	6 000 000 shares
Lannebo Fonder	3 051 119 shares
Lovisa Hamrin	1 515 151 shares
Svolder	1 515 151 shares
Eckis Holding AB	1 230 508 shares
Nordnet Pensionsförsäkring	1 031 439 shares
AFA Försäkring	615 000 shares
Strand Fonder	507 066 shares
Enter Fonder	487 247 shares

Significant risks and uncertainties

The Profoto Group is an international group exposed to operational risks, industry and market-related risks, legal and tax risks and financial risks. Risk management is a normal part of the business and is regularly monitored by Group Management and reported to the Board of Directors. These include the following material risks:

Operational risks:

The Group has adopted an asset-light business model and outsources all non-core business. This risk includes the risk that outsourced staff lack incentives, knowledge or skills, resulting in failure to meet high standards within the Group, as well as the risk that third-party suppliers lack resources, or that Profoto is not prioritized by these suppliers.

The Group is dependent on the supply of components for its products. Risks include loss of suppliers, failure to deliver goods on time or delayed or non-delivery, or failure of products to meet customer quality requirements.

The Group depends on attracting and retaining key employees for key positions.

The Group relies on dealers for the sale and delivery of its products to customers.

The Group is dependent on maintaining its reputation and is subject to the risk of negative publicity regarding the Profoto brand.

The Group's operations and products are dependent on its IT systems and technology, and disruptions or errors in critical systems could lead to malfunctioning products, theft or loss of product data.

A deficient innovation capacity to develop new business models for the Group could lead to a significant decrease of net sales in the long-term.

There is a risk that the Group's growth strategy is not realized as a result of the Group's inability to compete effectively in a constantly changing technological environment, or that the Group misjudges current and future market developments.

Industry and market-related risks:

The risk that new technologies and new solutions, such as artificial intelligence, replace flash photography, or that video filming replaces traditional photography, which may result in a drastic decline in demand for the company's products.

The Covid-19 outbreak has negatively impacted the global economy and may continue to have a negative impact on the Group's sales figures, financial position and earnings in the future due to the photo industry's heavy reliance on effects related to travel and events.

The Group operates in a global market which exposes it to certain risks, such as the risk that sales may be adversely affected by changes in the political situation, trade conflicts, or changes in customs and trade regulations.

The Group operates in a competitive environment and is at risk of being challenged by competitors with greater financial resources and competitors from low-wage countries.

Legal and tax risks:

The Group and its competitive position depend on intellectual property rights worldwide. There is a risk that the Group's protection of registered intellectual property rights may prove inadequate or that current rights may not be approved.

The Group's activities depend on compliance with EU directives on producer responsibility and obtaining and maintaining the necessary certifications for the Group's products.

The Group may from time to time be involved in disputes, claims and other legal or administrative proceedings, in particular relating to intellectual property rights.

There are risks related to the misinterpretation of tax rules, which could have a negative impact on the tax situation.

Financial risks:

The Group is exposed to currency risks, such as transaction and translation exposure.

Changes in the value of capitalized development expenditure may adversely affect the Group's profit/loss and financial position if it is required to take an impairment charge on capitalized development expenditure.

The Group is exposed to the risk that necessary financing is not available, or is associated with substantially increased costs. If the Group breaches its financial covenants, there is a risk that the credit facility, in whole or in part, will become immediately due and payable.

A more comprehensive description of the risks can be found in the Parent Company's prospectus, available at www.profoto.com

Profoto - the share

Profoto Holding AB (publ) has been listed on the Nasdaq OMX Stockholm Mid Cap list since July 1, 2021. The listing price was set at SEK 66. The number of shares amounts to 40 million. A list of the largest shareholders will be updated monthly on the company's website investors.profoto.com

Signatures

The Board of Directors and the Chief Executive Officer hereby declare that this interim report provides a true and fair view of the Parent Company's and the Group's position and earnings, and also describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm, August 10, 2021

Hans Eckerström
Chairman of the Board

Magnus Brännström
Board member

Pernilla Ekman
Board member

Anders Hedebark
Board member
Chief Executive Officer

Helena Holmgren
Board member

Helene Willberg
Board member

Auditor's review

This interim report has not been reviewed by the company's auditor.

