

# Interim Report

January 1 – June 30, 2023

## Financial summary April – June 2023

- Net sales totaled SEK 182m (187), a drop of 2.4 percent. Organic growth totaled -8.5 percent, and the currency effect was 6.0 percent.
- EBITA totaled SEK 61m (61), and the EBITA margin was 33.6 percent (32.6).
- EBIT totaled SEK 47m (48), and the EBIT margin was 25.8 percent (25.7).
- Profit for the period was SEK 36m (36).
- Cash flow from operating activities totaled SEK 13m (39).
- Earnings per share (basic and diluted)<sup>1</sup> totaled SEK 0.89 (0.90).

## Financial summary January – June 2023

- Net sales totaled SEK 411m (383), an increase of 7.3 percent. Organic growth totaled -3.8 percent, the currency effect was 6.4 percent, and the effect of acquisitions was 4.7 percent.
- EBITA totaled SEK 147m (125), and the EBITA margin was 35.7 percent (32.6).
- EBIT totaled SEK 119m (103), and the EBIT margin, 28.9 percent (26.8).
- Profit for the period totaled SEK 92m (76).
- Cash flow from operating activities totaled SEK 118m (93).
- Earnings per share (basic and diluted)<sup>1</sup> totaled SEK 2.29 (1.89).

Net sales  
Q2 2023

**SEK 182m**  
(SEK 187m)

Net sales  
LTM

**SEK 876m**  
(SEK 791m)

EBIT  
Q2 2023

**SEK 47m**  
(SEK 48m)

EBIT margin  
Q2 2023

**25.8%**  
(25.7%)

EBIT  
LTM

**SEK 265m**  
(SEK 239m)

EBIT margin  
LTM

**30.2%**  
(30.3%)

For information and an explanation of alternative performance measures, including pro forma, see pages 19–21.

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

All amounts are recognized in millions of SEK (SEKm) unless otherwise stated. Rounding differences of SEKm +/-1 may occur when adding up figures. Figures in parentheses represent the same period in the previous year.

## Key ratios, Group

	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul 2022 - Jun 2023	Full year 2022
Net sales, SEKm	182	187	411	383	876	848
Net sales <sup>1</sup> pro forma*, SEKm	-	-	-	407	-	872
Organic growth, %	-8.5	-12.7	-3.8	2.7	-4.0	-0.8
EBITDA, SEKm	67	67	158	136	344	322
EBITA, SEKm	61	61	147	125	321	299
EBITA margin, %	33.6	32.6	35.7	32.6	36.7	35.3
EBIT, SEKm	47	48	119	103	265	249
EBIT pro forma*, SEKm	-	-	-	103	-	249
EBIT margin, %	25.8	25.7	28.9	26.8	30.2	29.3
EBIT margin <sup>1</sup> pro forma*, %	-	-	-	25.3	-	28.6
Adjusted EBIT <sup>1</sup> , SEKm	47	46	119	111	265	257
Adjusted EBIT margin <sup>1</sup> , %	25.8	24.5	28.9	28.9	30.2	30.3
Profit/loss for the period, SEKm	36	36	92	76	210	194
Cash flow from operating activities, SEKm	13	39	118	93	262	236
Net debt <sup>2</sup> , SEKm	100	120	100	120	100	4
Net debt/EBITDA LTM	0.29	0.40	0.29	0.40	0.29	0.01
Return on equity, %	70.3	72.4	70.3	72.4	70.3	53.8
Earnings per share <sup>3</sup>	0.89	0.90	2.29	1.89	5.25	4.85

1) For information and an explanation of alternative performance measures, including pro forma, see pages 19-21.

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

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

\* Pro forma includes StyleShoots Holding B.V. as if the acquisition had taken place on January 1, 2022.

# Continued investment in growth in a cautious market

The trend of weak demand has continued during the second quarter as our customers act cautiously in an uncertain economic environment. Sales amounted to SEK 182m, corresponding to a decrease of 2.4 percent compared to last year and a negative organic growth of 8.5 percent. EBIT for the quarter amounted to SEK 47m which corresponds to an EBIT margin of 26 percent and is within our financial targets, but in the lower range.

## Demand still cautious

The development in the regions was almost unchanged from the previous quarter. China has continued its cautiously positive development, while the rest of APAC and the Americas have experienced cautious demand. In EMEA, Germany and the UK stand out with weaker demand.

The market during the quarter has been cautious and how it will develop in the future is difficult to foresee. We still have a strong belief in reaching our target of +10 percent sales growth over time which will be driven by our three growth themes: Light shaping for professional still photographers, e-commerce workflow solutions and light shaping for moving images. We continue to invest in marketing and sales as well as in product development to increase sales and EBIT in the longer term. At the same time, we will continue to maintain a high level of cost discipline.

## Profoto offers a complete system

What has made Profoto the world's leading brand in professional photography is not just the products themselves. It's how our system of flashes, light modifiers and accessories is assembled and works together. The system is based on Profoto's understanding of customers' needs and our ability to innovate and develop products that address those needs. It is what our customers can create and accomplish with our system that has kept Profoto in use by the world's best photographers and brands since 1968.

Over the past quarter, we have continued to invest in developing the new Profoto system which now extends from offering full creativity with our existing products, to full productivity with automated workflow solutions. Our launch of the Assetflow workflow software at the beginning of the quarter is a key part of offering customers a complete solution, by increasing their ability to create high quality visual content, both moving and still images. Our cloud-based SaaS software enables us to constantly offer customers updated system functionality.

## The system is developed based on our customers' needs

The new Profoto system is based on the same customer-centric principles as always. The end product is an innovative, flexible, scalable system that provides the ability to plan, manage and execute efficient large-scale production of high-quality and creative visual content.



We develop the system based on our knowledge of world-leading brands in the fashion industry and their needs, which are the most demanding in terms of creativity and image quality. As our customers' needs change, we follow these needs with new and updated hardware and software. Profoto is the only supplier that can offer both knowledge and tools gathered in a broad overall offer where software and hardware in a smart and powerful way interact to enable scalability and profitable growth for our customers.

The combination of not only offering the most flexible and scalable hardware and software solutions but also the knowledge of how to best use the solutions to drive profitable growth makes us both unique and puts Profoto in a very exciting position for the future.

