

Profoto Annual Report 2025



Profoto Annual Report 2025

The Board of Directors and CEO of Profoto Holding AB (publ), corporate registration number 556810-9879, hereby submit the Annual Report of the Parent Company and the Group for fiscal year 2025. The Annual Report consists of the Directors' Report (pages 31–38), Corporate Governance Report (pages 39–45) and the financial reports together with notes (pages 46–64). The consolidated statement of profit and loss and financial position, together with the income statement and balance sheet for the Parent Company, are approved at the Annual General Meeting.

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PHOTO BOTTEGA 53

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PHOTO MIRA THILDA



PHOTO JUIE NAPRUZZESE

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

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




Great light in every frame

Co-founder
Conny Dufgran

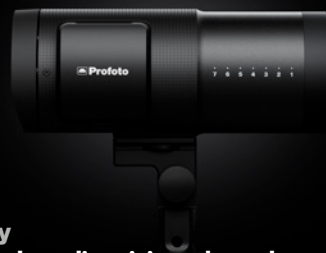
Profoto in brief

The world's best lighting for the world's best image creators


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




What
We support visual content creators in their creative process at point of capture by offering lighting solutions for video and stills



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



Who
For creators of high-quality visual content, mainly content creators, large studios and cinema.



Where
Sales in 51 countries. The products can be purchased through roughly 200 dealers worldwide, rented from local rental companies, or purchased directly via profoto.com.

Only premium brand within still and video

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

Product development captures customer needs

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

Over the years, we have been able to meet various new needs from new customer groups – from analog to digital, from studio to on-location photo shoots, and from system cameras to compact

mirrorless cameras and smartphones, from smaller-scale creativity to efficient large production, and recently LED.

Global sales

Profoto has sales in 51 countries. The products can be purchased from approximately 200 dealers or via the company's online store, profoto.com, or they can be rented through local rental companies. Profoto has 110 employees at its headquarters in Stockholm and in subsidiaries in the USA, Japan, China, Germany, and the Netherlands.

Three customer segments form the foundation of our growth

Profoto has historically combined organic growth with good profitability. Our objective is to continue

Global sales organization



Profoto in brief

growing organically by focusing on three clearly defined customer segments: content creators, large studios and cinema. These segments face different challenges and opportunities, but together they reflect a market in which competition is growing, customer needs are broadening and the demands for quality, efficiency, and workflow integration are increasing. We address this by continuing our systematic product development strategy, offering improved performance and seamless communication between products within the ecosystem.

Continued investments in innovation

Continuous investment in innovation has historically contributed to the company's robust growth. Today, 47 people work with technical development, and over the past five years an average of 12 percent of sales has been invested in R&D. Our extensive innovation initiatives will continue both in the current customer groups and related growth areas where we see exciting development opportunities.

Efficiency in everything

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

The world's best light for the world's best image creators

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



Highlights in 2025

A strong focus on new and innovative LED solutions

During the year we have expanded our range of LED products with the introduction of the L600D, L600C, and ProPanel 3x2

New products

To drive growth, we introduced three new LED products during the year. Together, they form a broad offering aimed at content creators, large studios and cinema. During the year, we also expanded our popular B10 series with the launch of the B20 and B30.

LED

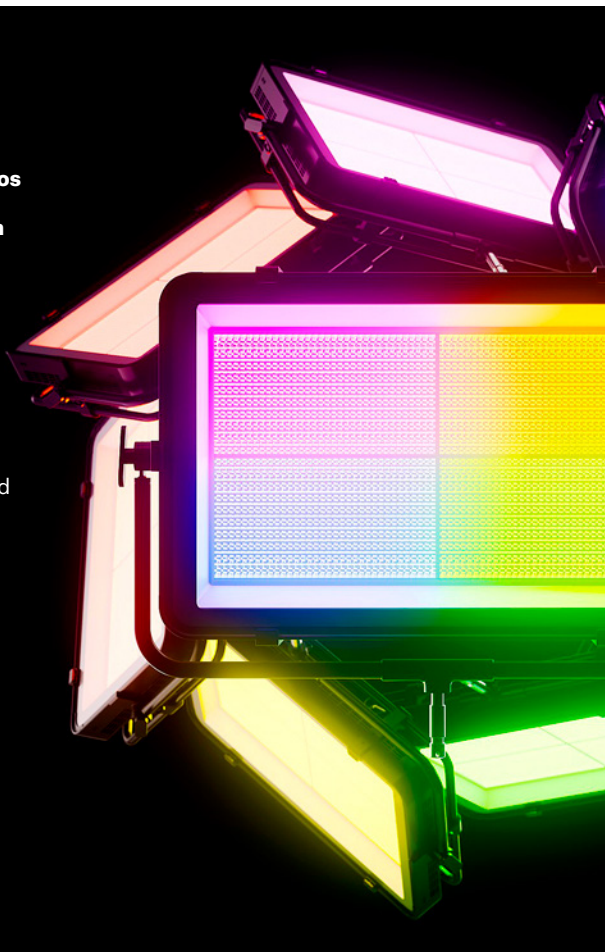
L600C – 600 watt full-color point source LED tailored for cinematic productions demanding speed, precision, and performance.

L600D – 600 watts of daylight-balanced light with consistent accuracy.

Pro-Panel 3x2 – 2000 watts of rich, soft, full-color light in a lightweight, durable design.

Xenon

The **B20** (250 watts) and **B30** (500 watts) have been developed based on the reliable foundation of the highly successful B10 series.



Extensive cost-efficiency measures implemented to improve profitability

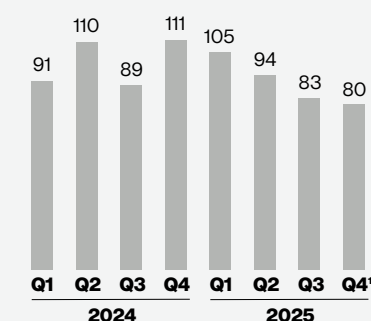
Net sales for 2025 amounted to SEK 617m (731), a decrease of 15.6 percent. Organic growth amounted to -10.4 percent. The year was characterized by significant economic and trade policy uncertainty, which led to weak demand, primarily in the US. Sales in the Americas decreased organically by 18.1 percent. EMEA sales declined organically by 5.8 percent, while APAC reported an organic decrease of 1.5 percent.

Adjusted EBIT and adjusted EBIT margin for the year amounted to SEK 41m and 6.6 percent respectively. In response to lower sales levels, we reduced our cost base during the year. As part of this, we carried out an extensive reorganization. The full effect of the cost savings was evident in the fourth quarter, with 24 percent lower costs than in the first quarter.

During the year, we reinvested 17 percent of revenue in product development to secure future sales growth, as product launches drive demand.

Expenses

Personnel cost and other external costs
SEKm



1) The quarter was burdened by legal costs of SEK 7 million related to ongoing patent disputes.

Key ratios¹

	2025	2024	2023
Net sales, SEKm	617	731	787
EBITDA, SEKm	104	226	281
EBITDA,-marginal, %	16.8	30.9	35.7
Adjusted EBIT, SEKm ²	41	153	204
Adjusted EBIT margin, %	6.6	20.9	26.0
Net profit/loss for the period, SEKm	-23	126	155
Return on adjusted operating capital, %	7.2	31.9	49.0
Cash flow from operating activities, SEKm	151	97	211
Average number of employees	132	141	139

1) For information and explanations regarding alternative performance measures, including proforma, see page 70.

2) 2025 adjusted for impairment of intangible assets of SEK -41m and nonrecurring restructuring charges of SEK -6m 2024 adjusted for positive effects for an acquisition related earn-out of SEK 14m.

CEO comments

A year of transition and strategic progress

2025 was a challenging year for Profoto. The year was marked by a difficult and complex market environment characterized by macroeconomic uncertainty, cautious and delayed investment decisions among our customers, and a rapidly evolving competitive landscape. Demand was particularly weak in the United States for much of the year, while currency fluctuations and increased trade barriers affected both sales and profitability. Stable development in Europe and positive momentum in China were not sufficient to offset the downturn in the important U.S. market. Overall, the year's performance did not meet our ambitions.

Focus on adaptation and efficiency

Against this backdrop, our focus during the year was clear: to adapt our operations to new market conditions, strengthen our financial resilience, and at the same time continue investing in future growth areas.

During the year, we implemented a comprehensive cost-reduction program that reduced our cost base by approximately 20 percent. These measures have created a more sustainable and competitive structure, strengthening our ability to deliver profitability even in a weak market environment. We have prioritized efficiency improvements and allocated resources to the areas of greatest strategic importance, establishing an organization better equipped for the future.

Expanding our product portfolio with LED products

At the same time, we continued to develop and renew our product portfolio. During the year, we launched new flash products that further strengthened our position in professional lighting. Customer reception has been positive, and today we have a modernized and future-ready flash portfolio.

The most significant strategic development in 2025, however, was our entry into the continuous lighting segment through LED-based products. With the launch of our new LED portfolio, we have taken a decisive step toward meeting evolving customer needs, where the lines between photography, film, and digital content are increasingly blurred. Initial deliveries began at the end of the year. The LED initiative has the potential to expand our addressable market and is a cornerstone of our growth strategy. In spring 2026, we will introduce additional LED products, including our long-awaited panel designed primarily for the film industry.

At the same time, competition has intensified, particularly from Chinese manufacturers. In this environment, maintaining our technological leadership and premium positioning remains critical. Investments in innovation and intellectual property continue to be a strategic priority.

Financial strength and updated financial targets

Despite a challenging year for sales, we end 2025 with a stable financial position, a more efficient organization, and a sharper strategic focus. The measures implemented have built a strong platform for the future and allow us to maintain focus on profitable growth.

In light of changing market conditions, the Board has updated the financial targets. Our ambition is to achieve, over time, annual organic sales growth exceeding 5 percent and an EBIT margin of 20 percent. We expect growth to be driven primarily by new customer segments, such as Cinema, and continued expansion in LED.

Looking Ahead to 2026

We enter 2026 with ongoing global uncertainty but also with greater agility and strong strategic momentum. For more than 60 years, Profoto has



led the way in professional lighting technology. Through our technology shift and long-term investments, I am confident that we will continue to do so in the years ahead.

Finally, I would like to extend my sincere thanks to our employees, partners, and customers. Your

dedication, professionalism, and trust have been essential during a demanding year and form the foundation for Profoto's continued success.

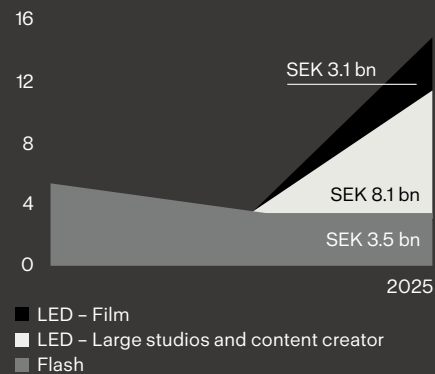
Anders Hedebark
CEO and Group President

Investment case

Entry into the LED market doubles our addressable market

Profoto benefits from the entrepreneurial spirit and drive originating from its founders, Conny Dufgran and Eckhard Heine.

With our entry into the LED market, our total addressable market increases from SEK 3.5 billion to SEK 14.7 billion, of which the premium segment accounts for 20%



Source: Company internal data

Premium brand used by leading image creators.

2x

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

Source: Company internal data

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

21%

Average EBIT margin since 2015

Global market strategy with an efficient sales organization.

>200

dealers

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

Market

New customer needs create challenges and opportunities

Profoto operates in the market for visual content creation. We focus on three customer segments that create high-quality content: content creators, large studios and cinema. By combining technology, innovation, and creativity, we continue to strengthen our position in a rapidly changing market.

Light shaping – stills and motion media

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

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

Changing market dynamics – increased use of LED products and growing competition

The content creator segment is developing rapidly, driven by the expansion of digital channels and rising demand for user-friendly, affordable, and flexible equipment suitable for both motion and still images. Large studios continue to invest in premium systems for both still photography and video, and the transition to LED solutions is accelerating upgrade cycles in more advanced studio environments. Similarly, the cinema segment is moving towards LED-based continuous lighting, offering high brightness and reliability. Together, these segments reflect a market where customer needs are broadening and demands for quality, efficiency, and workflow integration are increasing.

The market as a whole is characterized by rising competition and rapid technological development. Emerging players have adopted aggressive pricing strategies and make extensive use of promotions. Combined with a fast pace of product development, this creates a more challenging competitive landscape even in the premium segment.

At the same time, a clear technological shift is occurring from Xenon-based flash to LED-based continuous lighting. Improved camera technology with higher ISO performance allows photographers

to work with less light, favoring LED solutions that can be used for both still and motion imagery. In 2025, we continued to engage the film production market, and the response has been positive.

New customer needs and workflows – more of everything

Image creators are increasingly expected to deliver content in multiple formats, and demand for motion content is growing rapidly. Few new photographers focus exclusively on still images, which is changing both investment patterns and workflows. Profoto's portfolio addresses these demands with modular solutions that can be adapted to both creative and production needs.

The growing use of AI

Artificial intelligence is playing an increasingly important role in the industry. Several studios are developing their own AI tools to complement photography, yet the need for professional lighting remains essential to achieve authentic and aesthetically high-quality results. AI reduces the need for travel, while investments in image creation continue to grow.

For professional visual content, lighting must match the digitally recreated environment, placing higher demands on the photographer's ability to light scenes realistically and accurately. Photographers who combine AI with creative lighting can deliver faster to clients at a lower cost, without reducing their own earnings.