Other information

About Profoto

Profoto was founded more than 50 years ago and since then has been the world leader in lighting products for professional photographers, driving innovation and awareness of how to create better images through light. Light makes the difference between a good image and a great image. The customers include the world's leading photographers and Profoto is currently represented in over 50 markets worldwide. Net sales in 2020 amounted to SEK 528m. In all, 97 employees work at the headquarters in Stockholm and in subsidiaries in the United States, Japan, China, Germany, France and the United Kingdom.

Financial calendar

Interim Report Q3 2021 – November 4, 2021

Year-end report 2021 – February 10, 2022

Interim report Q1 2022 – May 5, 2022

Conference call

Profoto Holding AB (publ) will publish its interim report for the second quarter of 2021 on Tuesday, August 10, at 08:00 CET. At 10:00 a.m. the same day, a webcast teleconference will be held where President and CEO Anders Hedebark will present the report together with CFO Petter Sylvan. The presentation will be followed by a question and answer session. The presentation will be held in English. Those wishing to participate in the conference call in conjunction with the presentation should call the following numbers from Sweden: +46850558373 UK: +443333009270 US: +16467224957. You can also follow and listen to the presentation and the conference at the following web link: <https://tv.streamfabriken.com/profoto-q2-2021>

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This information is insider information that Profoto Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and information that Profoto Holding AB (publ) is obliged to make public pursuant to the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 08:00 CET on August 10, 2021.

Condensed consolidated financial statements

Consolidated statement of profit and loss

SEKm	Note	2021 April - June	2020 April - June	2021 Jan - June	2020 Jan - June	2020 full year
Net sales	2	172	81	325	229	528
Other operating income		0	3	3	10	3
Total revenue		172	84	328	239	531
Capitalized work for own account		5	5	9	11	21
Goods		-52	-36	-97	-82	-228
Other external expenses		-44	-30	-77	-74	-126
Personnel expenses		-29	-26	-58	-67	-120
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		-14	-15	-29	-31	-88
Other operating expenses		-2	-6	-1	-7	-3
Operating profit/loss (EBIT)		36	-23	76	-10	-12
Finance income and costs						
Finance income		0	0	0	2	0
Finance costs		-3	-4	-1	-4	-8
Profit/loss before tax		33	-27	75	-13	-20
Tax		-10	6	-21	2	2
Profit/loss for the period		22	-21	54	-11	-17
<i>Attributable to:</i>						
Owners of the Parent Company		22	-21	54	-11	-17
Earnings per share, before and after dilution ¹ , SEK		0.56	-0.53	1.34	-0.27	-0.44

1) Calculated based on 40,000,000 ordinary shares before and after dilution (retroactive adjustment for periods prior to the second quarter of 2021).

Consolidated statement of comprehensive income

SEKm	Note	2021 April - June	2020 April - June	2021 Jan - June	2020 Jan - June	2020 full year
Profit/loss for the period		22	-21	54	-11	-17
<i>Other comprehensive income, items that may be reclassified to the consolidated statement of profit and loss:</i>						
Translation differences for the period		1	4	-2	0	4
Total comprehensive income for the period		23	-17	52	-11	-13
<i>Attributable to:</i>						
Parent Company shareholders		23	-17	52	-11	-13

Condensed consolidated statement of financial position

SEKm	Note	June 30, 2021	June 30, 2020	Dec 31, 2020
ASSETS				
Non-current assets				
Intangible assets 4				
Capitalized development expenditure		93	121	98
Software		16	22	19
Licenses		1	1	1
Total intangible assets		110	145	118
Property, plant and equipment				
Leased assets		49	59	54
Equipment, tools and installations		27	41	27
Leasehold improvements		3	5	4
Total property, plant and equipment		79	105	86
Financial assets		2	3	2
Deferred tax assets		18	13	16
Total non-current assets		209	266	222
Current assets				
Inventories				
		96	144	94
Current receivables				
Accounts receivable		75	35	67
Current tax assets		0	16	5
Current receivables from Group companies	3	–	94	20
Other current assets		1	0	3
Prepayments and accrued income		5	6	8
Total current receivables		82	151	103
Cash and cash equivalents		109	80	254
Total current assets		287	376	451
TOTAL ASSETS		496	640	673