Sundbyberg, July 21, 2023

**Anders Hedebark**  
President and CEO

# Financial Overview

## The second quarter, April 1 to June 30, 2023

### Net sales

Net sales for the second quarter totaled SEK 182m (187), a decrease of 2.4 percent compared to the corresponding quarter in the previous year. Organic growth totaled -8.5 percent, and the currency effect was 6.0 percent.

The decline in demand continued in the second quarter, as our customers acted cautiously in an uncertain environment. This was due to continued interest rate and economic uncertainty, which contributed to some hesitation on the part of freelance photographers. Large e-commerce companies also faced weaker demand, which reduced willingness to invest.

### Regions

Demand in EMEA remained cautious during the quarter. Sales totaled SEK 64m (81), corresponding to a change of -20.9 percent compared to the previous year. Interest rate and economic uncertainty were the main reasons for the negative development. In the Americas, demand was also somewhat more subdued during the period. Sales totaled SEK 79m (70), corresponding to an increase of 12.6 percent. The year-on-year increase was mainly due to a weak comparison quarter affected by delayed deliveries of components, which resulted in a shift of sales from the second to the third quarter.

Sales for APAC totaled SEK 40m (36), an increase of 11.1 percent. Japan recorded continued weak demand, while China was positively affected as a result of reopening after the pandemic. For further information on sales by region, see note 2 on page 17.

### Operating profit/loss (EBIT)

Second quarter EBIT totaled SEK 47m (48), corresponding to an EBIT margin of 25.8 percent (25.7). EBITA totaled SEK 61m (61), corresponding to an EBITA margin of 33.6 percent (32.6). EBITDA totaled SEK 67m (67).

Capitalized work for own account increased from SEK 11m to SEK 19m compared to the previous year, which is a result of an increased rate of investment in product development. Compared to the previous year, personnel expenses increased by SEK 6m and totaled SEK 45m (39). Other external expenses totaled SEK 41m (36). The increase in personnel expenses and external costs was mainly due to investments in product development. Depreciation and amortization totaled SEK 20m (19), of which SEK 6m (6) was related to property, plant and equipment and SEK 14m (13) to intangible fixed assets. Of the depreciation/amortization of intangible fixed assets, SEK 9m (8) related to capitalized development expenditure, SEK 4m (4) related to excess value from acquisitions and SEK 2 (2) related to other intangible assets.

### Financial items

Net financial items were negative, totaling SEK 1m (2). Interest income totaled SEK 1m (0), net unrealized exchange rate losses totaled 0m (1), and interest expenses related to lease liabilities and liabilities to credit institutions totaled SEK 2m (1).

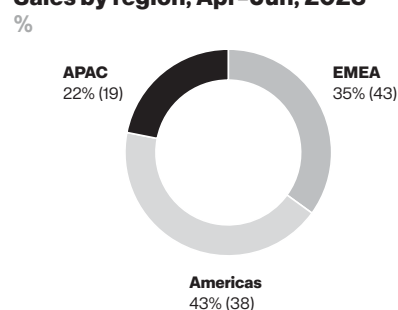
### Profit for the period and tax expenses

Profit for the period was SEK 36m (36). The tax expense was SEK 11m (10), of which SEK 10m (8) was current tax and SEK 1m (2) the change in deferred tax. The effective tax rate for the period was 23.3 percent (21.3).

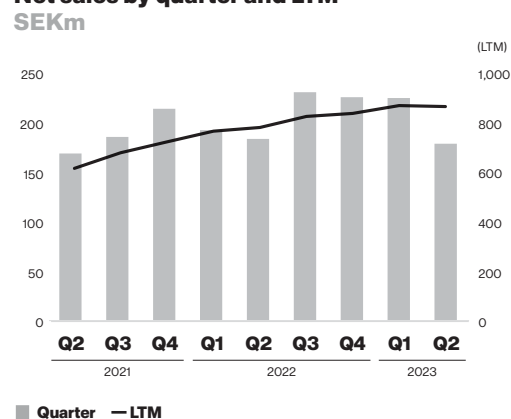
### Change in net sales

	Apr-Jun 2023
Organic growth	-8.5
Acquisitions	-
Currency effect	6.0
<b>Total</b>	<b>-2.4</b>

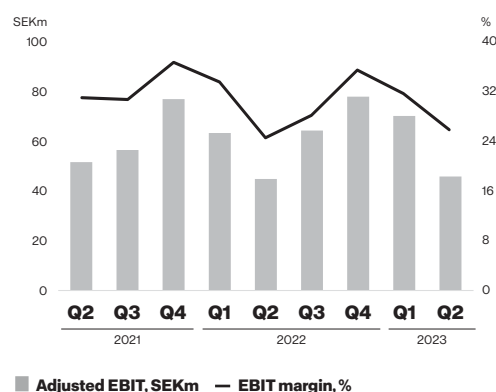
### Sales by region, Apr-Jun, 2023



### Net sales by quarter and LTM



### Adjusted EBIT and EBIT margin



## First half, January 1 to June 30, 2023

### Net sales

Net sales for the first half of the year totaled SEK 411m (383), an increase of 7.3 percent compared to the corresponding period last year. Organic growth adjusted for currency effects was -3.8 percent in the first half of the year.

Overall demand in the first half of the year was somewhat subdued and was affected by interest rate hikes and economic uncertainty. This contributed to some hesitation from freelance photographers and large e-commerce companies.

### Regions

Demand in EMEA was cautious in the first half of the year. Higher interest rates and economic uncertainty resulted in a cautious attitude among customers. Sales totaled SEK 152m (154), a 1.4 percent decline.

Sales for APAC totaled SEK 82m (72), an increase of 13.1 percent. During the period, APAC was affected by the reopening of China after the pandemic, which contributed to increased demand. In the Americas, demand was somewhat hesitant during the period, with sales totaling SEK 177m (156), an increase of 13.3 percent. The increase against the previous year was due to a weak comparison period affected by delayed deliveries of components that resulted in a shift of sales from the second to the third quarter.