When it comes to capturing people and fashion, AI can never replace the camera or proper lighting. Each individual—whether a bride and groom, a high jumper, a baby, etc.—is unique, as are the fabrics, colors, and textures of clothing, making photography with proper lighting indispensable. The combination of AI and creative lighting allows image creators to work more efficiently, without compromising with expressions or quality.



Case: AI

New opportunities with AI

Photographer Ines Thomsen discusses how she balances this exciting technology with her creative skills, and how Profoto's easy-to-use light-shaping gear and fast, reliable flashes help her achieve this.

"When I first learned about AI, I had a panic attack," says portrait, commercial, and lifestyle photographer Ines Thomsen. "I really thought I'd lose my job within a year." The trigger? Her longtime collaborator, photographer and AI educator Martin Dörsch. "Martin pushed me so deep into this rabbit hole, there was no way back," she says with a laugh. Now the two are co-authoring a book on how creatives can embrace AI—while staying grounded in their values, maintaining creative control, and acting responsibly. "We're right in the middle of the wave," Thomsen says. "And instead of resisting it, we're learning how to ride it—with intention and balance."

Photography's new frontier

The key to working with artificial intelligence, Thomsen explains, is using it as something that can aid your work rather than thinking that it will hinder your career. Her workflow is constantly evolving with the technology. Currently, she puts custom Chat GPT prompts in Midjourney to create images with backdrops that range from the Mediterranean coast to the streets of New York City. "I always generate my AI scenes with a model in them—not just the background," she says, "so I can observe

exactly how the light falls on the face and body. I remove the AI model from the image after I analyze the direction, softness and color of the light. Then I recreate that lighting in the studio using my Profoto gear."

It's a process that requires a balance of light-shaping expertise and technological acuity. "You still need to have the human interaction and photography skills," Thomsen says. "You have to have the right light. You have to have the right camera angle, the right perspective, the right mood, the model communication. All of those things need to work out."

The power of light in the age of AI

Thomsen emphasizes that AI doesn't eliminate the need for photographers. Rather, those who have a well-developed skill set have the opportunity to find even greater success. Professional photographers have an edge over others creating AI images because they know how to put together the puzzle pieces, such as shadow, light and color. "You need to understand light deeply: direction, softness, temperature, intensity," Thomsen notes. "If you can't recreate the light from the AI background in your studio, the final image won't feel real."



Cutting costs, not creativity

Thomsen's clients are quickly realizing the benefits of artificial intelligence, both from a financial and logistics perspective. While Thomsen says that the amount saved varies depending upon the production, the AI-assisted workflow sharply reduces (and, at times, completely eliminates) the most expensive line items on the budget. Think flights, hotels, location fees and set builds.

"If I tell them 'You don't have to travel to Greece with 10 models for a week for this shoot. You don't have to pay for flights and food because we can do it in two days in the studio,' they appreciate that," she says. This is especially advantageous to small companies that don't have the budget for pricey location shoots. "It's really amazing how much you can do in a studio," she notes. "You have a makeup table and changing

room. You don't need to worry about the weather. It's both easier and more affordable."

New opportunities with AI

"Traditional shoots are still very much alive, especially in the corporate sector," notes Thomsen. "But AI has opened doors that were previously closed." Currently half of her commissions involve some sort of AI components. Smaller businesses have the ability to commission shoots that, in the past, required huge budgets and complicated logistics. "Rather than doing more of the same," Thomsen notes. "We're seeing new kinds of jobs that wouldn't have come our way without the AI pipeline."

Profoto lights the way

Profoto gear is pertinent to the success of these studio shoots, as the fusion

photography Thomsen is creating needs to be crafted with more detailed light. She works with a range of products – B10 monolights, Softbox modifiers and Clic gels, among others – for the shoots. "If the AI background shows a sunset behind the model," she says. "I'll recreate that glow with a Profoto monolight and an orange gel. If the mood calls for harsh, edgy light, I'll reach for the OCF magnum reflector. If the image feels soft and painterly, I choose the light shaper that gives me the closest match to the AI-generated mood."

As AI fusion photography continues to evolve the right lighting is more essential than ever before. "Because I'm blending real, studio-lit people into AI-generated environments, every nuance matters," Thomsen says. "It's about more than exposure – it's about believability, atmosphere, storytelling."

Operations

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Business model

Focus and flexibility generate profitable growth

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

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

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

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

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

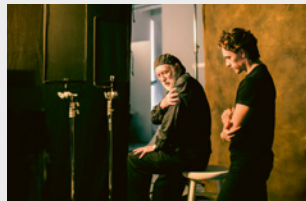
Strategies

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



R&D

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



Brand

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

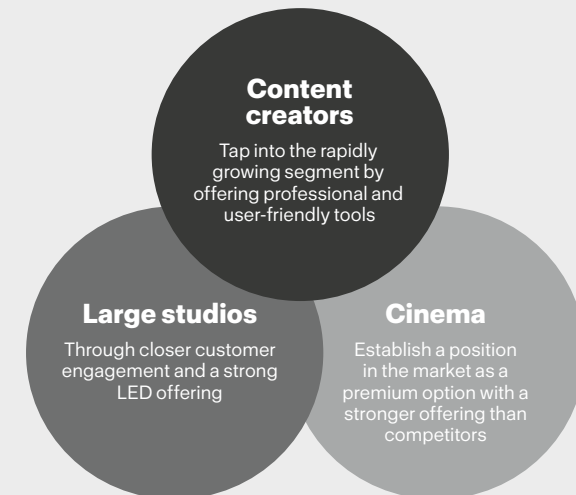


Focus

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

Growth strategy

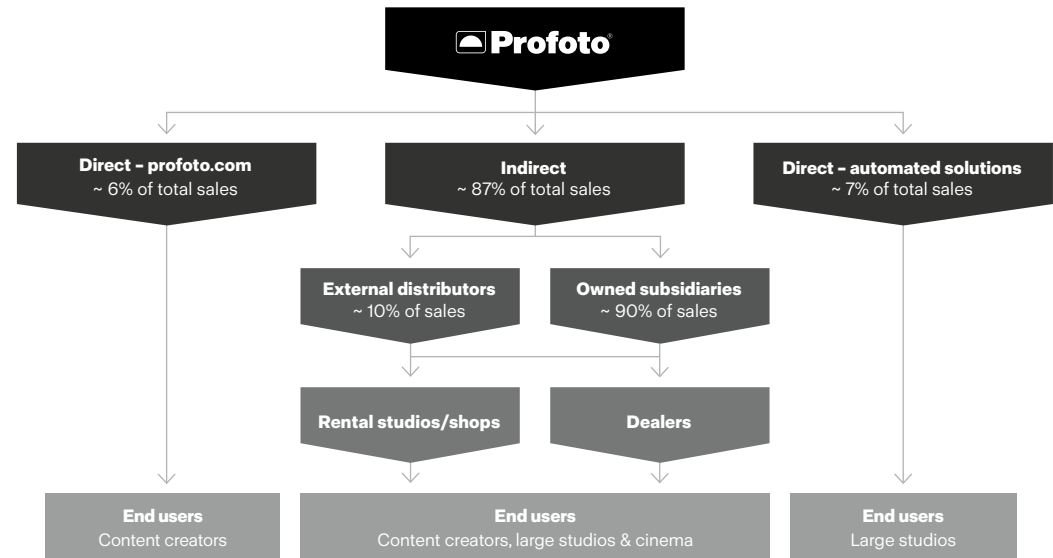
Building on our strong position as a supplier to professional photographers, brands and studios, we focus on driving growth by offering premium solutions to three different customer segments:



Business model



Profoto's sales channels



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

Indirect sales drive revenue streams

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

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

designed to support our 200 dealers and approximately 500 rental companies.

Direct contact with customers

The company has established a direct channel to customers through its online store Profoto.com, which accounts for about 6 percent of sales. Ties with loyal end customers can be strengthened through Profoto.com. The online store is also used to analyze buyer behavior and customer preferences.

Customer segments

Three clearly defined customer segments with different needs

Our business is built on a deep understanding of how different types of content creators work. By dividing our customers into three segments – Content creators, Large studios and Cinema – we can develop solutions that meet specific demands for quality, flexibility, and innovation. Together, these segments form the foundation of our growth.



Content creators

The number of independent content creators is growing rapidly, driven by easily accessible tools and an increasing demand for high-quality content across multiple channels. These users seek professional results while valuing mobility and cost balance.

Who are the clients?

Independent content creators, photographers, and videographers producing content for digital platforms.

Our offering

Professional and user-friendly tools with reliable performance, high build quality, and versatility. Future-proof and sustainable investments.

Our product range

L600C (LED), B20/B30, A2, A10, LST, and our iPhone Camera app.

Market size

The global market for premium users is estimated at SEK 1,400m.

Large studios

The large professional studios are rapidly transitioning to LED technology for both stills and video. At the same time, the most exclusive brands continue to invest in Xenon solutions for premium productions.

Who are the clients?

Professional studios producing both stills and video for commercial and editorial purposes.

Our offering

High-performance lighting systems that combine stills and video production. Premium solutions that meet the most demanding production needs.

Our product range

Pro-D3, Pro-11, L1600D (LED), L600D (LED), and Automation.

Market size

The global market for premium users is estimated at approximately SEK 500m.



Cinema

The film industry requires high standard in terms of brightness, build quality, and flexibility. Our solutions offer up to half the weight of competing systems while delivering superior light output and reliable aftermarket support.

Who are the clients?

Film production companies with high requirements for brightness, quality, and reliability.

Our offering

Lighter systems with higher light output, robust construction, and dependable aftermarket support. Designed for professional film productions.

Our product range

ProPanel (LED), L1600D (LED) and ProFresnel Zoom L600C (LED).

Market size

The global market for premium users is estimated at approximately SEK 3,000m.

R&D

Innovative products and solutions drive growth

Product development and innovation have a natural place in Profoto's DNA.

The power of development is our origin but also our future, where new innovative products and solutions drive growth.



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

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

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

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

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

Research and product development is one of our core competencies. Our expert teams in Image Technology, Power Electronics, Connectivity, Embedded Software, IT, and Product Design and Mechanics consist of 47 people developing software and hardware. We continuously work on new product ideas and plans to meet customer needs. This systematic process is coupled with a detailed product lifecycle management where each product has a strategy from launch to decommissioning. This approach has enabled Profoto's successful growth in several customer segments.

Large number of new products introduced in 2025

During the year, many products were launched for content creators, studios and cinema.

L600C – 600 watts full-color point source LED tailored for cinematic productions demanding speed, precision, and performance.

L600D – 600 watts of daylight-balanced light with consistent accuracy.

ProPanel 3x2 – 2000 watts of rich, soft, full-color light in a lightweight, durable design.

B20 (250 watts) and **B30** (500 watts) have been developed based on the reliable foundation of the highly successful B10 series.

R&D 2025

> **50** Number of years of experience

5 Number of global launches 2025

47 Employees in R&D

24 Active patent families

R&D share of sales, 2025

17%

New products

A wide LED portfolio for all our customer segments



Profoto L600D

Powerful simplicity

In June, we introduced three LED products with slightly different target groups. The Profoto L600D is designed for hybrid (still and video) content production in large studios that demand maximum light output, uncompromising light quality, and compact efficiency. With a lightweight, all-in-one, ballast-free design – powered by HydroCTech™ liquid cooling and the Core-1™ Daylight LED engine – the L600D offers brighter, higher-quality light and a radically faster, easier workflow compared to any other 600W daylight LED on the market. This means our users can focus on what really matters: shaping light and creating world-class content. Started shipping end of Q4 25.

Faster

The L600D has no ballast – everything is built into a single unit, enabling faster setup and seamless transitions between video and stills production.

Lighter

The most lightweight LED in its category, with an unmatched power-to-weight ratio, making it easy to move between sets and change setups.

Brighter

The L600D is a high-intensity daylight LED with world-class color rendering and light quality, making it ideal for high-paced video and stills production.



Profoto L600C

Color precision redefined

The second light introduced in June was the Profoto L600C, the sibling of the L600D. This light is built for professional hybrid content production that demands uncompromising light quality, fast handling, and compact efficiency. With a lightweight, all-in-one, ballast-free design – powered by HydroCTech™ liquid cooling and the Core-6™ RGBWW LED engine – the L600C offers a radically faster and easier user experience compared to any other full-color 600W light on the market. This allows our users to focus on what really matters: shaping light and creating world-class content. Started shipping end of Q4 25.

Faster

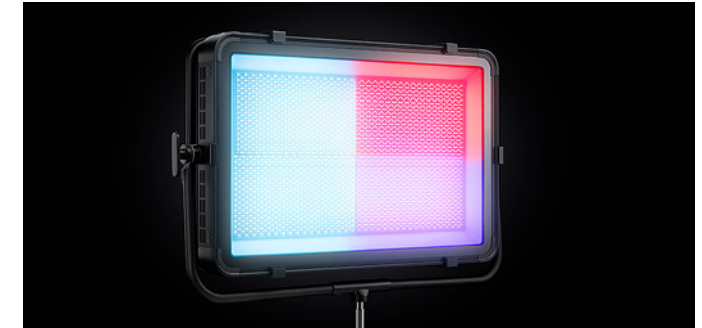
The L600C has no ballast – everything is built into a single unit, enabling faster setup and seamless transitions between video and stills production.

Lighter

The most lightweight LED in its category, with an unmatched power-to-weight ratio, making it easy to move to and from any set.

Brighter

The L600C features ultra-wide color control and exceptional color rendering, offering more than 16 million colors for video and stills.