SEKm	Note	June 30, 2021	June 30, 2020	Dec 31, 2020
EQUITY AND LIABILITIES				
Total equity		230	336	334
Non-current liabilities				
Liabilities to credit institutions		7	11	8
Lease liabilities		41	51	47
Provisions		7	8	5
Deferred tax liabilities		51	65	52
Total non-current liabilities		106	135	112
Current liabilities				
Liabilities to credit institutions		37	24	36
Lease liabilities		10	9	9
Provisions		5	6	7
Accounts payable		47	14	45
Current liabilities to Group companies	3	-	77	83
Current tax liabilities		3	-	-
Other current liabilities		3	3	6
Accrued expenses and deferred income		54	37	41
Total current liabilities		159	169	228
TOTAL EQUITY AND LIABILITIES		496	640	673

Consolidated statement of changes in equity

SEKm	Share capital	Translation reserve	Retained earnings, including profit/loss for the period	Total equity
Opening balance at January 1, 2021	0	-1	335	334
Profit/loss for the period			54	54
Total other comprehensive income		-2		-2
Total comprehensive income	0	-2	54	52
Fund issue	1		-1	0
Dividends to Parent Company	-	-	-156	-156
Closing balance June 30, 2021	1	-3	232	230
Opening balance at Jan. 1, 2020	0	-5	352	347
Profit/loss for the period			-11	-11
Total other comprehensive income		0		0
Total comprehensive income	0	-5	341	336
Closing balance June 30, 2020	0	-5	341	336

Consolidated statement of cash flows

SEKm	Note	2021 April - June	2020 April - June	2021 Jan - June	2020 Jan - June	2020 full year
Cash flow from operating activities						
Operating profit/loss		36	-23	76	-10	-12
Adjustments for non-cash items:						
Depreciation, amortization and impairment		15	15	29	31	88 ¹
Adjustments for other non-cash items		0	1	0	1	46 ¹
Interest received		0	0	0	0	0
Interest paid		-1	0	-1	-1	-3
Income tax paid		-9	-1	-16	-11	-10
Cash flow from operating activities before changes in working capital		40	-9	88	9	108
Changes in working capital						
Decrease (+) / increase (-) in inventories		0	9	0	26	44
Decrease (+) / increase (-) in accounts receivable		-3	20	-8	59	29
Decrease (+) / increase (-) in other receivables		1	-1	5	3	0
Decrease (-) / increase (+) in accounts payable		13	-15	2	-45	-12
Decrease (-) / increase (+) in other current liabilities		1	1	10	-9	-16
Cash flow from operating activities		54	5	96	44	153
Investing activities						
Investments in intangible assets		-5	-6	-9	-11	-22
Acquisition of property, plant and equipment		-4	-4	-4	-6	-7
Given intra-group loans ²		-33	-3	-116	-7	0
Repaid intra-group loans ²		-	-	-	-	67
Cash flow from investing activities		-42	-13	-130	-24	38
Financing activities						
Repayment of external loans		-8	-1	-9	-3	-12
Amortization of lease liability		-3	-2	-5	-4	-8
New loans		0	6	12	16	36
Repaid Intercompany liabilities ²		-103	-	-103	-	-
Cash flow from financing activities		-114	3	-105	9	16
Cash flow for the period		-103	-5	-139	29	208
Cash and cash equivalents at beginning of period		215	81	254	52	52
Exchange rate differences in cash and cash equivalents		-3	4	-6	-1	-5
Cash and cash equivalents at end of period		109	80	109	80	254

1) Full-year 2020 includes impairment losses for property, plant and equipment and intangible assets of a total of SEK 29m (0), impairment losses for inventories of a total of SEK 48m (0) and other for a total of SEK -2m (1).

2) Relates to loans to and borrowings from Profoto Invest AB (see note 3) and also includes payment of decided owner dividend of SEK 156m.

Condensed Parent Company financial statements

Parent Company income statement

SEKm	Note	2021 April - June	2020 April - June	2021 Jan - June	2020 Jan - June	2020 full year
Net sales		2.9	2.9	5.8	5.9	11.7
Operating expenses						
Other external expenses		-15.7	-0.6	-22.9	-1.3	-2.0
Personnel expenses		-3.1	-1.9	-5.7	-4.4	-9.3
Other operating expenses		0.0	0.0	0.0	0.0	0.0
Operating profit/loss (EBIT)		-15.9	0.4	-22.7	0.2	0.5
Profit/loss from financial items						
Income from participations in Group companies		-	-	-	-	183.8
Interest and similar expenses		0.0	0.0	0.0	0.0	0.0
Profit/loss after financial items		-15.9	0.4	-22.7	0.2	184.3
Appropriations		-	-	-	-	-27.5
Profit/loss before tax		-15.9	0.4	-22.7	0.2	156.8
Tax on profit for the period		0.4	-0.1	0.4	0.0	5.5
Profit/loss for the period		-15.5	0.3	-22.3	0.1	162.3