### Operating profit/loss (EBIT)

During the first half of the year, EBIT was SEK 119m (103), which corresponds to an EBIT margin of 28.9 percent (26.8). The increase in EBIT was an effect of increased turnover.

Other external costs totaled SEK 88m (79), and personnel expenses totaled SEK 83m (67). The increase was mainly due to an increased cost base due to the acquisition of StyleShoots and increased development costs, which were partly offset by the increase in capitalized work for own account.

Depreciation/amortization during the period totaled SEK 39m (33), of which SEK 11m (11) related to tangible fixed assets and SEK 28m (22) to intangible fixed assets.

### Financial items

Net financial items were negative, totaling SEK 2m (4). Interest income totaled SEK 2m (0), net unrealized foreign exchange effects totaled 1m (2) in the first half of the year, and interest expenses related to lease liabilities and liabilities to credit institutions totaled 3m (2).

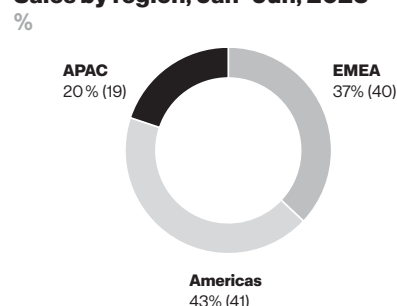
### Net profit for the period and tax expenses

Net profit for the period was SEK 92m (76). The tax expense was SEK 25m (23), of which SEK 25m (21) was current tax and SEK 0m (2) was a change in deferred taxes. The effective tax rate for the period was 21.3 percent (23.5).

### Change in net sales

	Jan-Jun 2023
Organic growth	-3.8
Acquisitions	4.7
Currency effect	6.4
<b>Total</b>	<b>7.3</b>

### Sales by region, Jan-Jun, 2023



1) For information and explanations regarding alternative performance measures, see pages 19-21.

# Financial Position and Other Information

## Product development and other investments

Total expenditure on product development and technology in the second quarter totaled SEK 25m (24). Of these, SEK 19m (11) was capitalized. In total, the carrying amount of capitalized development expenses was SEK 118m (97) and technology SEK 86m (87) at June 30. Product development expenses in the second quarter totaled SEK 6m (13). 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 quarter, SEK 3m (6) was invested in tools and equipment, mainly relating to ongoing development projects.

## Working capital, liquidity and cash flow

Inventories at the end of the second quarter amounted to SEK 138m (124) and accounts receivables to SEK 87m (75). Accounts payable totaled SEK 43m (41). Cash flow from operating activities for the quarter totaled SEK 13m (39). The decrease was mainly due to the change in working capital, a significant part of which was attributable to an increase in accounts receivable during the quarter.

## Financial position and liquidity

On June 30, 2023, consolidated equity totaled SEK 330m (268). Cash and cash equivalents totaled SEK 47m (100). The Group reported a net debt of SEK 100m (120). Interest-bearing liabilities totaled SEK 100m (166). The available and undrawn RCF loan was SEK 250m at the end of the second quarter. Lease liabilities totaled SEK 47m (54).

## Financial targets

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

- 1) Net sales growth: Over time, achieve annual organic net sales growth of over 10 percent in constant currency.
- 2) Profitability: Achieve an EBIT margin of 25 to 30 percent, while maintaining year-on-year growth in EBIT.
- 3) Dividend policy: Aim 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.

## Employees

The average number of employees in the second quarter of 2023 was 136 (138), of which 72 (78) were employed in sales companies in China, Japan, USA, Germany, France, the UK and the Netherlands.

## Parent Company

Profoto Holding AB (publ) with registration number 556810-9879 is the Parent Company of the Group.

The Parent Company is a holding company with management fees to other Group companies of SEK 4.5m (3.5) as its only income in the second quarter, and with personnel expenses and other external expenses related to management of the Group as expenses.

Operating profit (EBIT) totaled SEK -1.3m (-0.8) for the second quarter. Current assets totaled SEK 4.2m (1.9) and total current liabilities amounted to SEK 175.3m (80.1). The change was mainly

due to an increase in net debt to Group companies compared with the end of the second quarter of 2022. Other noncurrent liabilities at the end of the second quarter totaled SEK 8.8 (16,0). The long-term portion of the vendor note from the acquisition of StyleShoots has decreased as a result of scheduled amortization of part of the debt in the second quarter. The remaining debt is scheduled to be fully repaid by April 2025.

## Dividend

For the financial year 2022, the Board of Directors proposed a dividend of SEK 4.00 per share, which was approved at the Annual General Meeting on May 5, 2023, and paid on May 12, 2023. The decision entailed a total dividend of SEK 160m, corresponding to 82.5 percent of net profit for 2022.

## Share-based incentive programs

The incentive program for senior executives and key personnel in Profoto Group decided by the Annual General Meeting 2023 has not yet been implemented in the second quarter of 2023 and has not had any accounting impact on the second quarter. The program is expected to start in the third quarter after the release of the second quarter report. For further information on the program, please visit <https://investors.profoto.com/en/annual-general-meeting-2023/>

## Significant events April–June

There were no other significant events during the period.

## Significant events after the end of the period

There were no significant events after the period ended.

## Owners

Per June 30, 2023, Profoto had 1,673 known shareholders, of which the ten largest were:

Owners	Number of shares	%
Anders and Helén Hedebark	15,127,321	37.8
Conny Dufgran	6,040,000	15.1
Lannebo Fonder	3,624,992	9.1
Herenco Holding AB	2,514,295	6.3
Svolder	2,419,811	6.1
Hans Eckerström	1,230,508	3.1
Enter Fonder	1,056,298	2.6
Nordnet Pension Insurance	618,270	1.6
Investering & Tryghed A/S	488,259	1.2
Deka Investments	450,000	1.1

## The Profoto share

Profoto Holding AB (publ) has been listed on the Nasdaq OMX Stockholm Mid Cap list since July 1, 2021. The number of shares amounts to 40m. A list of the largest shareholders is updated on the company's website <https://investors.profoto.com> at the end of each month.



### Significant risks and uncertainties

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 and sustainability and climate risks.

The war in Ukraine and the current market turmoil such as inflation, higher interest rates and high energy prices have contributed to uncertainty in the market, which may have a negative impact on Profoto's sales and profit.