Profoto ProPanel 3x2

The brightest and lightest

The third light introduced in June was the Profoto ProPanel 3x2 – a light built for high-end feature film production, a segment that demands the highest levels of light output, color quality, efficient handling, and robustness in any conditions. With a weather-proof, lightweight, all-in-one design and the Core-5™ RGBWW LED engine, the ProPanel 3x2 is the most powerful panel in the world, and weighs only half as much as the closest competitors, offering an efficient user experience in any environment. The ProPanel 3x2 was honored with a Cine Gear Technical Award – the industry's most prestigious recognition. Shipping to start end of Q1 26.

Faster

The ProPanel 3x2 has no ballast – everything is built into a single unit, enabling faster setups and improving on-set efficiency, saving precious time.

Lighter

Weighting only half as much as competing panels, the ProPanel 3x2 delivers maximum power with minimal manpower.

Brighter

At 2000W, it's the world's brightest soft panel, delivering soft, high-quality light across an ultra-wide color range.

Financial targets and target achievement

Below Profoto’s financial targets are presented together with the actuals for 2025 and last five-year average.

The previous targets were established in connection with the company’s IPO in 2021 and, since then market dynamics have fundamen-

tally changed. The transition to LED technology has accelerated, while competition in the market has intensified.

Target	Outcome 2025	Outcome five last years*	Target achievement
Net sales growth Profoto’s objective is to achieve organic net sales growth in excess of 10 percent in constant currency over time.	-10%	9%	Organic growth in 2025 amounted to -10.4 percent (-6.5). Sales were affected by market uncertainties.
Profitability Profoto’s objective is to achieve an EBIT margin of 25–30 percent, while maintaining year-on-year growth in EBIT.	-1%	21%	EBIT margin was -1.0 percent (22.9), and adjusted EBIT margin amounted to 6.6 percent (20.9).
Dividend policy Profoto aims to distribute at least 50 percent of its net profits to its shareholders through cash dividends and/or share buybacks, while taking into account other factors such as financial position, cash flow and growth opportunities.	0%	54%	The Board of Directors proposes no dividend for 2025, in order to ensure operational flexibility and maintain a strong financial position during times of high uncertainty.

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



Updated financial targets

In light of the changes the market has undergone, the Board of Directors decided in February 2026 to revise Profoto’s financial targets to better reflect the current environment and the company’s strategic position.

Organic growth

LED products are driving growth forward, while Xenon is expected to develop more cautiously.

5%

Profitability

Cost adjustments and growth create the conditions for an EBIT margin of approximately 20 percent.

20%

Dividend policy

Profoto aims to distribute at least 50 percent of net profit to its shareholders through cash dividends and/or share buybacks, while taking into account other factors such as financial position, cash flow, and growth opportunities.

50%

The share

The Profoto share

Profoto Holding AB (publ) has been listed on the Nasdaq Stockholm Small Cap list. The data below is as of December 31, 2025.

Share trading and share performance in 2025

The closing price on December 30, 2025 was SEK 10.55, and market capitalization was thus SEK 422m. The share price development since the listing on July 1, 2021, at SEK 66.00 and until December 30, 2025, was -84 percent, compared to OMX Stockholm PI which increased by 14.1 percent in the same period. The highest price quoted during the fiscal year was SEK 44.00 and the lowest was SEK 8.30. The number of shares amounts to 40 million. Around 8 million shares were traded during the year.

Share capital & share capital trend

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

Association, the share capital may not be less than SEK 500,000 and not more than SEK 2,000,000, and the number of shares may not be less than 20,000,000 and not more than 80,000,000.

Shareholders

On December 31, 2025, Profoto had 1,923 shareholders. The ten largest shareholders held shares corresponding to 85.4 percent of the votes and capital in the company (see table). Foreign owners accounted for 13.6 percent of shareholders.

Stock market information

Profoto strives to provide the stock market with clear and relevant information. Financial information is mainly provided in the Annual Report, the Year-End Report and three interim reports. Prior to the publication of the reports, the company holds a 30-day quiet period. Profoto's Annual Report is available on the Group's website. Interested parties can subscribe online to receive financial reports.

Dividend proposal

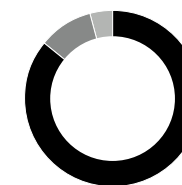
To ensure operational flexibility and a continued strong financial position in uncertain macroeconomic conditions, the Board of Directors proposes no dividend for 2025

Financial targets

On February 11, 2026, the Board of Directors decided to update the group's financial targets. The new targets are:

- Net sales growth: Achieve annual organic net sales growth that exceeds 5 percent (10) over time.
- Profitability: Achieve a 20 percent EBIT margin (25–30) over time.
- Dividend: Profoto aims to distribute at least 50 percent of its net profits to its shareholders through cash dividends and/or share buybacks, while taking into account other factors such as financial position, cash flow and growth opportunities.

Shareholders by geographic location



- Sweden 86%
- Norway 10%
- Other 4%

Ownership category



- Swedish private individuals 67%
- Swedish institutional shareholders 8%
- Foreign institutional shareholders 12%
- Anonymous ownership 1%
- Other 12%

Top ten shareholders

Shareholders	Number of shares	Capital, %	Votes, %
Anders och Helén Hedebark ¹	15,252,321	38.13	38.13
Conny Dufgran	6,300,000	15.75	15.75
Lovisa Hamrin (Herenco)	4,411,148	11.03	11.03
Aeternum Capital AS	2,789,894	6.97	6.97
Hans Eckerström	2,230,508	5.58	5.58
Norges Bank Investment Management	975,000	2.44	2.44
Investment AB Spiltan	823,846	2.06	2.06
Livförsäkringsbolaget Skandia	520,328	1.30	1.30
Nordnet Pensionsförsäkring	437,396	1.09	1.09
Skandia Fonder	434,273	1.09	1.09
Total top ten shareholders	34,174,714	85.44	85.44
Total other shareholders	5,825,286	14.56	14.56
Total shares outstanding	40,000,000	100.00	100.00

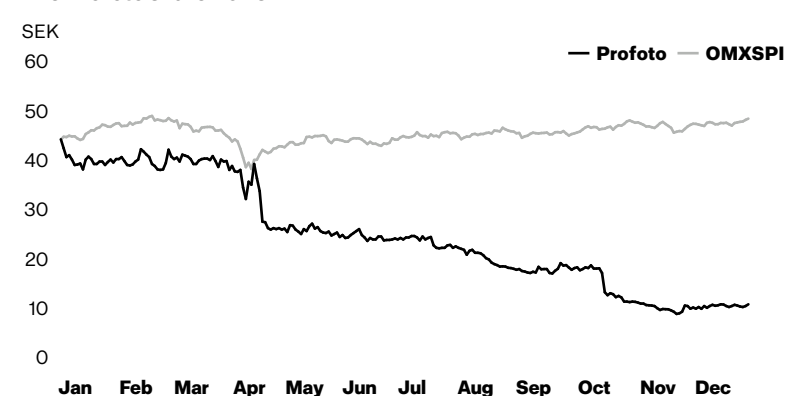
¹) Ownership through Burken Invest AB
Source: Modular Finance AB

Ownership by holding

Size class	Number of shares	Number of shareholders
1–500	171,045	1,433
501–1,000	136,256	169
1,001–50,000	1,475,191	288
50,001–	37,868,881	33
Anonymous ownership	348,627	–
Total	40,000,000	1,923

Source: Modular Finance AB

The Profoto share 2025



Sustainability

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Sustainability Report

Our sustainability efforts

The work carried out in 2024 to prepare for future CSRD requirements has established a solid and well-functioning foundation for our continued development. Through these preparations, we are well-positioned to meet the requirements that we may face in the future. We are closely monitoring regulatory developments and intend to act in line with finalized timelines and regulations.

In 2024, we conducted a comprehensive mapping of our value chain and a double materiality analysis, which laid the foundation for our ongoing sustainability efforts. The six key sustainability issues identified—spanning climate change, the circular economy, our employees, and business ethics—remain central to our work in 2025. These insights have strengthened our understanding of where our impact is greatest and where we can create the most value.

We are building on the progress and knowledge established in the previous year, and our commitment to advancing sustainability remains strong. By working closely with our stakeholders and continuously refining our processes, we strive to create long-term value throughout the value chain for both people and the environment.

In the 2025 Sustainability Report, which has been prepared with inspiration from CSRD/ESRS regulatory framework, we outline how we manage and further develop this foundation, our priorities, and the steps we are taking on our ongoing journey toward a more sustainable future.

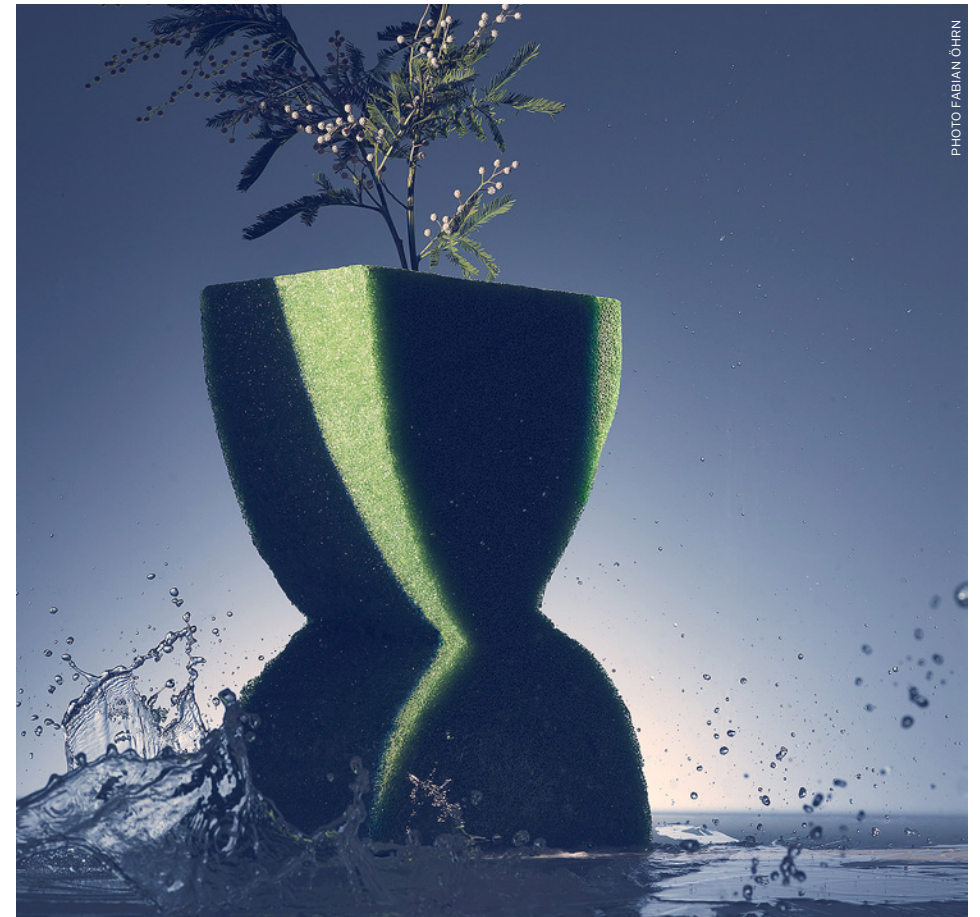
Active management

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

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

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

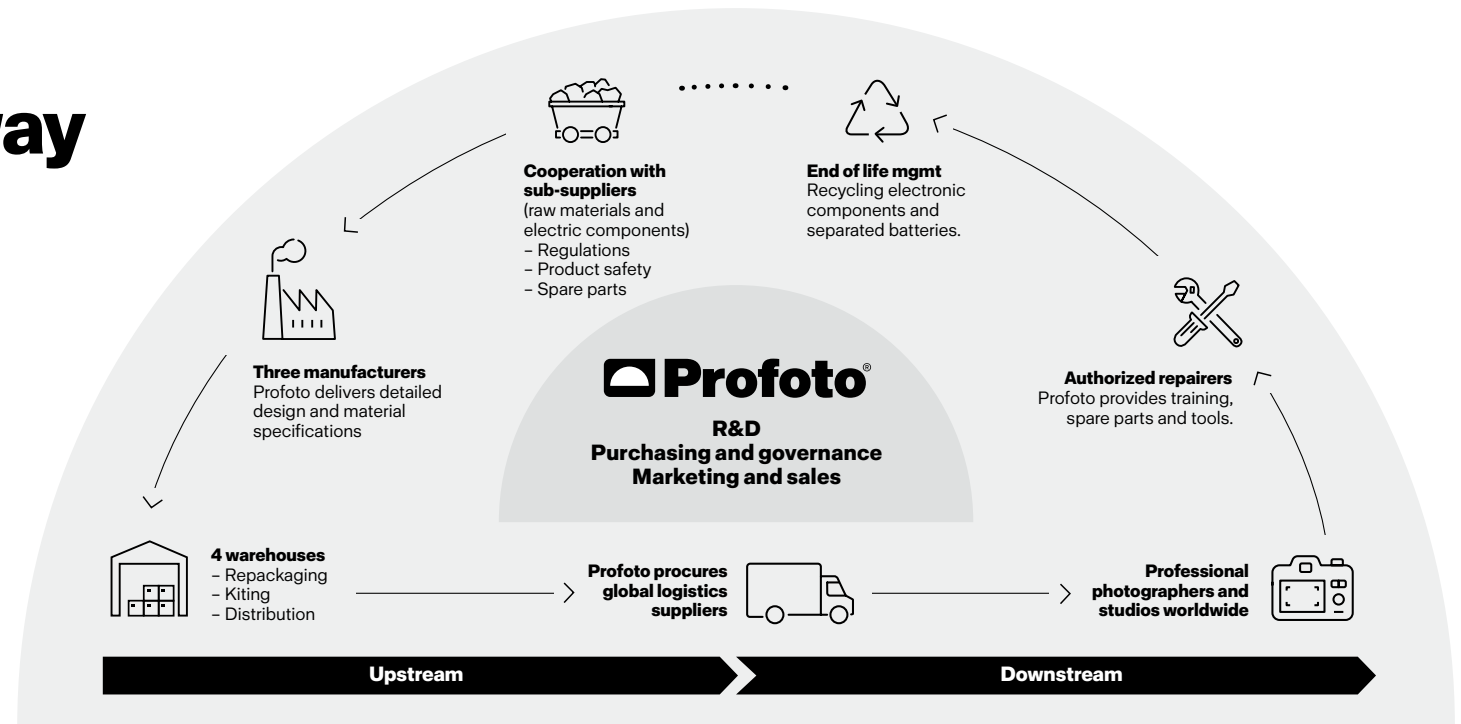
In addition to these, there are a number of internal guidelines that Group Management is responsible for ensuring compliance with. Sustainability work, with associated risk analyses, is evaluated regularly, including through the quarterly employee dialog conducted with all employees.