Parent Company balance sheet

SEKm	Note	June 30, 2021	June 30, 2020	Dec 31, 2020
ASSETS				
Non-current assets				
Financial assets				
Participations in Group companies		32.0	32.0	32.0
Total non-current assets		32.0	32.0	32.0
Deferred tax assets		6.5	-	6.1
Current assets				
Current tax assets		0.2	0.7	-
Current receivables from Group companies		-	50.0	233.3
Other current receivables		1.0	0.2	0.6
Prepayments and accrued income		0.1	0.1	0.1
Total current receivables		1.4	51.1	234.0
Cash and cash equivalents		-	-	0.3
Total current assets		1.4	51.1	234.3
ASSETS		39.9	83.1	272.4
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		0.5	0.1	0.1
Total restricted equity		0.5	0.1	0.1
Unrestricted equity				
Retained earnings		28.0	0.2	22.0
Profit/loss for the period		-22.3	0.1	162.3
Total unrestricted equity		5.7	0.3	184.3
Total equity		6.2	0.4	184.4
Current liabilities				
Accounts payable		0.9	0.1	0.4
Current liabilities to Group companies		8.3	77.1	82.8
Other current liabilities		0.4	1.0	1.0
Accrued expenses and deferred income		24.2	4.4	3.8
Total current liabilities		33.7	82.7	88.0
TOTAL EQUITY AND LIABILITIES		39.9	83.1	272.4

Parent Company statement of cash flows

SEKm	Note	2021 April - June	2020 April - June	2021 Jan - June	2020 Jan - June	2020 full year
Cash flow from operating activities						
Operating profit/loss		-15.9	0.4	-22.7	0.2	0.5
Income tax paid		0.1	-0.1	0.0	-0.3	0.0
Cash flow from operating activities before changes in working capital		-15.8	0.3	-22.7	-0.1	0.5
Changes in working capital						
Decrease (+) / increase (-) in other receivables		0.0	-0.1	-0.1	-1.5	-0.1
Decrease (-) / increase (+) in accounts payable		0.3	-0.2	0.4	-0.5	-0.2
Decrease (-) / increase (+) in other current liabilities		12.4	0.4	19.3	1.5	-0.3
Cash flow from operating activities		-3.0	0.4	-3.1	-0.6	-0.2
Cash flow from investing activities		0.0	0.0	0.0	0.0	0.0
Financing activities						
Change in intercompany liabilities		2.9	-0.5	2.9	0.8	0.0
Change in short-term financial liabilities		-	-	-0.1	-	0.5
Cash flow from financing activities		2.9	-0.5	2.8	0.8	0.5
Cash flow for the period		-0.1	-0.2	-0.3	-0.2	0.3
Cash and cash equivalents at beginning of period		0.1	0.2	0.3	-0.2	0.0
Cash and cash equivalents at end of period		-	-	-	-	0.3

* Intercompany balances including decided received and given dividends have been cleared by netting of internal balances.

Notes

Note 1 Accounting policies and general information

This interim report for the Group has been prepared in accordance with IAS 34 "Interim Financial Reporting" and applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company was prepared in accordance with Chapter 9, Interim Reports, in the Swedish Annual Accounts Act. Disclosures in accordance with IAS 34 are presented in the financial statements and their

notes, as well as in the remaining sections of the interim report. The same accounting policies and calculation basis as in the last annual report have been applied for the Group and the Parent Company.

There are no material differences between the fair value and the carrying amount of financial assets or liabilities.

Note 2 Operating segments and allocation of revenue

The Profoto Group consists of a single operating segment. Product development, sourcing, manufacturing and marketing are all managed at Group level, while sales are conducted in three regions, EMEA, Americas and APAC. Internal monthly follow-up focuses on

the Group as a whole in addition to the geographical sales data that are presented at levels other than the Group level. Revenue is recognized when control is transferred to the customers, which coincides with the time of delivery.

SEKm	2021 April - June	2020 April - June	2021 Jan - June	2020 Jan - June	2020 full year
EMEA	61	27	114	89	199
Americas	73	20	124	80	189
APAC	39	34	87	61	141
Total net sales	172	81	325	229	528

Note 3 Related party transactions

Related party transactions include payments to Board members and senior executives, as well as intra-group transactions with the ultimate Parent Company. Remuneration levels are on terms equivalent to those that prevail in commercial transactions and are presented in the annual accounts.