Risk management is a normal part of the business and helps to create added value. Risk management is monitored by management and reported to the Board of Directors, which bears the ultimate responsibility. These include the following risks:

#### *Operational risks:*

Due to the current market turmoil, there are risks of supply chain disruptions and component shortages that could negatively impact Profoto's production and sales.

The Group is dependent on the supply of components for its products in order to be able to deliver to customers. Risks include loss of suppliers, delayed or nondelivery of products, or failure of products to meet quality requirements set by customers, which may damage Profoto's reputation.

The Group depends on maintaining its reputation and is exposed to the risk of negative publicity regarding the Profoto brand. This risk also includes the risk of safety defects in the products.

The Group depends on attracting and retaining key employees with the right skills for key positions.

A lack of innovation skills could lead to a significant reduction in net sales in the long term.

There is a risk that the Group will fail to integrate acquired companies as planned, which could lead to an inability to realize expected synergies and growth plans and, in turn, adversely affect its results and financial position.

Future acquisitions may result in financial losses if additional costs are incurred, investment losses are incurred or legal or financial risks are not identified.

The Group's operations and products are dependent on IT systems and cybersecurity, and disruptions or failures in critical systems can lead to unauthorized access, unavailability of systems, breaches of regulatory requirements, etc. The Group has adopted a scalable business model and outsources all noncore activities. This risk can lead to a failure to meet the Group's high standards, as well as the risk that third party suppliers are under-resourced or that Profoto is not prioritized by these suppliers, resulting in non-delivery.

The Group relies on dealers for the sale and delivery of products to customers. Profoto may be negatively affected if dealers are restricted in their activities.

There is a risk that the Group is unable to expand its operations due to an internal lack of experience and skills.

#### *Sector and market-related risks:*

There is a risk that video filming will replace traditional still photography, which could result in some of the company's products becoming less relevant.

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.

There is a risk that the Group's growth strategy will not materialize due to the company's inability to compete effectively in an environment of rapid technological development or the company's misjudgment of ongoing and future market development, resulting in ineffective product development activities and, consequently, unsuccessful product launches.

The Group operates in a global market, which exposes it to risks – mainly the risk of sales being adversely affected by changes in the political situation, the emergence of trade conflicts/wars or changes in customs and trade regulations.

#### *Legal and tax risks:*

The Group's operations depend on compliance with EU laws and regulations and EU directives on producer responsibility and on obtaining the necessary certifications for the Group's products. The Group is also exposed to the risk of noncompliance with international privacy policies, which may result in fines and claims, and negatively affect customer perception.

The Group and its competitive position depend on worldwide intellectual property rights. There is a risk that the Group's protection of registered intellectual property rights may prove inadequate or that current rights may not be granted. The Group may from time to time be involved in litigation, claims and other legal or administrative proceedings, in particular relating to intellectual property rights.

Risks related to misinterpretation of tax and customs rules may lead to incorrectly reported tax or customs declarations.

#### *Financial risks:*

The Group is exposed to currency risks, transactional exposure and translation exposure. In addition, the Group is exposed to interest rate risk and credit and counterparty risk. The latter refers to the risk that the counterparty will not fulfil its contractual obligations.

The Group is exposed to the risk that the required financing is not available, or is delayed, resulting in a material increase in costs or a decrease in product development and personnel expenses.

Changes in the value of capitalized development expenditure and goodwill may have a negative impact on the Group's results and financial position if the impairment test results in a need for impairment.

#### *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.

A more comprehensive description of the risks is available in the 2022 Annual and Sustainability Report available at <https://investors.profoto.com>.

# Signatures

The Board of Directors and the President and Chief Executive Officer hereby declare that this interim report provides a true and fair view of the Parent Company's and the Group's operations,

position and earnings, and also describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Sundbyberg, July 21, 2023

**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 audited by the company's auditor.



# Other information

## About Profoto

Profoto was founded more than 50 years ago and has since then been the world leader in lighting products for professional photographers, driving innovation and awareness of how to create better images through light. We know that light is the indispensable source in all image creation – regardless of camera or situation. Creating great images is about mastering and shaping light. The end users are professional photographers and commercial customers, including major consumer brands and e-commerce companies. The company currently has sales in 58 countries globally. Net sales in 2022 totaled SEK 848m, with an adjusted EBIT margin of 30 percent. Profoto has 135 employees at its headquarters in Stockholm and at subsidiaries in the US, Japan, China, Germany, France, the UK and the Netherlands.

## Financial calendar

Interim Report Q3 2023 – November 7, 2023

Year-end Report 2023 – February 8, 2024

## Conference call

Profoto Holding AB (publ) will publish its interim report for the second quarter of 2023 on Friday, July 21, at 8:00 a.m. CEST. At 10:00 a.m. CEST the same day, a webcast teleconference will be held in which Anders Hedebark, President and CEO, will present the report together with the CFO, Carl Bandhold. The presentation will be followed by a Q&A session. The presentation will be held in English. If you wish to participate via the webcast, go to the following link: <https://ir.financialhearings.com/profoto-q2-2023>

If you wish to participate via teleconference, please register via the link below. After registering, you will receive a phone number and a conference ID to log in to the conference. The teleconference provides an opportunity to ask questions verbally. <https://conference.financialhearings.com/teleconference/?id=200883>

## For further information, please contact

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This information is inside information that Profoto Holding AB (publ) is required to disclose under the EU Market Abuse Regulation and information that Profoto Holding AB (publ) is obliged to make public under the Securities Market Act. The information was submitted, through the above contacts, for publication on July 21 at 8:00 a.m. CEST.