Value chain





Monitoring details every step of the way

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



	Degree of impact	Description	Our approach	How we make a difference
Materials/ sub-suppliers	 Medium	<p>We work closely and over a long period of time with around 70 material producers. These are major international players with production in Taiwan and China.</p> <p>Our purchasing volume is relatively small, but thanks to our close cooperation, we can set far-reaching requirements. In addition. There are many alternatives to existing suppliers on the market.</p>	<p>We work together to select materials that meet the highest safety standards, have the lowest possible carbon footprint and that meet international and European environmental and safety requirements.</p> <p>We buy prototypes and tools for repairs, but it is our contract manufacturers who procure the materials we specify in our product specifications.</p>	<p>Subcontractors sign our Code of Conduct. Our category managers are responsible for continuous supplier audits of both existing and potential material suppliers.</p> <p>We act proactively throughout our value chain.</p>
Suppliers	 High	<p>We have four priority contract manufacturers, one in Thailand, two in Poland and one in Slovakia. The Polish factories are owned by listed European companies. Profoto provides detailed specifications and material requirements. The manufacturer's responsibility is efficient production under good working conditions.</p> <p>There are also a few suppliers producing accessories. In total, we have contact with seven suppliers.</p>	<p>Profoto has stringent requirements, and our category managers visit the manufacturing sites regularly.</p> <p>Procurement also takes into account environmental performance and human rights, not least in Poland where our renewable energy requirements led to a change of supplier.</p> <p>Use of renewable energy and working conditions are some of the factors that weigh in. All suppliers must sign the Supplier Code of Conduct.</p>	<p>Through our skilled product developers and buyers, we contribute to the development of the industry, the use of high-quality materials and an increase in the share of renewable energy. Our requirements for less packaging material also have a positive impact on carbon emissions in our value chain.</p>

Value chain

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

Our impact

Double materiality assessment

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

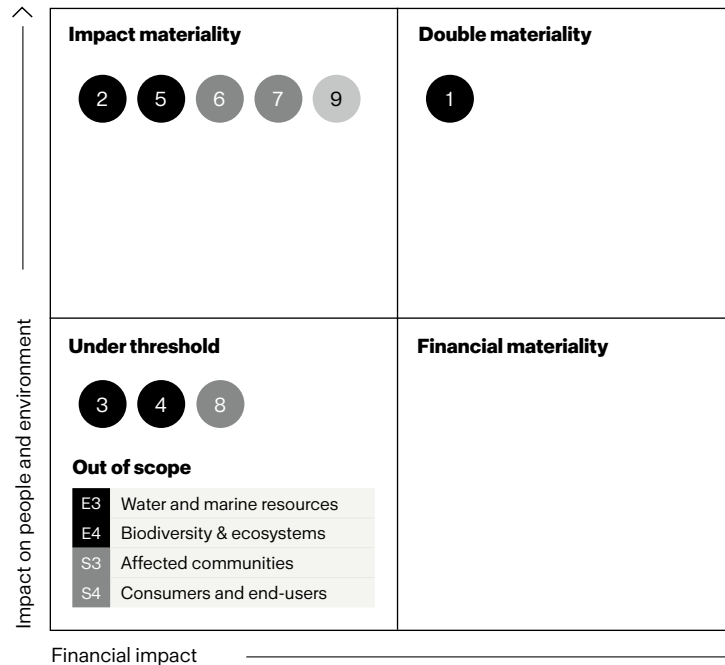
Material Sustainability Matters

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

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

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

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



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

Stakeholder dialogues

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

Focus area

Climate change, resource use, and circular economy

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

During the fall of 2024, we reviewed our entire value chain to identify where in the value chain we can contribute most to reducing climate change.

Product development philosophy

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

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

"Built to last" – long-term sustainability

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

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

High level of after-sales service

Long-term durability also means that the level of repairs is high. In practice, this means that flashes and light shapers should be repairable so that they maintain their functionality for a long time. We have a wide network for repair and complaint handling, which also includes external actors

such as distributors, retailers and rental companies. All these are recorded by the service department. They are followed up on a weekly basis by cross-functional teams with representatives from, for example, R&D, quality development, sales and product management.

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

Focus on life cycle assessment

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

Safety

Safety is another key aspect for Profoto. In 2025, no serious safety incidents were reported in or related to our operations. Throughout the development and manufacturing process, all products are rigorously analyzed and extensively tested, both internally and by independent testing institutes. A number of safety aspects are carefully regulated through industry requirements and regulations, such as REACH (chemical substances), RoHS (heavy metals, flame retardants) and regulations under the CE marking (environment, health and safety). The use of lithium-ion batteries is a risk area. Profoto purchases these products from well-established suppliers. Handling is thus regulated by our Supplier Code of Conduct and by

comprehensive regulations for the protection of human life and health.

Activities 2025

- There has been a strong focus on new technologies to meet requirements and functionality, such as LED.
- During the year, we optimized our logistics flows by shipping products for the North American market directly from our contract manufacturers to the warehouse in the USA, where kitting now takes place. This change eliminates unnecessary transportation via Poland and contributes to a more resource-efficient flow.

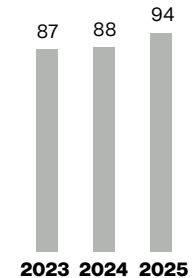
Risk

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

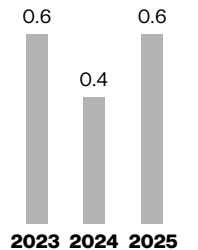
Priorities:

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

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



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



Focus area

Our workforce

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

Employees

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

Pinpoint accuracy for recruitment

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

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

Quarterly development plans

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

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

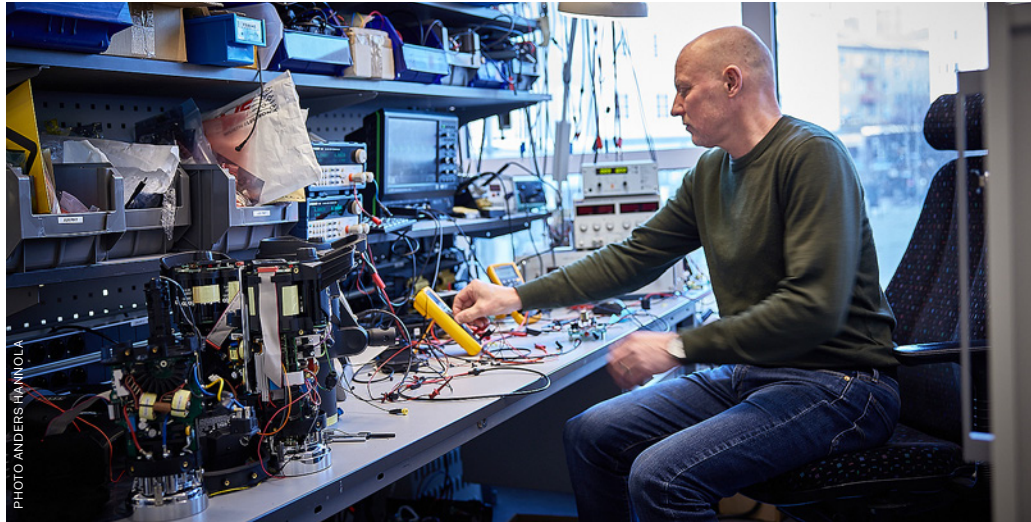
Profoto – a gender equal company

Profoto is a gender-equal company, according to the Allbright Foundation's 2025 review of gender equality in Sweden's listed companies. Profoto has an even gender distribution in the management team and is therefore placed on Allbright's green list.

Profoto is very much an engineering company, and these typically have more male than female employees. At present, the proportion of women in the company is 30 percent. We think this is an acceptable gender split, as it is in line with the balance for recent graduates from higher education in technical subjects. At the same time, we want to attract more female applicants to our R&D department, for example, as well as to other parts of the company. To continue to shift the split, women are prioritized if there are two equally qualified applicants in a recruitment process. We have also noticed that relatively small adjustments in the recruitment process can make a difference and attract more women, including changes in the way recruitment advertisements and other information materials are designed.



Focus area: Our workforce



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

Working environment and follow-up

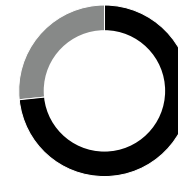
To maintain an attractive, healthy working environment, all managers are responsible for holding an annual stress workshop with their employees. If needed, employees also have access to an external coach/therapist who can offer individual coaching and provide stress management tools. This year’s employee engagement survey was done by 88 percent of all employees. The result shows that our engagement index is 3.7 (4.2) out of a maximum of 5. The decline from the previous year is due to organizational changes.

Potential misconduct can be addressed anonymously via our whistleblowing function. In 2025, no cases were reported.

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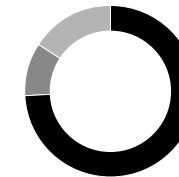
Employees at year-end

Gender distribution at year-end



● 77 (100) men
● 33 (48) women

Employees per region



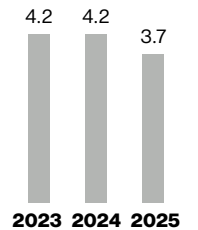
● EMEA 79 (116)
● APAC 12 (13)
● Americas 19 (19)

Priorities:

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

Target: Employee engagement (eNPS) should be > 4.0

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



Activities in 2025

During the year, all employees at Profoto have had quarterly individual discussions about their personal development. Development plans have been drawn up with a clear link to the company’s overall business strategies and competence needs.

Risk

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

Focus area

Business conduct

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

Transparent supplier management

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

Industrial approach

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

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

Ethical guidelines and accountability

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

the SCoC. In addition, all suppliers must demonstrate the ability to navigate complex regulatory environments, such as complying with RoHS and REACH and ensuring that CE marking requirements are met.

Audit and control

Manufacturing suppliers are audited on an ongoing basis according to the audit plan, which aims to make sure suppliers reach up to Profoto demands and guidelines. This plan is based on supplier history, ESG and supply risk assessments, and random selection. The requirements include that each supplier must comply with our SCoC or equivalent code. In 2025, a total of 83 percent of our manufacturing suppliers have committed to comply with the SCoC.

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

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

In 2025, four suppliers underwent a detailed production audit and a Code of Conduct review. The visits were satisfactory and every opportunity was taken to question working practices and implement continuous improvements. This was done with the aim of strengthening skills and the partnership, which is of utmost importance for

cooperation. The audits are carried out according to a model that emphasizes suppliers' compliance with the requirements of the Code of Conduct and evaluates their industrial capacities and capabilities. In this way, the evaluation becomes part of a dialog that is essential in the joint development of Profoto's products.

Activities in 2025

A number of new product regulations have come into force during the year and more will come into force in the near term. This has led to work to adapt the development process to include methods to ensure compliance with the new requirements.

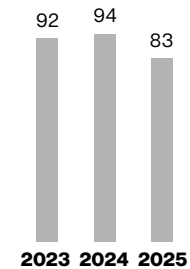
Risk

The main risks are shortcomings in product quality and ethical shortcomings among suppliers, for example in relation to human rights, health and safety issues and social responsibility. If these risks are not managed in a proactive manner, they could damage Profoto's business operations and reputation. For a more detailed description of the Group's risks and risk management, see the Risks and risk management section in the Director's report on pages 35–38.

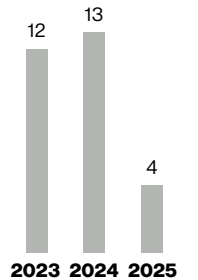
Priorities:

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

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



Number of suppliers audited out of a total of approximately 70



Statutory reporting areas

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

- Environmental impact mainly occurs through contract manufacturers and other suppliers, and is governed contractually through the SCoC and screening processes when on-boarding new suppliers. More information about this can be found in the Business conduct section; see page 28.
- Social aspects and employees are mainly discussed as part of the section Our workforce and when describing our various policies; see pages 26–27.

- Respect for human rights is described in the SCoC, the Anti-Stress policy and the Work Environment policy, and is covered in our section Our workforce as well as in the Business conduct section; see pages 26–28.
- Prevention of bribery and corruption are described in our Anti-Bribery and Anti-Corruption Policy, as well as in the Business conduct section; see page 28.