During the second quarter, the Parent Company expensed costs of SEK 0.3m related to the IPO from an employee of the Chairman's company Aligro Capital. The subsidiary Profoto AB did a final settlement of the remaining pension rights of Conny Dufgran, one of Profoto's founders; as a result, a one-off amount of SEK 1.6m was expensed and paid during the second quarter.

Transactions with the ultimate Parent Company Profoto Invest AB consisted of intercompany loans, anticipated dividends, shareholder contributions and Group contributions from the Parent Company to Profoto Invest AB. The purpose of the loan was to finance repayment of external loans to credit institutions. The loan to the ultimate parent company was interest-free and was settled in the second quarter of 2021. Closing balances are presented in the table for the Group and the Parent Company, respectively.

The Parent Company invoices monthly management fees of SEK 1.0m to the subsidiary Profoto AB. The level of monthly invoicing is determined annually and is based on the Group-wide fixed costs of the Parent Company. During the second quarter, the Parent Company's income from invoiced management fees totaled SEK 2.9m, of which SEK 1.2m was included in the Parent Company's intercompany liabilities on June 30, 2021.

Group SEKm	June 30, 2021	June 30, 2020	Dec 31, 2020
Receivables from Parent Company	-	94	20
Liabilities to the ultimate Parent Company	-	-77	-83
Total	-	17	-63
Parent Company SEKm	June 30, 2021	June 30, 2020	Dec 31, 2020
Intercompany receivables	-	50.0	233.3
Intercompany liabilities	-8.3	-	-
Liabilities to Parent Company	-	-77.1	-82.8
Total	-8.3	-27.1	150.5

Note 4 Intangible assets

SEKm	Capitalized development expenditure	Software	Licenses	Total
Opening accumulated acquisition value Jan. 1, 2021	214	31	2	246
Acquisitions	-	-	-	-
Capitalized development expenditure	9	-	-	9
Closing accumulated acquisition value June 30, 2021	222	31	2	255
Opening amortization Jan. 1, 2021	-97	-12	-1	-109
Amortization for the period	-14	-3	0	-17
Closing accumulated amortization June 30, 2021	-111	-15	-1	-126
Opening impairment Jan. 1, 2021	-19	-	-	-19
Closing accumulated impairment June 30, 2021	-19	-	-	-19
Carrying amount June 30, 2021	93	16	1	110
Opening accumulated acquisition value Jan. 1, 2020	193	31	2	225
Acquisitions	-	-	0	0
Capitalized development expenditure	11	-	-	11
Closing accumulated acquisition value June 30, 2020	204	31	2	237
Opening amortization Jan. 1, 2020	-67	-5	-1	-73
Amortization for the period	-15	-3	0	-18
Closing accumulated amortization June 30, 2020	-82	-9	-1	-92
Opening impairment Jan. 1, 2020	-	-	-	0
Impairment for the period	-1	-	-	-1
Closing accumulated impairment June 30, 2020	-1	-	-	-1
Carrying amount June 30, 2020	121	22	1	145

Note 5 Pledged assets and contingent liabilities

Group SEKm	June 30, 2021	June 30, 2020	Dec 31, 2020
Pledged collateral			
Company mortgage	40	40	40
Total	40	40	40
Contingent liabilities			
Swedish Customs Service	0	0	0
Total	0	0	0

The Parent Company issued a general guarantee to benefit Profoto AB, 556115-5838, in the form of a company mortgage to banks.

The Parent Company has provided a guarantee for its British subsidiary (Profoto Limited) for the fiscal year 2020, pursuant to 479C of the UK Companies Act 2006. The guarantee related to the liabilities of the British subsidiary but was never used. The guarantee is not valid for fiscal year 2021. None of these guarantees could be considered contingent liabilities, since the probability that the guarantees would be called in for payment is extremely low.