# Consolidated Financial Statements

## Consolidated statement of profit and loss

SEKm	Note	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Net sales	2	182	187	411	383	848
Other income		10	6	13	16	32
<b>Total revenue</b>		<b>193</b>	<b>193</b>	<b>424</b>	<b>399</b>	<b>881</b>
Capitalized work for own account		19	11	32	17	37
Goods		-50	-61	-116	-125	-266
Other external expenses		-41	-36	-88	-79	-166
Personnel expenses		-45	-39	-83	-67	-137
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		-20	-19	-39	-33	-73
Other operating expenses		-8	-1	-11	-10	-26
<b>Operating profit/loss (EBIT)</b>		<b>47</b>	<b>48</b>	<b>119</b>	<b>103</b>	<b>249</b>
<b>Finance income and costs</b>						
Finance income		1	3	2	3	10
Finance costs		-1	-5	-4	-7	-16
<b>Profit/loss before tax</b>		<b>46</b>	<b>46</b>	<b>116</b>	<b>99</b>	<b>243</b>
Tax		-11	-10	-25	-23	-49
<b>Profit/loss for the period</b>		<b>36</b>	<b>36</b>	<b>92</b>	<b>76</b>	<b>194</b>
<i>Attributable to:</i>						
Owners of the Parent Company		36	36	92	76	194
Basic and diluted earnings per share, SEK <sup>1</sup>		0.89	0.90	2.29	1.89	4.85

1) Calculated on the basis of 40,000,000 ordinary shares, basic and diluted.

## Consolidated statement of comprehensive income

SEKm	Note	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Profit/loss for the period		36	36	92	76	194
<i>Other comprehensive income, items that may be reclassified to the consolidated statement of profit and loss:</i>						
Translation differences for the period		5	2	7	1	6
<b>Total comprehensive income for the period</b>		<b>41</b>	<b>38</b>	<b>99</b>	<b>77</b>	<b>200</b>
<i>Attributable to:</i>						
Parent Company shareholders		41	38	99	77	200

## Consolidated statement of financial position

SEKm	Note	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Intangible fixed assets</b>				
	4			
Capitalized development expenditure		118	97	102
Technology, customer assets and brand		86	87	83
Other intangible assets		5	12	8
Goodwill		135	106	110
<b>Total intangible assets</b>		<b>344</b>	<b>302</b>	<b>304</b>
<b>Property, plant and equipment</b>				
Leased assets		48	52	47
Equipment, tools and installations		27	25	25
Leasehold improvements		1	2	1
<b>Total property, plant and equipment</b>		<b>75</b>	<b>80</b>	<b>73</b>
<b>Financial assets</b>		<b>2</b>	<b>2</b>	<b>2</b>
<b>Deferred tax assets</b>		<b>20</b>	<b>17</b>	<b>19</b>
<b>Total non-current assets</b>		<b>441</b>	<b>401</b>	<b>399</b>
<b>Current assets</b>				
<b>Inventories</b>				
		<b>138</b>	<b>124</b>	<b>141</b>
<b>Current receivables</b>				
Accounts receivable		87	75	96
Current tax assets		4	-	2
Other current assets		6	6	5
Prepayments and accrued income		11	8	8
<b>Total current receivables</b>		<b>108</b>	<b>89</b>	<b>111</b>
<b>Cash and cash equivalents</b>		<b>47</b>	<b>100</b>	<b>150</b>
<b>Total current assets</b>		<b>293</b>	<b>314</b>	<b>403</b>
<b>TOTAL ASSETS</b>		<b>734</b>	<b>715</b>	<b>801</b>

**Cont. Condensed consolidated statement of financial position**

SEKm	Note	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
<b>EQUITY AND LIABILITIES</b>				
<b>Total equity</b>		<b>330</b>	<b>268</b>	<b>391</b>
<b>Non-current liabilities</b>				
Liabilities to credit institutions		3	82	4
Other non-current liabilities		11	16	17
Lease liabilities		35	42	38
Provisions		8	9	15
Deferred tax liabilities		97	77	91
<b>Total non-current liabilities</b>		<b>154</b>	<b>226</b>	<b>165</b>
<b>Current liabilities</b>				
Liabilities to credit institutions		77	52	66
Lease liabilities		12	12	12
Provisions		18	7	17
Accounts payable		43	41	53
Current tax liabilities		15	20	19
Other current liabilities		33	28	24
Accrued expenses and deferred income		53	60	55
<b>Total current liabilities</b>		<b>251</b>	<b>220</b>	<b>246</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>734</b>	<b>715</b>	<b>801</b>

**Consolidated statement of changes in equity**

SEKm	Share capital	Translation reserve	Retained earnings including profit/loss for the period	Total equity
<b>Opening balance at January 1, 2023</b>	<b>1</b>	<b>0</b>	<b>390</b>	<b>391</b>
Profit/loss for the period			92	92
Total other comprehensive income	-	7	-	7
<b>Total comprehensive income</b>	<b>0</b>	<b>7</b>	<b>92</b>	<b>99</b>
Dividends to shareholders	-	-	-160	-160
<b>Closing balance June 30, 2023</b>	<b>1</b>	<b>7</b>	<b>322</b>	<b>330</b>
<b>Opening balance January 1, 2022</b>	<b>1</b>	<b>-6</b>	<b>336</b>	<b>331</b>
Profit/loss for the period			76	76
Total other comprehensive income	-	1	-	1
<b>Total comprehensive income</b>	<b>0</b>	<b>1</b>	<b>76</b>	<b>77</b>
Dividends to shareholders	-	-	-140	-140
<b>Closing balance June 30, 2022</b>	<b>1</b>	<b>-5</b>	<b>272</b>	<b>268</b>