Auditor's report on the statutory sustainability report

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

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2025 on pages 21-29 and that it has been prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

The scope of the audit

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

Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm on the day shown by our electronic signature

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow

Authorized Public Accountant

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



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Directors' Report

The Board of Directors and the CEO of Profoto Holding AB (publ) hereby submit the following Annual Report and Consolidated Financial Statements for fiscal year 2025.

Key ratios, Group	2025	2024	2023	2022	2021
Net sales, SEKm	617	731	787	848	732
EBIT, SEKm	-6	167	204	249	212
EBIT margin, %	-1.0	22.9	26.0	29.4	28.9
Adjusted EBIT, SEKm	41	153	204	257	237
Adjusted EBIT margin, %	6.6	20.9	26.0	30.3	32.3
Profit/loss for the period, SEKm	-23	126	155	194	158
EBITDA, SEKm	104	225	282	322	269
EBITA, SEKm	81	204	258	299	247
EBITA margin, %	13.2	27.9	32.8	35.3	33.8
Net debt, SEKm	181	235	44	4	-134
Net debt/EBITDA	1.74	1.04	0.16	0.01	-0.50
Cash flow from operating activities, SEKm	151	97	211	236	240
Earnings per share, SEK*	-0.57	3.15	3.88	4.85	3.95

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

For the definitions of the ratios and how they are calculated, please refer to page 70 "Explanation of alternative ratios".

Business, organization and market

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

Profoto is a global leader in the premium segment of lighting solutions and systems for photographers and is currently in an expansion phase within the film production market. Profoto develops, markets and sells lighting systems for professional photography, such as flashes, light shaping tools, automated systems for e-commerce and film production.

The end users are professional photographers, film productions and commercial customers, including major consumer brands and e-commerce companies. Profoto's products combine hardware and software, incorporate leading-edge technology and are robust and easy to use, allowing end users to focus on what's important – being creative

and taking the best photos. All end users are image creators rather than just picture takers, and for them light shaping is an essential part of the process. The company sells its products through dealers worldwide. Since 2018, Profoto has also had its own online store, Profoto.com, where sales are direct to end customers.

The Profoto Group had 110 employees at the end of 2025. Profoto has wholly owned sales companies in Japan, Germany, the US, China, the Netherlands and Sweden. Employees in the Netherlands also carry out product development on behalf of the Swedish Parent Company. Profoto currently has sales in 51 countries. Although the company is Swedish, only 3.15 percent of its revenue comes from Sweden.

Profoto has adopted a scalable business model and outsources all noncore activities. These activities include outsourcing of production, warehousing,

accounting, IT, service and repairs, and noncore R&D. This allows for greater flexibility and access to experts in the outsourced areas. Profoto believes that focusing on what it does best, product development, product design and all aspects related to brand management, is what will ensure the company's position as the premier provider of light shaping products.

Current market turmoil such as inflation, tariffs, and geopolitical conflicts have contributed to market uncertainty, which may have a negative effect on Profoto's sales and earnings. Uncertainty around tariffs remains, but we are closely monitoring developments and have been working in 2025 to adapt to current known changes. Legal risks related to patents are an ongoing risk where Profoto works actively to defend its rights but where it is difficult to fully prevent infringement of Profoto's intellectual property rights.

Significant events during the year

There were no other significant events during the year.

Significant events after the end of the fiscal year

The Board of Directors proposes that no dividend be paid for the fiscal year 2025.

In light of changing market conditions and our strategic shift towards LED, the Board of Directors has decided to update the financial targets. The updated targets include annual organic sales growth exceeding 5 percent and an EBIT margin of 20 percent, compared to previous targets of 10 percent growth and an EBIT margin of 25–30 percent.

Dividend targets remain unchanged, and Profoto aims to distribute at least 50 percent of net profits to its shareholders through cash dividends and/or share buybacks, taking into account factors such as financial position, cash flow and growth opportunities

Revenue and profit trend

In 2025, the Group had decreased sales and operating profit/loss (EBIT) compared to 2024.

Net sales for the full year 2025 were SEK 617m (731), a decrease of 15.6 percent. Organic growth totaled -10.4 percent, and the currency effect, -5.2 percent. Overall demand was subdued, particularly in the U.S., impacted by the prevailing interest rate and economic uncertainty. This contributed to some hesitation from e-commerce customers, as well as professional photographers. In the regions, demand was sluggish and organic growth was down 18.1 percent the Americas, 1.5 percent in APAC, and 5.8 percent in EMEA.

Operating profit (EBIT) for the full year totaled SEK -6m (167), a decrease of 103.7 percent due to lower sales and non-recurring effects affecting comparability during the year. Adjusted operating profit (EBIT) totaled SEK 41m (153), a decrease of 73.2 percent. Profit for the year totaled SEK -23m (126), a decrease of 119.4 percent.

Other external costs totaled SEK 196m (229) for the year, and personnel expenses totaled SEK 165m (172). The decrease is mainly attributable to a cost-saving program implemented during the year to adjust costs and make the company well equipped for the coming years.

Depreciation and amortization for the period totaled SEK 68m (58), of which SEK 22m (22) was attributable to property, plant and equipment and SEK 46m (37) to intangible fixed assets. Of the depreciation/amortization of intangible fixed assets, SEK 32m (20) consisted of depreciation/amortization of capitalized development expenditure, SEK 13m (17) of depreciation/amortization of acquisition-related intangible assets, and SEK 1m (1) of depreciation/amortization of other intangible assets.

Impairment of intangible assets totaled SEK 41m (0) during the year. Of the impairment losses, SEK 30m (0) related to impairment of a limited number of products in the product portfolio and SEK 11m (0) to impairment of surplus values from the acquisition of Styleshoots.

Other income totaled SEK 3m (21), and other expenses, SEK 19m (0). They consisted mainly of realized and unrealized foreign exchange gains and losses on accounts receivable and payable. Net expenses from financial items totaled SEK -17m (9).

Realized and unrealized exchange rate effects on financial items totaled SEK -8m (1), and interest expenses SEK 11m (12). Interest expense mainly related to interest on lease liabilities, utilized overdraft credit and external loans.

The tax expense was SEK 0m (32), of which SEK 6m (20) was current tax and SEK -6m (12) was deferred tax. Adjusted for one-off effects and differences in tax rates in foreign subsidiaries, the effective tax rate was 22.2 (20.1) percent for the full year 2025.

Financial position

On December 31, 2025, the Group's equity totaled SEK 348m (370). Consolidated net debt as of December 31, 2025, was SEK 181m (235). Interest-bearing liabilities totaled SEK 230m (256), attributable to lease liabilities totaling SEK 28m (40) and liabilities to credit institutions of SEK 202m (217). Cash and cash equivalents increased from SEK 21m to SEK 48m; this change is explained in greater detail in the "Liquidity and cash flow" section.

Current receivables totaled SEK 102m (148), and other current liabilities, excluding interest bearing liabilities, totaled SEK 115m (119). Current tax liabilities totaled SEK 4m (0) as a result of the low net profit. Accrued expenses and deferred income totaled SEK 49m (53).

Liquidity and cash flow

Cash flow from operating activities for the full year totaled SEK 151m (97). The increase, despite the lower net profit, comes primarily from a refund and reduction in preliminary taxes of SEK 34m and a reduction in working capital in 2025.

Operating profit for the year totaled SEK -6m (167), and the change can be explained by the decrease in sales and nonrecurring effects impacting comparability during the year. The change in working capital during the year was SEK 28m (-79).

Cash flow from investing activities was SEK -99m (-133), with the largest item relating to investments in product development. Cash flow from financing activities totaled SEK -23m (-38) and consisted mainly of repayment of short-term financial liabilities.

Product development

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

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

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

New product ideas and plans are formulated through a continuous idea generation process and quarterly reviews of the product plan. Knowledge of project management, electronics, mechanics and product design are traditionally critical competencies. In recent years, there has been growing demand for embedded software, as well as image processing, UX design and app development, to provide a good user experience. Product development designs products for all categories of photography in which the Group is active, for use both inside and outside the studio. Examples include commercial campaign photos, portraits, product photography, weddings and events, and mobile applications with camera and control functionality for the Group's products.

Total product development and technology expenses for the full year totaled SEK 104m (134). Of these, SEK 69m (96) was recognized as investments in product development. The capitalization relates to ongoing product development projects. Product development expenses expensed during

the year totaled SEK 34m (38). Expenditure incurred mainly related to product maintenance costs, pre-study phase projects and project-wide administrative costs not attributable to the development of specific products. During the full year, SEK 14m (17) attributable to other intangible assets was capitalized. During the full year, SEK 17m (14) were invested in tools and equipment, mainly related to ongoing development projects.

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

Financial targets

The Group's financial targets, updated after year-end 2025, focus on growth, profitability and dividend level and are defined as:

1. Growth: Profoto's objective is to achieve, over time, a constant currency annual organic net sales growth in excess of 5 percent (10).
2. Profitability: Profoto's target is to achieve an EBIT margin of at least 20 percent (25–30).
3. Dividend level: Profoto aims to pay out at least 50 percent (50) of net profit, while taking into account other factors such as financial position, cash flow and growth opportunities.

Corporate Governance Report

The Corporate Governance Report for 2025 is presented on pages 39–45 of this Annual Report.

Sustainability

The 2025 sustainability report can be found on pages 21–29 of this Annual Report.

The Profoto share

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

The number of shares in Profoto Holding AB

(publ) at the end of 2025 will be 40 million fully paid ordinary shares. Each share carries one vote for resolutions at the general meeting. The Articles of Association do not contain any restrictions on the transferability of shares. The quota value (nominal value) of the share is SEK 0.0125.

The ten largest shareholders at the end of 2025 are presented in the table below:

Owners	Number of shares	%
Anders and Helén Hedebark ¹	15 252 321	38.1
Conny Dufgran	6,300,000	15.8
Herenco Holding AB	4,411,148	11.0
Aeternum Capital AS	2,789,984	7.0
Hans Eckerström	2,230,508	5.6
Norges Bank Investment Management	975,000	2.4
Investment AB Spiltan	823 846	2.1
Life insurance company Skandia	520,328	1.3
Nordnet Pensionsförsäkring	437,396	1.1
Skandia Fonder	434,273	1.1

¹) Ownership through Burken Invest AB

Employees

The average number of employees in the Profoto Group during the year was 131 (141), of which 38 (42) were women and 93 (97) were men.

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

Guidelines adopted at the Annual General Meeting on May 5, 2023. These guidelines apply to the CEO and other senior executives of Profoto Holding AB (publ). The guidelines are forward-looking, i.e., they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting. These guidelines do not apply to any remuneration decided by the General Meeting.

To the extent a board member performs work for Profoto that goes beyond the board assignment,

these guidelines shall be applicable for such remuneration (for instance, fees for consultancy work) as well.

Share-based incentive programs

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

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

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

Briefly, the company's business strategy is to design and sell light source and light shaping equipment mainly to the professional photography market and more recently also to the ambitious non-professional photographers market. Building on a strong position as a supplier to professional photographers, the focus going forward is on driving growth through premium solutions aimed at major studios, film production and content creators. For more information on the company's business strategy, see page 13. A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines make it possible for senior executives to be offered a competitive total remuneration package to attract, motivate and retain competent and skilled staff.

Types of remuneration, etc.

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

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

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

Variable cash remuneration covered by these guidelines shall aim at promoting the company's

business strategy and long-term interests, including its sustainability.

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

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

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

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

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

Duration and termination of employment

In the event of termination by the company, the period of notice for the Chief Executive Officer may not exceed 24 months, and in the event of termination by the Chief Executive Officer, the period

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

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

Criteria for variable cash remuneration

Annual variable cash remuneration should be linked to predetermined and measurable criteria, which can be financial and linked to, e.g., sales growth and profit generation, or non-financial. They may also be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being linked to the business strategy or promoting the executive's long-term development. The annual variable cash salary may not exceed 12 months' salary.

The fulfilment of the criteria for payment of variable annual cash salary shall be measured over a period of one calendar year. To which extent the criteria for awarding variable annual cash salary has been satisfied shall be determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation so far as it concerns variable annual cash salary to the CEO. For variable annual cash salary to other

senior executives, the Chief Executive Officer is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

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

Salary and employment conditions for employees

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

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

The Board of Directors has established a Remuneration Committee which, since the 2025 AGM, includes the members of the Board, excluding the CEO. The Committee's tasks include preparing the Board's decision to propose guidelines for senior executive remuneration. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration to the executive management, the application of the guidelines for executive

remuneration as well as the current remuneration structures and compensation levels in the company. In 2025, the members of the Remuneration Committee were considered independent of the company and its executive management. The CEO, Board members and other executives may not be present when the Board of Directors and the Remuneration Committee process and decide on remuneration-related issues, insofar as these individuals are affected by the issues.

Deviation from the guidelines

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

Parent company

Profoto Holding AB (publ) is the holding company in the Group, and its business is to own shares in the other companies in the Group, and to provide Group-wide services. The company has sales of SEK 16.8m (21.6) and profit before tax is SEK -59.7m (58.6). The negative result is mainly due to an impairment of subsidiary shares of 58m during the year. Current assets totaled SEK 34.3m (35.6), and current liabilities totaled SEK 6.7m (157.1). Other non-current liabilities at the end of 2025 totaled SEK 150.0m (0.0). The utilized portion of RCF loans has been classified as non-current on the basis of the contractual maturity of the entire credit facility. The holding company has one employee: the CEO. For risks and risk management, see pages 35–38.