Parent Company SEKm	June 30, 2021	March 31, 2020	Dec 31, 2020
Pledged collateral			
Company mortgage	40.0	40.0	40.0
Total	40.0	40.0	40.0

Explanations 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 and IPO-related expenses. During the first half of 2021, adjustments were made for other external expenses associated with expenses related to IPO preparations in 2021. During the second quarter of 2020, adjustments were made for received government grants amounting to SEK 6m. During full-year 2020, adjustments were made for property, plant and equipment, intangible assets, inventories and government grants received that were deemed to affect comparability. The impairment losses were attributable to sales from a certain

product group that generally failed to meet expectations and these sales are not expected to increase during the coming year. 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	2021 April - June	2020 April - June	2021 Jan - June	2020 Jan - June	2020 full year
Net sales	172	81	325	229	528
Operating profit/loss (EBIT)	36	-23	76	-10	-12
Less items affecting comparability	17	-6	25	-6	68
Government grants	-	-6	-	-6	-7
IPO-related expenses	17	-	25	-	-
Impairment of inventories	-	-	-	-	48
Impairment of property, plant, equipment and intangible assets	-	-	-	1	27
Adjusted operating profit/loss (EBIT)	53	-30	100	-16	56
Adjusted EBIT margin, %	30.7	-36.6	30.9	-6.9	10.6

Adjusted EBIT margin, %

Adjusted EBIT in percent 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.

EBIT adjusted for currency effect, %

Percentage change in EBIT, restated to prior year's corresponding period's transaction-based daily average exchange rate. Shows the change in profit or loss in operating activities, excluding the effects of exchange rates.

%	2021 April - June	2020 April - June
Change in EBIT	255.8	-124.7
Currency effect	34.1	6.2
EBIT adjusted for currency effect	289.9	-118.5

EBIT

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

EBIT margin, %

Adjusted EBIT in percent 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.

EBITDA

EBITDA (earnings before interest, taxes, depreciation and amortization) is operating profit or loss plus depreciation and amortization. EBITDA provides a picture of the ability of the business to generate resources for investments and payments to financiers, see table below.

SEKm	2021 April - June	2020 April - June	2021 Jan - June	2020 Jan - June	2020 full year
Operating profit/loss (EBIT)	36	-23	76	-10	-12
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	14	15	29	31	88
EBITDA	50	-8	104	21	76

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 assets, government grants and IPO-related expenses, which by nature are unusual and have a material impact on earnings. The transactions play an important role in understanding underlying business development.

Net debt

Interest-bearing liabilities, current liabilities to Group companies less cash and cash equivalents and current receivables from Group companies. 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	June 30, 2021	June 30, 2020
Liabilities to credit institutions, non-current	7	11
Lease liabilities, non-current	41	51
Liabilities to credit institutions, current	37	24
Lease liabilities, current	10	9
Current liabilities to Group companies	-	77
Current receivables from Group companies	-	-94
Cash and cash equivalents	-109	-80
Net debt	-14	-3

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	June 30, 2021	June 30, 2020
Net debt	-14	-3
EBITDA, LTM	159	108
Net debt/EBITDA LTM, quota	-0.09	-0.02

Net sales adjusted for currency effect, %

Change in net sales for the period, translated at the previous year's corresponding period's transaction-based daily average exchange rate. Shows whether a company is growing or shrinking, excluding exchange rate effects.

%	2021 April - June	2020 April - June
Change in net sales	113.3	-66.6
Currency effect	18.0	-0.1
Net sales adjusted for currency effect	131.3	-66.7

Performance measures by quarter	2021		2020		2019			
	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Net sales, SEKm	172	153	173	126	81	148	217	161
EBIT, SEKm	36	40	46	-48	-23	13	39	24
EBIT margin, %	20.9	25.9	26.6	-38.0	-28.6	8.7	18.1	15.2
Adjusted EBIT, SEKm	53	48	48	24	-30	14	39	24
Adjusted EBIT margin, %	30.7	31.1	27.7	18.9	-36.6	9.3	18.1	15.2
Net profit for the period, SEKm	22	31	33	-39	-21	10	37	18
Net debt, SEKm	-14	-124	-91	-30	-3	-7	23	21
EBITDA LTM, SEKm	159	101	76	66	108	219	264	276
Net debt/EBITDA	-0.09	-1.23	-1.20	-0.45	-0.02	-0.03	0.09	0.08
Earnings per share, SEK	0.56	0.78	0.82	-0.99	-0.53	0.26	0.93	0.45

Definitions

Average number of employees

Average number of full-time employees during the period.

Earnings per share

Profit for the period attributable to the shareholders of the Parent Company, divided by the weighted average number of shares outstanding during the period.

LTM

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

Parent Company

Profoto Holding AB (publ), a limited liability company subject to Swedish jurisdiction.

Profoto Group/the 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 EMEA

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

Region APAC

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

Region Americas

Central America, North America and South America.