## Consolidated statement of cash flows

SEKm	Note	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
<b>Cash flow from operating activities</b>						
Operating profit/loss		47	48	119	103	249
Adjustments for items not affecting the cash flow:						
Depreciation, amortization and impairment of non-current assets		20	19	39	33	73
Adjustments for other non-cash items		-4	-5	-3	-4	18
Interest received		1	0	1	0	1
Interest paid		-2	-1	-3	-2	-5
Income tax paid		-13	-4	-31	-8	-28
<b>Cash flow from operating activities before changes in working capital</b>		<b>49</b>	<b>56</b>	<b>122</b>	<b>122</b>	<b>308</b>
<b>Changes in working capital</b>						
Decrease (+)/increase (-) in inventories		0	-9	0	-15	-39
Decrease (+)/increase (-) in accounts receivable		-14	27	9	18	-1
Decrease (+)/increase (-) in other receivables		-6	-6	-3	-2	-1
Decrease (-)/increase (+) in accounts payable		-6	-7	-10	-12	-4
Decrease (-)/increase (+) in other current liabilities		-10	-22	0	-17	-27
<b>Cash flow from operating activities</b>		<b>13</b>	<b>39</b>	<b>118</b>	<b>93</b>	<b>236</b>
<b>Investing activities</b>						
Investments in intangible fixed assets		-19	-11	-40	-17	-39
Acquisition of property, plant and equipment		-3	-6	-6	-8	-12
Acquired subsidiary		-	-141	-	-141	-141
<b>Cash flow from investing activities</b>		<b>-22</b>	<b>-158</b>	<b>-46</b>	<b>-166</b>	<b>-192</b>
<b>Financing activities</b>						
Repayment of external loans		-19	-10	-23	-11	-90
Amortization of leasing liability		-4	-3	-7	-5	-12
New loans		1	98	15	122	145
Dividends paid		-160	-140	-160	-140	-140
<b>Cash flow from financing activities</b>		<b>-181</b>	<b>-56</b>	<b>-174</b>	<b>-34</b>	<b>-97</b>
Cash flow for the period		-190	-175	-102	-108	-52
Cash and cash equivalents at beginning of period		237	272	150	206	206
Exchange rate differences in cash and cash equivalents		-1	3	-1	1	-4
<b>Cash and cash equivalents at end of period</b>		<b>47</b>	<b>100</b>	<b>47</b>	<b>100</b>	<b>150</b>

# Parent Company Financial Statements

## Parent Company Income Statement

SEKm	Note	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Net sales		4.6	3.5	8.2	7.1	14.3
<b>Operating expenses</b>						
Other external expenses		-2.4	-1.2	-4.9	-2.8	-5.5
Personnel expenses		-3.6	-3.1	-5.9	-5.9	-9.5
Other operating expenses		-0.0	-0.0	0.0	-0.0	0.0
<b>Operating profit/loss (EBIT)</b>		<b>-1.3</b>	<b>-0.8</b>	<b>-2.6</b>	<b>-1.6</b>	<b>-0.8</b>
<b>Profit/loss from financial items</b>						
Income from participations in Group companies		-	-	-	-	150.0
Interest and similar expenses		-8.8	-7.3	-11.6	-7.3	-15.7
<b>Profit after financial items</b>		<b>-10.2</b>	<b>-8.1</b>	<b>-14.2</b>	<b>-8.9</b>	<b>133.5</b>
Appropriations		-	-	-	-	15.4
<b>Profit/loss before tax</b>		<b>-10.2</b>	<b>-8.1</b>	<b>-14.2</b>	<b>-8.9</b>	<b>148.9</b>
Tax on profit/loss for the period		2.3	1.8	3.2	2.0	4.7
<b>Profit/loss for the period</b>		<b>-7.9</b>	<b>-6.4</b>	<b>-11.0</b>	<b>-6.9</b>	<b>153.6</b>

## Parent Company balance sheet

SEKm	Note	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Financial assets</b>				
Participations in Group companies		217.3	217.3	217.3
<b>Total non-current assets</b>		<b>217.3</b>	<b>217.3</b>	<b>217.3</b>
<b>Deferred tax assets</b>		<b>1.7</b>	<b>1.5</b>	<b>1.1</b>
<b>Current assets</b>				
Current receivables from Group companies	3	-	-	31.8
Current tax assets		3.4	-	0.5
Other current receivables		0.1	1.1	-
Prepayments and accrued income		0.6	0.8	0.7
<b>Total current receivables</b>		<b>4.2</b>	<b>1.9</b>	<b>32.9</b>
<b>Cash and cash equivalents</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total current assets</b>		<b>4.2</b>	<b>1.9</b>	<b>32.9</b>
<b>ASSETS</b>		<b>223.1</b>	<b>220.6</b>	<b>251.4</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Restricted equity</b>				
<b>Share capital</b>		<b>0.5</b>	<b>0.5</b>	<b>0.5</b>
<b>Total restricted equity</b>		<b>0.5</b>	<b>0.5</b>	<b>0.5</b>
<b>Unrestricted equity</b>				
Retained earnings		49.5	55.9	55.9
Profit/loss for the period		-11.0	-6.9	153.6
<b>Total unrestricted equity</b>		<b>38.5</b>	<b>49.0</b>	<b>209.5</b>
<b>Total equity</b>		<b>39.0</b>	<b>49.5</b>	<b>210.0</b>
<b>Non-current liabilities</b>				
Liabilities to credit institutions		-	75.0	-
Other non-current liabilities		8.8	16.0	16.7
<b>Total non-current liabilities</b>		<b>8.8</b>	<b>91.0</b>	<b>16.7</b>
<b>Current liabilities</b>				
Accounts payable		0.1	0.1	0.4
Current liabilities to Group companies	3	158.4	52.7	-
Current tax liabilities		-	2.8	-
Other current liabilities		10.1	18.1	18.6
Accrued expenses and deferred income		6.7	6.3	5.6
<b>Total current liabilities</b>		<b>175.3</b>	<b>80.1</b>	<b>24.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>223.1</b>	<b>220.6</b>	<b>251.4</b>



## Parent Company Statement of Cash Flows

SEKm	Note	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
<b>Cash flow from operating activities</b>						
Operating profit/loss		-1.3	-0.8	-2.6	-1.6	-0.8
Income tax paid		-0.4	-0.1	-0.4	-0.3	-0.9
<b>Cash flow from operating activities before changes in working capital</b>		<b>-1.7</b>	<b>-0.9</b>	<b>-3.0</b>	<b>-1.9</b>	<b>-1.7</b>
<b>Changes in working capital</b>						
Decrease (+)/increase (-) in other receivables		0.1	9.7	-0.1	-0.5	0.4
Decrease (-)/increase (+) in accounts payable		-0.7	-0.2	-0.4	-0.1	0.2
Decrease (-)/increase (+) in other current liabilities		-0.3	0.1	0.3	0.2	-1.0
<b>Cash flow from operating activities</b>		<b>-2.6</b>	<b>8.7</b>	<b>-3.2</b>	<b>-2.3</b>	<b>-2.1</b>
<b>Investing activities</b>						
Acquired subsidiary		-	-154.4	-	-154.4	-154.4
<b>Cash flow from investing activities</b>		<b>-</b>	<b>-154.4</b>	<b>-</b>	<b>-154.4</b>	<b>-154.4</b>
<b>Financing activities</b>						
Change in intercompany liabilities		179.1	210.8	179.7	221.8	296.5
Borrowings		-	75.0	-	75.0	75.0
Repayment of loans		-16.5	-	-16.5	-	-75.0
Dividends to shareholders		-160.0	-140.0	-160.0	-140.0	-140.0
<b>Cash flow from financing activities</b>		<b>2.6</b>	<b>145.8</b>	<b>3.2</b>	<b>156.8</b>	<b>156.5</b>
Cash flow for the period		0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents at beginning of period		0.0	0.0	0.0	0.0	0.0
<b>Cash and cash equivalents at end of period</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