Dividend

To ensure operational flexibility and a continued strong financial position in uncertain macroeconomic times, the Board of Directors proposes no dividend for 2025.

Expected future developments

The current macroeconomic conditions are expected to have a direct impact on demand in the fiscal year 2026. The existing product portfolio and continuous investments in new products, as well as the adjustments to cost levels in the form of cost-saving programs implemented in 2025, are expected to secure future growth.

Proposed appropriation of profits (SEK)

The following profit is available to the Annual General Meeting

Retained earnings	96,508,647
Share premium reserve	4,074,658
Profit/loss for the year	-59,315,610
	41,267,695

The Board of Directors proposes that:

to be distributed to shareholders	-
to be carried forward	41,267,695
	41,267,695

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

Directors' Report

Risks

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

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

The level of risk is assessed annually for a three-year period, based on the likelihood of the risk occurring and the financial impact of the risk according to a predetermined materiality level. The risk score is defined as low, medium, high or

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

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





Risk management is a normal part of business and helps to create added value. Risk management is reported to the Board of Directors, which bears

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







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





an environmentally friendly business chain. There is a risk of ethical shortcomings regarding human rights, health and safety issues and social responsibility among suppliers, which could damage Profoto's business and reputation. For a description of Profoto's sustainability risks, see the Sustainability Report on pages 21–29.



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

Risk category	Risk	Description of risk	Risk value	Management of risk
Financial, cont.	Capitalized development expenditure	Changes in the value of capitalized development expenditure could have a negative impact on Profoto's earnings and financial position if impairment testing shows that it is necessary to take an impairment charge on capitalized development expenditure.	■ ■ ■ ■	Profoto performs quarterly impairment tests based on twelve month forecasts to identify whether any impairment exists. This allows the Group to act at the earliest possible stage to prevent the risk of, and avoid, an impairment loss. Profoto continuously monitors developments in the markets in which it operates in order to be able to prioritize the right development projects and also maintain continuous cost control.
Industry and market-related risk	Declining market for still photography	Profoto sells premium lighting systems for professional still photography. There is a risk that the market for traditional still photography is declining, which may result in the obsolescence of the Group's products, with a loss of revenue.	■ ■ ■ ■	Profoto's products are already adapted to be used for video production. It is also the company's view that although video is growing in importance, the trend is that high-quality still images will continue to be needed as a complement. Should video increase in importance to our existing customers in a way that current products do not fully address, Profoto is prepared with plans for organic growth in the video segment.
	Artificial intelligence	There is a risk that artificial intelligence will replace professional still photography and film, and thus erode demand for the premium lighting systems sold by Profoto.	■ ■ ■ ■	Profoto closely monitors developments in artificial intelligence. Profoto is focusing on building expertise in the field to ensure the future relevance of our product offering.
	Competition	Profoto's future competitive opportunities depend on future product development, the successful launch of new products on the market and the preservation of intellectual property rights. Competition from companies in low-wage countries may force Profoto to reduce prices, which would result in a lower level of profitability. Large competitors in the international market may have more financial and operational resources than Profoto, which may lead them to present more advantageous products and services to customers.	■ ■ ■ ■	To mitigate this risk, Profoto has an action plan linked to investments in research and development, a growth strategy on how to continuously strengthen the brand, and a structure for market analyses of existing and new customers and competitors. To ensure that product plans contain a sufficient degree of innovation – technologically, market-wise and sales-wise – the company also has a clearer focus on prioritizing product plans and a first-class customer experience. The work on product and service plans includes defined criteria that strengthen customer loyalty. In addition, measures are identified to ensure that the service offering is perceived as high, which in turn contributes to increased customer satisfaction and a higher resale value for Profoto's products.
	Political environment	The company's international operations expose it to certain risks, such as the risk that Profoto's sales will be adversely affected by changes in political situations, the emergence conflicts/wars and trade barriers, and changes in customs and trade regulations. If these risks were to materialize, it could have a material adverse effect on Profoto's earnings and financial position.	■ ■ ■ ■	Profoto's current exposure to risks resulting from the political environment, trade barriers/wars and customs barriers is considered limited. Profoto constantly monitors current situations and tries to find alternative solutions if problems arise. In addition to this all customers, existing and new, are reviewed against updated sanction lists.
	Business cycle	The company's business is affected by the current state of the global market and, in the event of a recession due to rising inflation and interest rates, this could have a material adverse effect on Profoto's financial position and results.	■ ■ ■ ■	Profoto has a low debt ratio with strong underlying cash flows and closely monitors developments in the global market. Profoto's assessment is thus that it is well equipped to meet fluctuations in the economy.
	New markets and customer groups	Profoto's focus on LED products and new customer groups means an increased establishment risk. This risk relates to the uncertainty of how quickly and to what extent the market will accept Profoto's new products, and the ability to build the necessary customer relations and distribution channels.	■ ■ ■ ■	Profoto works continuously to get to know and validate new markets and customer groups and works closely with customers to build knowledge and customer awareness. Profoto also continuously monitors development and launch plans.

Risk category	Risk	Description of risk	Risk value	Management of risk
Legal and tax	Risk related to control and interpretation of laws and regulations	There is a risk that Profoto does not comply with EU laws and regulations, for example due to inadequate internal controls or misinterpretation of regulations, which may result in penalties or fines. There is also a risk that the necessary certifications for new products cannot be obtained without unreasonable cost or delay, which could result in adverse financial consequences for Profoto. Disruptions or errors in the company's IT systems may affect the handling of personal data. There is a risk that the measures Profoto has taken to comply with the GDPR and any other privacy policies worldwide may prove to be inadequate, leading to unauthorized disclosure or improper processing of personal data, which may result in fines, claims, and/or adversely affect customer perception.		Profoto cooperates with various legal specialists. In addition, annual scoping of internal controls is carried out, minimizing the risk of control deficiencies, as is an annual internal audit of GDPR compliance.
	Patents and trademarks	There is a risk that Profoto's protection of registered intellectual property rights, such as patents and trademarks, will prove insufficient or that current applications will not be granted. If Profoto fails to protect and enforce its intellectual property rights, or if it is accused of infringing upon the intellectual property rights of third parties, it could result in extensive litigation, claims and other legal proceedings, along with legal and financial liability that would result in financial losses, which could also adversely affect the company's brand and reputation.		Profoto has secured in-house intellectual property expertise and also uses legal advisors to minimize risk.
	Tax, VAT and customs issues	This risk includes the risk of incorrect interpretation of tax rules and/or incorrect handling of customs which may result in incorrectly reported tax or customs declarations.		Profoto has various internal controls in place to minimize the occurrence of risks in these areas. In addition, annual training sessions are held to ensure staff competence in the field, as well as collaboration with external consultants with key expertise.
Operational	Component shortage	Profoto is dependent on the supply of components for its products in order to be able to deliver to customers. Risks include loss of key suppliers, delayed or nondelivery of products due to supply chain problems and/or component shortages, or failure to meet customer quality requirements.		Profoto is constantly working to ensure closer coordination with suppliers. For new products, a strategy has been applied that advocates the selection of components with high availability.
	Poor quality	There is a risk that Profoto's products will be defective or otherwise fail to meet relevant product requirements, which could have a material adverse effect on Profoto's brand, reputation and relationships, which could materially result in an inability to maintain the premium price market position, which in turn will result in reduced profitability and revenue. Safety defects are a high risk and the company has a producer responsibility. Faulty products could cause physical damage and expose the company to criticism and negative media statements, as well as legal action.		Profoto is working to consolidate the global and comprehensive quality situation across the company and is working to improve and ensure action on quality issues reported from the market.
	Skills shortage	There is a risk of not being able to grow and find new business if experience and skills are not available in the company.		Profoto has development plans for employees with the aim of securing employee competence, development and motivation. Profoto works continuously with processes to attract new employees in the recruitment process, and to retain existing employees with critical skills.

Risk category	Risk	Description of risk	Risk value	Management of risk
Operational cont.	Loss of key personnel	Profoto's ability to achieve its business objectives depends on its ability to recruit, retain and train qualified employees with specific skills and experience, especially in management positions and in research and development. There is a risk that one or more key people will leave Profoto. If Profoto is unable to attract key employees, consequences may include an adverse effect on the company's product development activities and growth.		Profoto has development plans for employees with the aim of securing employee competence, development and motivation. Profoto conducts annual employee surveys for all employees and based on the survey results, relevant change plans are formulated both in Profoto as a whole and at departmental level. Profoto has developed plans to attract and retain employees with critical skills, especially technical skills in research and development. External recruitment partners are used when recruiting for business-critical roles.
	Lack of innovation	Profoto faces the risk of losing its category leadership position due to its inability to produce a constant flow of innovations with real customer value to increase sales through new and existing customers in still photography. This risk may be the result of long development periods, insufficient resources for research and development activities, or product portfolios that do not meet customer requirements due to Profoto's failure to predict and analyze market trends.		Profoto is continuously working to identify new business opportunities and to bring these to market faster through more efficient work in the development teams. Profoto does not rely on a single idea, but conducts several different feasibility studies and tests of early business concepts in parallel, often in close dialogue with customers, to avoid overdependence on a single venture.
	IT systems and cybersecurity	It is essential that Profoto and its IT suppliers are able to maintain and update existing IT systems, firewalls and anti-virus software, to reduce the risk of loss of important product data or other critical sensitive data due to malicious software or viruses. This risk can result in unauthorized access, increased costs, breaches of regulatory requirements, dissatisfied customers, unavailability of the system and adversely affect the business and Profoto's financial position.		Profoto has standardized its IT processes, performs an annual risk scoping of actual risks, and the technical solutions are constantly updated to ensure effective IT protection.
	Sales channels	Dealers are the main sales and rental channel for Profoto's products. In addition, online sales are made directly to end customers. Profoto may be adversely affected if dealers are involved in financial, legal, or operational problems, or have other limitations in their operations. The dealer network is diverse both in terms of geography and size. There is a risk that the measures Profoto implements in relation to its dealers are not appropriate for all of them, which may result in a material adverse effect on Profoto's sales, financial position and growth.		Profoto strives not to be dependent on a single dealer. With existing dealers, the risk is managed by maintaining good relationships and, where possible, ensuring that there are several resellers in the same country to reduce dependency. Existing dealers are constantly evaluated. In addition, Profoto has its own website through which it sells directly to end customers.

Corporate Governance Report

Corporate governance

Overview



Corporate governance

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

Profoto has applied the Code from July 1, 2021, when the shares were listed on Nasdaq Stockholm. Profoto deviates from the Code on one point, which are described in the section on the Nomination Committee for the 2026 AGM.

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

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

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

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

Annual General Meeting

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

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

The Annual General Meeting shall be held no later than six months after the end of the fiscal year. The 2026 Annual General Meeting of Profoto Holding AB (publ) will be held on May 6, 2026, at the company's premises at Landsvägen 57 in Sundbyberg, Sweden.

Right to participate in the Annual General Meeting

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

Shareholder initiatives

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

ny's address) no later than March 18, 2026 in order to be certain that the request will be considered.

2025 AGM

The 2025 Annual General Meeting was held on May 7, 2025, in Sundbyberg, Sweden. The following decisions were made at the AGM:

- Adoption of the Income Statement and Balance Sheet for 2024.
- To carry forward SEK 101m in accordance with the Board's proposal as the original dividend proposal was withdrawn.
- Discharge the members of the Board of Directors and the Chief Executive Officer from liability in respect of their management of Profoto's affairs during the 2024 fiscal year.
- Fees to the members of the Board of Directors and Profoto's auditor.
- Number of members of the Board of Directors.
- Election of Board members and auditor for the period until the end of the next Annual General Meeting.
- Election of Nomination Committee.
- Authorize the Board of Directors to decide on a new issue of shares.
- Allotment principles for warrants series TO 2025/2028 as proposed by the Board of Directors.
- Authorization for the Board of Directors to repurchase and transfer own shares in accordance with the Board's proposal.
- The 2024 remuneration report was approved as proposed by the Board of Directors.

Nomination Committee

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

The Annual General Meeting resolved on May 7, 2025, that the Nomination Committee will consist of Profoto's Chairman of the Board and representatives from the company's three largest shareholders based on Euroclear Sweden's printout of the share register as of September 30 each year.

The Chairman of the Board of Profoto shall convene the Nomination Committee.

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

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

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

Nomination Committee for the 2026 Annual General Meeting

Information about the representatives of the largest shareholders in terms of voting rights who have chosen to participate in the Nomination Committee was published on Profoto's website in October 2025.

Anders Oscarsson representing Svolder was appointed Chairman of the Nomination Committee; the other representatives on the Nomination Committee are Anders Hedebark (Burken Invest AB), Carl-Mikael Lindholm (Herenco Holding AB) and Hans Eckerström, Chairman of the Board.

The Board of Directors has carried out an evaluation of its work during the year, which was discussed by the Board and shared with the Nomination Committee. The evaluation was based on a questionnaire, in which each member of the Board was asked to answer a number of questions.

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

Composition of the Board of Directors

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

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

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

Responsibilities and tasks of the Board

According to the Swedish Companies Act, the Board of Directors is responsible for the organization of the company and the management of the company's affairs, which means that the Board is responsible for, among other things, setting targets and strategies, securing routines and systems for evaluation of set targets, continuously assessing the financial condition and profits as well as

evaluating the operating management. The Board is also responsible for ensuring that the annual and interim reports are prepared in a timely manner and for approving Board policies. In addition, the Board appoints the company's Chief Executive Officer and evaluates the performance of the CEO. At least once a year, the Board of Directors shall meet with the company's auditor without the presence of the CEO or senior management.

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

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

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

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

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

Audit Committee

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

Board members and meeting attendance

Name	Position	Board meetings	Audit Committee meetings	Remuneration Committee Meetings	Independence from companies/principal shareholders
Hans Eckerström	Chairman of the Board	12/13		1/2 ¹	Yes/Yes
Magnus Brännström	Board Member	12/13		2/2	Yes/Yes
Pernilla Ekman	Board Member	13/13	7/7	1/2 ¹	Yes/Yes
Anders Hedebark	Board Member	13/13			No/No
Helene Willberg	Board Member	12/13	7/7	1/2 ¹	Yes/Yes
Helena Holmgren	Board Member	4/5 ¹		1/2 ¹	Yes/Yes
Total		13	7	2	

¹) Helena Holmgren did not stand for re-election to the Board of Directors at the AGM in May 2025 and has therefore only attended Board and Committee meetings up to the AGM. Hans Eckerström, Pernilla Ekman and Helene Willberg only participated in the Remuneration Committee meetings after the 2025 AGM

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

Remuneration Committee

Up to and including the Annual General Meeting in 2025, the work of the Remuneration Committee was carried out by Board members Magnus Brännström and Helena Holmgren, and thereafter by the members of Profoto's Board of Directors, excluding the CEO. The Remuneration Committee prepares proposals for guidelines for remuneration of senior executives and compliance with them, including remuneration and other terms of employment for the CEO and senior executives.

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

Chief Executive Officer and other senior executives

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

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

The CEO keeps the Board continuously informed of developments in Profoto's operations,

sales trend, results and financial position, liquidity and credit status, important business events and all other events, circumstances or conditions that can be assumed to be of significance to Profoto's shareholders.

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

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

Fees and other remuneration to the members of the Board of Directors, including the chair, are resolved by the Annual General Meeting. At the Annual General Meeting on May 7, 2025, it was resolved that the remuneration to the Board of Directors, for the period until the end of the next Annual General Meeting, shall amount to SEK 1,500,000, of which the Chairman of the Board shall receive SEK 600,000 and the other members who are not employees of Profoto shall receive SEK 300,000 each.

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

The table below shows the remuneration to the Board of Directors decided by the AGM in 2025 until the next AGM.

Name	Position	Board fee (SEK)
Hans Eckerström	Chairman of the Board	600,000
Magnus Brännström	Board Member	300,000
Pernilla Ekman	Member of the Board	390,000 ¹⁾
Anders Hedebark	Member of the Board (and CEO)	–
Helene Willberg	Member of the Board	480,000 ²⁾
Total		1,770,000

1) Including SEK 90,000 for work in the Remuneration Committee.

2) Including SEK 180,000 for work in the Remuneration Committee.

No other remuneration to the Board of Directors has been decided in 2025. Of the previously decided SEK 1,000,000 in fees to the Chairman of the Board for consulting services in 2024, the remuneration of SEK 250,000 for the fourth quarter of 2024 was paid in the first quarter of 2025.

Guidelines for remuneration to senior executives

The Annual General Meeting of May 5, 2023, resolved to adopt guidelines for remuneration to the CEO and other members of executive management, which mainly entail that the remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the Annual General Meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration. The Board of Directors shall annually evaluate whether share-related or share price-related long-term incentive programs shall be proposed to the Annual General Meeting.

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

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

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

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

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

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

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

Shares and shareholders

Profoto Holding AB (publ) had 1,923 shareholders at the end of 2025. The largest owners at the end of 2025 were Anders and Helén Hedebark (through Burken Invest AB), with 38.1 percent of the capital and votes. The next three largest shareholders were Conny Dufgran with 15.8 percent, Herenco Holding AB 11.0 percent, and Aeternum Capital AS with 7.0 percent. There is no limit to the number of votes each shareholder may cast at the AGM.

Auditing

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

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

In 2025, the total remuneration of the Group's auditors amounted to SEK 2.3m, of which advisory services accounted for SEK 0.4m (see Note 9 for further details).

Statement regarding internal audit

Profoto does not have a dedicated internal audit function. The Board has evaluated the efficiency of the internal control system and found it to be

working well. Consequently, the Board has decided that there is currently no need for a separate internal audit function.

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

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

Objective

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

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

Profoto's internal control process for financial reporting and risk management is based on the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) framework for internal control, focusing on the five components – control environment, risk assessment, control activities, information and communication, and monitoring. These are described in more detail below.

Control environment

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

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

Risk assessment

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

The risk assessment is performed by Management and is then together with the risk management reviewed annually by the Board. The risk assessment focuses on significant areas of the balance sheet and income statement that have a material impact on financial reporting. Significant accounts are identified on the basis of significant amounts, frequency and/or complexity of transactions, a high degree of subjective judgement, or

risk of fraud. The identified areas are mapped against business-critical risks that have a significant impact on financial reporting.

Risks related to financial reporting shall be comprehensive and documented in a consistent format and assessed based on specific impact and likelihood criteria. Impact and likelihood criteria are measured using a risk score. Profoto uses this risk score as the basis for allocating resources to the most relevant and prioritized risks. Risk management strategies include accepting, monitoring and mitigating identified risks. All risks that exceed a certain specified risk score are referred to as key risks and must be mitigated. The key risks identified for 2025 are in the areas of order-to-cash, purchase-to-pay, product life cycle management, accounting and intellectual property rights (IPR), legal and taxes, and ESG.

Control activities

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

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

reported back to the Audit Committee and the Board. This is further described in the "Follow-up and monitoring" section.

Information and communication

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

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

Follow-up and monitoring

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

Board of Directors

PHOTO RICKARD L. ERIKSSON

Shareholding as of December 31, 2025



Hans Eckerström
Chairman of the Board

Elected: 2018

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

Born: 1972

Other assignments: Chairman of the Board Thule Group.

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

Independent of company: Yes

Independent of the main owner: Yes

Shares in Profoto Holding: 2,230,508 shares, 500,000 call options¹



Magnus Brännström
Member of the Board

Elected: 2018

Education: MSC, Uppsala University.

Born: 1966

Other assignments: Chairman of the Board of Molimb, Swedes Worldwide and East Office. Board member of Hand in Hand and Swedish Ukrainian Business Action.

Previous assignments, selection: Chairman of World Federation of Direct Selling Associations and CEO at Oriflame Holding AB. Board member of the Swedish Estonian Investment Fund and FerroNordic AB.

Independent of company: Yes

Independent of the main owner: Yes

Shares in Profoto Holding: 250,494 shares, 125,000 call options¹



Pernilla Ekman
Member of the Board

Member of the audit committee

Elected: 2021

Education: MSc Business Administration and Economics, Stockholm University and Executive Management Program, Stockholm School of Economics.

Born: 1972

Other assignments: Board member of Aarke Holding AB.

Previous assignments, selection: Board member of Fractal Gaming Group AB, Chairman of the Board of Stronger, Aarke Holding AB and CEO of Aarke Holding AB and Zound Industries.

Independent of company: Yes

Independent of the main owner: Yes

Shares in Profoto Holding: 0 shares, 62,500 call options¹



Anders Hedebark
Member of the Board

Elected: 2010

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

Born: 1964

Other assignments: President and CEO of Profoto.

Independent of company: No

Independent of the main owner: No

Shares in Profoto Holding: 15,252,321 shares



Helene Willberg
Member of the Board

Chair of the Audit Committee

Elected: 2018

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

Born: 1967

Other assignments: Chairman of the Board of Accru Partners Group AB and AGRD Partners. Board member of Thule Group, Enzymatica AB, SuperOffice AS and Vetopia ApS.

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

Independent of company: Yes

Independent of the main owner: Yes

Shares in Profoto Holding: 250,494 shares, 150,000 call options¹

¹) Call options issued by Burken Invest AB and Nedergransta Förvaltning AB.

Management

PHOTO RICKARD L. ERIKSSON

Shareholding as of December 31, 2025



Anders Hedebark
President and CEO

Employed at Profoto: 1997

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

Born: 1964

Shares in Profoto Holding:
15,252,321



Linus Marmstedt
CFO

Employed at Profoto: 2024

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

Born: 1972

Shares in Profoto Holding:
0 shares



Amanda Åström
Head of Investor Relations

Employed at Profoto: 2018

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

Born: 1994

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



Patrik Bluhme
VP Global Sales

Employed at Profoto: 2014

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

Born: 1962

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

Shareholding as of December 31, 2025

PHOTO RICKARD L. ERIKSSON



Tobias Lindbäck
VP Strategy & Alliances

Employed at Profoto: 2015

Education: MSc in Mechanics, Linköping University of Technology.

Born: 1968

Shares in Profoto Holding:

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



Sara Strid
VP Customer growth

Employed at Profoto: 2011

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

Born: 1975

Shares in Profoto Holding:

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



Gilles Rossi
VP Operations & Quality

Employed at Profoto: 2017

Education: MSc Mechanical Engineering, ENSAIS.

Born: 1976

Shares in Profoto Holding:

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



Ulrika Björk
VP Product R&D

Employed at Profoto: 2016

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

Born: 1979

Shares in Profoto Holding:

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

Financial Reports Group

Consolidated Statement of Income

SEKm	Note	Jan 1, 2025 Dec 31, 2025	Jan 1, 2024 Dec 31, 2024
Net sales	6, 7	617	731
Other income	8	2	21
Total revenue		619	751
Capitalized work for own account	18	84	113
Goods	20	-219	-237
Other external expenses	9, 10, 25	-196	-229
Staff cost	11	-165	-172
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	18, 19	-110	-58
Other operating expenses	12	-18	0
Operating profit/loss (EBIT)		-6	167
Finance income and costs			
Finance income	13	2	2
Finance costs	14	-19	-12
Profit/loss before tax		-23	158
Tax	16	0	-32
Profit/loss for the period		-23	126
Attributable to:			
Owners of the Parent Company		-23	126
Earnings per share before and after dilution, SEK ¹		-0.57	3.15

Consolidated statement of comprehensive income

SEKm	Note	Full year 2025	Full year 2024
Profit/loss for the period		-23	126
Other comprehensive income items that may be reclassified to the consolidated statement of profit and loss:			
Translation differences for the period		1	-2
Total comprehensive income for the period		-22	124
Attributable to:			
Parent Company shareholders		-22	124

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

Consolidated statement of financial position

SEKm	Note	Dec 31, 2025	Dec 31, 2024
ASSETS			
Non-current assets			
Intangible fixed assets	18		
Capitalized development expenditure		222	214
Technology, customer assets and brand		27	60
Other intangible assets		38	25
Goodwill		125	132
Total intangible assets		412	430
Property, plant and equipment			
Leased assets	10	29	39
Equipment, tools and installations	19	39	35
Leasehold improvements	19	1	1
Total property, plant and equipment		69	76
Financial assets		3	4
Deferred tax assets	16	22	24
Total non-current assets		506	534
Inventories	20	146	168
Current receivables			
Accounts receivable	5, 21	75	102
Current tax assets		8	31
Other current assets		11	6
Prepayments and accrued income	22	8	8
Total current receivables		102	148
Cash and cash equivalents	23	48	21
Total current assets		296	338
TOTAL ASSETS		802	872

cont. Condensed consolidated statement of financial position

SEKm	Note	Dec 31, 2025	Dec 31, 2024
Equity			
Share capital	24	1	1
Reserves		4	3
Other contributed capital		4	4
Retained earnings including profit/loss for the year/period		340	363
Total equity*		348	370
Non-current liabilities			
Liabilities to credit institutions	5, 27	150	0
Other non-current liabilities		0	0
Lease liabilities	10	21	29
Provisions	26	5	7
Deferred tax liabilities	16	104	117
Total non-current liabilities		280	153
Current liabilities			
Liabilities to credit institutions	5, 27	52	217
Lease liabilities	10	7	11
Provisions	26	8	8
Accounts payable		48	56
Current tax liabilities		4	0
Other current liabilities		7	2
Accrued expenses and deferred income	28	49	53
Total current liabilities		174	347
TOTAL EQUITY AND LIABILITIES		802	872

*) Attributable to Parent Company shareholders

Consolidated statement of changes in equity

SEKm	Share capital	Translation reserve	Other contributed capital	Retained earnings including profit/loss for the period	Total equity*
Opening balance January 1, 2025	1	3	4	363	370
Profit/loss for the period	0	0	0	-23	-23
Total other comprehensive income	0	1	0		1
Total comprehensive income	0	1	0	-23	-22
Closing balance on December 31, 2025	1	4	4	340	348
Opening balance at January 1, 2024	1	6	3	386	396
Profit/loss for the period	0	0	0	126	126
Total other comprehensive income	0	-3	0	1	-2
Total comprehensive income	1	-3	3	127	127
Option premiums	0	0	1	0	1
Dividend to shareholders	0	0	0	-150	-150
Closing balance on December 31, 2024	1	3	4	363	370