# Notes

## Note 1 Accounting policies and general information

This consolidated interim report was 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 has been prepared in accordance with Chapter 9. Interim Report of 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.

Additional accounting standards applied in 2023 have not had a significant impact on the Group's financial statements.

## 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 the Groupwide 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.

SEKm	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
EMEA	64	81	152	154	318
Americas	79	70	177	157	356
APAC	40	36	82	72	174
<b>Total net sales</b>	<b>182</b>	<b>187</b>	<b>411</b>	<b>383</b>	<b>848</b>

## Note 3 Related-party transactions

Related-party transactions include remuneration to directors and other senior executives. Remuneration levels are determined on a market basis.

The Parent Company invoices the subsidiary Profoto AB a monthly management fee of SEK 1.7m (1.2) and Profoto Holding B.V a fee of SEK 0.0m. The level of monthly invoicing is determined annually and is based on the Groupwide fixed costs of the Parent Company. In the second quarter of 2023, the Parent Company's income from invoiced management fees totaled SEK 4.5m (3.5). In the second quarter, the Group expensed consulting costs of SEK 0.2m for the benefit of Aligro Advisory AB, which is owned by Profoto's board chairperson. According to the agreement, services

corresponding to an invoice value of SEK 1m will be performed and invoiced in 2023. The Parent Company has issued a general guarantee on behalf of its subsidiary (see note 5).

Parent Company SEKm	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Intercompany receivables	-	-	31.8
Intercompany liabilities	-158.4	-52.7	-
<b>Total</b>	<b>-158.4</b>	<b>-52.7</b>	<b>31.8</b>

**Note 4 Intangible fixed assets**

SEKm	Capitalized development expenditure	Technology, customer assets and brand	Other intangible assets <sup>1</sup>	Total
<b>Opening accumulated acquisition value, January 1, 2023</b>	<b>278</b>	<b>95</b>	<b>35</b>	<b>408</b>
Acquisitions	-	6	-	6
Capitalized development expenditure	34	-	-	34
Currency effects	-	6	-	6
<b>Closing accumulated acquisition value at June 30, 2023</b>	<b>312</b>	<b>106</b>	<b>35</b>	<b>453</b>
<b>Opening depreciation/amortization January 1, 2023</b>	<b>-157</b>	<b>-11</b>	<b>-27</b>	<b>-195</b>
Acquisitions	-	-	-	-
Depreciation/amortization for the period	-18	-8	-4	-29
Currency effects	-	-1	-	-1
<b>Closing accumulated amortization at June 30, 2023</b>	<b>-175</b>	<b>-20</b>	<b>-31</b>	<b>-225</b>
<b>Opening impairment January 1, 2023</b>	<b>-19</b>	<b>-</b>	<b>-</b>	<b>-19</b>
<b>Closing accumulated impairment at June 30, 2023</b>	<b>-19</b>	<b>-</b>	<b>-</b>	<b>-19</b>
<b>Carrying amount at June 30, 2023</b>	<b>118</b>	<b>86</b>	<b>5</b>	<b>209</b>
<b>Opening accumulated cost, January 1, 2022</b>	<b>236</b>	<b>-</b>	<b>35</b>	<b>271</b>
Acquisitions	18	87	-	105
Capitalized development expenditure	18	-	-	18
Currency effects	-	4	-	4
<b>Closing accumulated acquisition value at June 30, 2022</b>	<b>272</b>	<b>91</b>	<b>35</b>	<b>398</b>
<b>Opening amortization, January 1, 2022</b>	<b>-126</b>	<b>-</b>	<b>-20</b>	<b>-146</b>
Acquisitions	-15	-	-	-15
Amortization for the period	-15	-4	-4	-23
<b>Closing accumulated amortization at June 30, 2022</b>	<b>-156</b>	<b>-4</b>	<b>-24</b>	<b>-184</b>
<b>Opening impairment, January 1, 2022</b>	<b>-19</b>	<b>-</b>	<b>-</b>	<b>-19</b>
<b>Closing accumulated impairment at June 30, 2022</b>	<b>-19</b>	<b>-</b>	<b>-</b>	<b>-19</b>
<b>Carrying amount at June 30, 2022</b>	<b>97</b>	<b>87</b>	<b>12</b>	<b>196</b>

Goodwill at June 30, 2023, totaled SEK 135m and increased during the quarter by SEK 5m due to currency effects. As a result of an asset acquisition at the end of the first quarter, goodwill has preliminary increased by SEK 16m and technology by SEK 6m. The asset acquisition is not considered material to the Profoto Group.

1) Other intangible assets consist of software and licenses recorded at cost of SEK 31m (software) and SEK 4m (licenses).

**Note 5 Pledged assets and contingent liabilities**

Group SEKm	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022	Group SEKm	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
<b>Pledged collateral</b>				<b>Contingent liabilities</b>			
Pledges on accounts receivable and inventories of Group companies	-	50	-	Swedish Customs Service	1	1	1
<b>Total</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>

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.

# 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 inventory write-downs and development costs, costs related to acquisitions and listing costs. In the first half of 2022 and for the full year 2022, adjustments were made to other external expenses related to the acquisition of the Dutch company StyleShoots Holding B.V.

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	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Net sales	182	187	411	383	848
Operating profit/loss (EBIT)	47	48	119	103	249
Total items affecting comparability	-	-2	-	8	8
Costs related to acquisitions	-	-2	-	8	8
<b>Adjusted operating profit (EBIT)</b>	<b>47</b>	<b>46</b>	<b>119</b>	<b>111</b>	<b>257</b>
<b>Adjusted EBIT margin, %</b>	<b>25.8</b>	<b>24.5</b>	<b>28.9</b>	<b>28.9</b>	<b>30.3</b>

## 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.

## 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.

## 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.

## 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.

## EBIT

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

## EBITDA

EBITDA (earnings before finance income and costs, 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	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Operating profit/loss (EBIT)	47	48	119	103	249
Depreciation and impairment of intangible fixed assets	14	13	28	22	50
<b>EBITA</b>	<b>61</b>	<b>61</b>	<b>147</b>	<b>125</b>	<b>299</b>
Depreciation and impairment of property, plant and equipment	6	6	11	11	23
<b>EBITDA</b>	<b>67</b>	<b>67</b>	<b>158</b>	<b>136</b>	<b>322</b>

**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 write-downs of inventories and tangible/intangible fixed assets, government grants received, IPO expenses and significant acquisition costs, which by their nature are uncommon and have a material impact on the result. The transactions play an important role in understanding underlying business developments.

**Net debt/net cash**

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 net amount indicates a positive net cash position.

SEKm	Jun 30, 2023	Jun 30, 2022
Liabilities to credit institutions, non-current	3	82
Other interest-bearing liabilities, non-current	11	16
Lease liabilities, non-current	35	42
Liabilities to credit institutions, current	77	52
Other interest-bearing liabilities, current	9	16
Lease liabilities, current	12	12
Cash and cash equivalents	-47	-100
<b>Net debt</b>	<b>100</b>	<b>120</b>

**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	Jun 30, 2023	Jun 30, 2022
Net debt	100	120
EBITDA, LTM	344	301
<b>Net debt/EBITDA LTM, quota</b>	<b>0.29</b>	<b>0.40</b>

**Net sales adjusted for currency effects, %**

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

%	Apr-Jun 2023	Jan-Jun 2023
Change in net sales	-2.4	7.3
Acquisitions	-	-4.7
Currency effect	-6.0	-6.4
<b>Organic growth adjusted for currency effect</b>	<b>-8.5</b>	<b>-3.8</b>

**Return on equity, %**

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

SEKm	Jun 30, 2023	Jun 30, 2022
Profit/loss for the period, LTM	210	180
Equity	330	268
Equity, LTM	299	249
<b>Return on equity, %</b>	<b>70.3</b>	<b>72.4</b>

**Pro forma**

On April 6, 2022, Profoto Holding AB acquired all the shares in the Dutch company StyleShoots Holding B.V and its subsidiaries (StyleShoots). The purchase price for the shares totaled SEK 177m. Profoto has prepared pro forma consolidated financial statements in order to present the hypothetical impact the acquisition and financing of StyleShoots would have had on Profoto's consolidated net sales, EBIT and net debt for the period January 1 - June 30, 2022, if the acquisition had taken place on January 1, 2022. The pro forma information is for informational and factual purposes only. By its nature, the pro forma information is intended to describe a hypothetical situation and thus does not serve to describe Profoto's actual performance. Furthermore, the pro forma information is not representative of the future performance of the business. Investors should therefore not place too much emphasis on pro forma information.

The pro forma information is prepared based on Profoto's consolidated financial statements prepared in accordance with IFRS, the purchase consideration paid and unaudited internal consolidated financial quarterly statements for Q1 2022 prepared in accordance with good accounting practice in the Netherlands, adjusted for differences between practice in the Netherlands and Profoto's accounting policies under IFRS. In addition, the result

has been debited with depreciation/amortization on the excess values arising on the acquisition in respect of technology, customer contracts, customer relationships and brand. Net sales and EBIT have been translated from EUR to SEK based on the average exchange rate for the respective period, and net debt has been translated at the exchange rate on the balance sheet date.

SEKm	Jan-Jun 2022	Full year 2022
<b>Net sales pro forma</b>		
Profoto	383	848
StyleShoots	24	24
<b>Net sales pro forma</b>	<b>407</b>	<b>872</b>
<b>EBIT pro forma</b>		
Profoto	103	249
StyleShoots	4	4
Amortization of acquired intangible assets	-4	-4
<b>EBIT pro forma</b>	<b>103</b>	<b>249</b>

**Performance measure by quarter**

	2023		2022				2021	
	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Net sales, SEKm	182	229	230	235	187	196	218	189
Organic growth, %	-8.5	0.0	-12.5	6.5	-12.7	20.2	24.3	52.8
EBITA, SEKm	61	86	95	80	61	64	88	67
EBITA margin, %	33.6	37.4	41.1	34.0	32.6	32.6	40.2	35.1
EBIT, SEKm	47	72	80	66	48	55	79	58
EBIT margin, %	25.8	31.3	34.9	28.0	25.7	27.9	36.1	30.4
Adjusted EBIT, SEKm	47	72	80	66	46	65	79	58
Adjusted EBIT margin, %	25.8	31.3	34.9	28.0	24.6	33.1	36.1	30.4
Profit/loss for the period, SEKm	36	56	65	54	36	40	60	45
Net debt, SEKm	100	-75	3	66	121	-179	-134	-46
EBITDA LTM, SEKm	344	344	322	315	301	284	269	238
Net debt/EBITDA LTM	0.29	-0.22	0.01	0.21	0.40	-0.63	-0.50	-0.19
Return on equity, %	70.3	51.4	53.8	64.1	72.4	45.5	47.5	45.6
Earnings per share, SEK	0.89	1.40	1.62	1.34	0.90	0.99	1.50	1.11

# Definitions

**Average number of employees**

Average number of full-time employees during the period.

**LTM**

Last twelve months, the twelve-month period ending on the respective date.

**Parent Company**

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

**Organic growth**

Change in net sales for the period compared to the corresponding period in the previous year, after adjustments for acquisitions and exchange rate effects.

**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 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.

**Earnings per share**

Profit/loss for the period attributable to the shareholders of the Parent Company, divided by the weighted average number of shares outstanding during the period. Earnings per share are recorded in accordance with IAS 33 Earnings per share.