*) Attributable to Parent Company shareholders

Financial Reports

Parent Company

Consolidated statement of cash flows

SEKm	Note	Jan 1, 2025 Dec 31, 2025	Jan 1, 2024 Dec 31, 2024
Cash flow from operating activities			
Operating profit/loss		-6	167
<i>Adjustments for other non-cash items</i>	29		
Depreciation, amortization and impairment of noncurrent assets		109	58
Adjustments for other non-cash items		8	12
Interest received		2	0
Interest paid		-11	-12
Income tax paid		21	-50
Cash flow from operating activities before changes in working capital		123	177
Changes in operating profit			
Decrease (+)/increase (-) in inventories		12	-34
Decrease (+)/increase (-) in accounts receivable		24	-42
Decrease (+)/increase (-) in other receivables		-5	-19
Decrease (-)/increase (+) in accounts payable		-5	22
Decrease (-)/increase (+) in other current liabilities		1	-6
Cash flow from operating activities		151	97
Investing activities			
Investments in intangible fixed assets		-84	-113
Acquisition of property, plant and equipment		-16	-19
Investments in other financial assets		1	-1
Cash flow from investing activities		-99	-133
Financing activities			
Repayment of external loans	29	-43	-24
Amortization of leasing liability		-11	-15
New loans		30	150
Payment of option premiums		-	1
Repurchase of option premiums		-	0
Dividends paid		-	-150
Cash flow from financing activities		-23	-38
Cash flow for the period		29	-74
Cash and cash equivalents at beginning of period		21	95
Exchange rate differences in cash and cash equivalents		-2	0
Cash and cash equivalents at end of period		48	21

Parent Company Income Statement

SEKm	Note	Jan 1, 2025 Dec 31, 2025	Jan 1, 2024 Dec 31, 2024
Net sales	31	16.8	21.6
Operating expenses			
Other external expenses	9	-5.8	-6.4
Staff cost	11	-8.1	-11.4
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		-0.4	-0.2
Operating profit/loss		2.6	3.6
Profit/loss from financial items			
Income from participations in Group companies		-58.4	59.0
Interest income and similar income statement items		11.5	-6.1
Interest and similar expenses		-4.8	-5.0
Profit after financial items		-49.1	51.5
Appropriations	15	-10.6	7.1
Profit/loss before tax		-59.7	58.6
Tax on profit/loss for the period		0.4	0.5
Profit/loss for the period		-59.3	59.1

Parent Company Statement of Comprehensive Income

SEKm	Note	Jan. 1, 2025 Dec 31, 2025	Jan. 1, 2024 Dec 31, 2024
Profit/loss for the year		-59.3	59.1
Comprehensive income for the year		-59.3	59.1

Parent Company balance sheet

SEKm	Note	Dec 31, 2025	Dec 31, 2024	SEKm	Note	Dec 31, 2025	Dec 31, 2024
ASSETS				EQUITY AND LIABILITIES			
Non-current assets				Equity			
Intangible fixed assets				Restricted equity			
Other intangible assets	18	2.8	3.2	Share capital		0.5	0.5
Total intangible assets		2.8	3.2	Total restricted equity		0.5	0.5
Financial assets				Unrestricted equity			
Participations in Group companies	17	158.8	217.3	Share premium reserve		4.1	4.1
Total financial fixed assets		158.8	217.3	Retained earnings		96.5	37.4
Deferred tax assets	16	2.5	2.1	Profit/loss for the year		-59.3	59.1
Total non-current assets		164.1	222.6	Total unrestricted equity		41.3	100.6
Current assets				Total equity		41.8	101.1
Current tax assets		0.5	0.5	Non-current liabilities			
Current receivables from Group companies	31	31.9	34.6	Liabilities to credit institutions		150.0	0.0
Other current receivables		0.9	0.2	Total non-current liabilities		150.0	0.0
Prepayments and accrued income		1.1	0.4	Current liabilities			
Total current receivables		34.3	35.6	Liabilities to credit institutions		0.0	150.0
Cash and cash equivalents		0.0	0.0	Accounts payable		0.2	0.2
Total current assets		34.3	35.6	Current tax liabilities		0.0	0.0
TOTAL ASSETS		198.4	258.2	Current liabilities to Group companies	31	0.0	0.0
				Other current liabilities		1.3	1.3
				Accrued expenses and deferred income	28	5.1	5.6
				Total current liabilities		6.7	157.1
				TOTAL EQUITY AND LIABILITIES		198.4	258.2

Parent Company Statement of Changes in Equity

SEKm	Restricted equity	Unrestricted equity			Total equity
	Share capital	Share premium reserve	Profit or loss brought forward	Profit/loss for the year	
Opening balance January 1, 2024	0.5	3.1	49.5	137.9	191.0
Transfer of previous year's profit/loss	–	–	137.9	-137.9	–
Profit/loss for the year	–	–	–	59.1	59.4
Other comprehensive income	–	–	–	–	–
Total comprehensive income	–	–	–	59.1	59.1
Option premiums	–	1.0	–	–	1.0
Dividends to shareholders	–	–	-150.0	–	-150.0
Closing balance December 31, 2024	0.5	4.1	37.4	59.1	101.1
Opening balance January 1, 2025	0.5	4.1	37.4	59.1	101.1
Transfer of previous year's profit/loss	–	–	59.1	-59.1	–
Profit/loss for the year	–	–	–	-59.3	-59.3
Other comprehensive income	–	–	–	–	–
Total comprehensive income	–	–	–	-118.4	-59.3
Option premiums	–	–	–	–	–
Dividends to shareholders	–	–	–	–	–
Closing balance December 31, 2025	0.5	4.1	96.5	-59.3	41.8

Parent Company Statement of Cash Flows

SEKm	Note	Jan 1, 2025 Dec 31, 2025	Jan 1, 2024 Dec 31, 2024
Cash flow from operating activities			
Operating profit/loss		2.6	3.6
Interest paid		-7.5	–
Income tax paid		-3.2	1.1
Cash flow from operating activities before changes in working capital		-8.2	4.7
Changes in operating profit			
Decrease (+)/increase (-) in other receivables		-1.6	-0.1
Decrease (-)/increase (+) in accounts payable		0.1	0.0
Decrease (-)/increase (+) in other current liabilities		-0.5	-2.4
Cash flow from operating activities		-10.2	2.2
Investing activities			
Investments in intangible fixed assets		–	-3.3
Acquired subsidiary		–	-4.3
Cash flow from investing activities		–	-7.6
Financing activities			
Change in intercompany liabilities		10.2	4.1
Borrowing from external sources		25.0	150.0
Repayment of external loans		-25.0	–
Warrants		–	1.3
Dividends to shareholders		–	-150.0
Cash flow from financing activities		10.2	5.3
Cash flow for the period		0.0	0.0
Cash and cash equivalents at beginning of period		0.0	0.0
Cash and cash equivalents at end of period		0.0	0.0

Notes

All figures are in millions of SEK unless stated otherwise.

Note 1 General information

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

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

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

Note 2 Significant accounting policies

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

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

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

The Annual Report and the Consolidated Financial Statements were approved for issuance by the Board of Directors and the Chief Executive Officer on April 9, 2026. The financial statements of the Group and the Parent Company are subject to adoption by the Annual General Meeting on May 6, 2026.

New and amended standards applied for the first time

No new IFRS standards have been published for application in 2025.

New and amended standards and interpretations not yet in force

New and amended IFRS standards applicable from 2025 are not expected to have a material impact on the Group's financial statements. The Group will apply the new standard for IFRS 18 from its mandatory effective date of January 1, 2027. Retrospective application is required, and therefore comparative information for the financial year ending December 31, 2026, will be restated in accordance with IFRS 18.

Consolidated accounts

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

Reporting currency

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

Business acquisitions

Business acquisitions are accounted for using the acquisition method. The consideration transferred in a business acquisition is measured at fair value at the time

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

Segment reporting

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

Revenue from contracts with customers

The Group essentially recognizes revenue only from the sale of goods. Revenue from the sale of goods to distributors or directly to the end-customer is reported at the time the products are transferred to the distributor or the customer, i.e., when the distributor or the customer gain control of the goods. Based on the most common underlying delivery terms agreed, control will be transferred once the goods have been delivered to the respective freight forwarder/carrier. Payment terms for invoiced sales of light units are normally 30 days after commencement of delivery. Invoiced sales of systems are normally paid in advance at least ten days before delivery. Corporate and private customers shopping in the Group's online shop are charged directly by credit card when the order is registered and the purchase is made. Customers shopping in the Group's online shop have full right of return if the goods are returned within 14 days of receipt. This sales channel represents approx. 5 percent of the Group's total sales and the impact of returns is considered to have an insignificant impact on the Group's total sales (0.2 percent of total sales in 2025 and 2024), for which reason no current provisions for costs related to returns are made. The Group reassesses its estimate of expected returns at each balance sheet date and updates the asset and liability amounts accordingly.

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

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

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

Leases

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

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

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

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

Employee benefits

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

Defined contribution plans

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

Defined benefit plans

The defined benefit plans within the Group consist of the ITP 2 plan for civil servants in Sweden, which is insured by Alecta. The ITP 2 pension plan, which is secured by insurance in Alecta, is a defined benefit plan covering several employers. However, the plan is accounted for as

Note 2 cont.

a defined contribution plan because Alecta cannot provide information that would allow accounting for each member company's proportionate share of the plan's obligations, plan assets and expenses. Otherwise, there are no defined benefit pension plans.

Pension contracts with endowment insurance

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

Share-based payments

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

Deferred tax

Deferred tax liabilities are recognized for taxable temporary differences attributable to investments in subsidiaries, except where the Group is able to control the time when the temporary differences are reversed and it is unlikely that such a reversal will take place within the foreseeable future. The deferred tax assets that are attributable to tax deductible temporary differences in relation to such investments are only recognized to the extent it is likely that the amounts can be offset against future taxable profit and it is likely that this will take place within the foreseeable future.

Property, plant and equipment

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

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

Tools and equipment	4–5 years
Leasehold improvements	5 years

Intangible fixed assets – internally generated

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

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

Intangible fixed assets – in business acquisitions

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

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

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

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

At each balance sheet date, the Group assesses the carrying amounts of property, plant and equipment and intangible fixed assets to determine whether there is any indication of impairment. If this is the case, the asset's

recoverable amount is calculated to determine the value of any impairment loss. If it is not possible to calculate the recoverable amount for an individual asset, the recoverable amount is calculated for the cash-generating unit or group of cash-generating units to which the asset belongs.

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

Inventories

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

Provisions

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

Financial instruments Classification and measurement

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

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

Accounts payable are measured at amortized cost. The expected terms of accounts payable are short, however, so the liability is recognized at nominal amount without discounting. Interest-bearing bank loans, overdraft facilities and other loans are measured at amortized cost. Contingent consideration is classified and measured at fair value through profit or loss, where the calculation is determined according to generally accepted valuation models, such as the discounting of

future cash flows and the use of information obtained from current market transactions.

Impairment

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

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

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

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

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

Parent Company accounting policies

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

Note 2 cont.

unchanged from the 2024 Annual Report. The differences between accounting policies of the Parent Company and the Group are described below:

Classification and presentation

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

Leases

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

Subsidiaries

Investments in subsidiaries are made at cost including transaction costs. In the case of an intra-group transfer of business between Group companies at other than fair value, the Parent Company's carrying amount of the subsidiary shares of the Group companies concerned is reallocated. In the consolidated financial statements, transaction costs relating to subsidiaries are recognized directly in profit or loss as incurred. Dividends from sub-

siaries are recognized as income when the right to receive the dividend is considered to be established and the amount can be reliably measured.

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

Financial instruments

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

Group contributions and shareholder contributions

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

Note 3 Important estimates and assessments

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

Capitalized development expenditure

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

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

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

Judgments in applying the Group's accounting policies

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

Note 4 Business acquisitions

No business acquisitions were made in 2025.

Note 5 Financial risk management and financial instruments

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

Market risk

Currency risk

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

Transaction exposure

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

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

Currency	2025	2024
Euro (EUR)	14	44
US Dollar (USD)	49	86
Chinese Yuan (CNY)	49	40
Japanese Yen (JPY)	28	39
British Pound (GBP)	31	36

Interest rate risks

Interest rate risk refers to the risk of fluctuation in variable interest rates associated with borrowings in the Group. The interest rate risk is considered to be low. An increase or decrease in the market interest rate by 0.5 percentage points, based on the Group's current external borrowing, would not have a material impact on comprehensive income as the overall result would change by SEK 1.1m (0.4). This calculation is based on current borrowings totaling SEK 202m (217).

Translation exposure

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

The table below shows the translation exposure for net investments in foreign operations. The amounts are calculated on the basis of equity in foreign operations, consolidated surplus values from acquisitions that are exposed to foreign exchange risk and intra-group profits in foreign subsidiaries' inventories. The amounts below are stated in SEKm at the closing day rate.

Currency	Dec 31, 2025	Dec 31, 2024
Euro (EUR)	136	160
US Dollar (USD)	-24	-40
Chinese Yuan (CNY)	3	0
Japanese Yen (JPY)	1	1
British Pound (GBP)	-	1

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

Currency	2025	2024
Euro (EUR)	13	-12
US Dollar (USD)	3	5
Chinese Yuan (CNY)	2	1
Japanese Yen (JPY)	0	1
British Pound (GBP)	0	0

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

Sensitivity analysis for market risks

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

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

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

	2025 Effect on profit/loss	Dec 31, 2025 Effect on equity	2024 Effect on profit/loss	Dec 31, 2024 Effect on equity
Sensitivity analysis of currency risk				
Transaction exposure				
EUR +5%	1		2	
USD +5%	2		4	
CNY +5%	2		2	
JPY +5%	1		2	
GBP +5%	2		2	
Translation exposure				
Euro (EUR) +10%		14		16
US Dollar (USD) +10%		-2		-4
Chinese Yuan (CNY) +10%		0		0
Japanese Yen (JPY) +10%		0		0
British Pound (GBP) +10%		0		0

Note 5 cont.

Liquidity and financing risk

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

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

Expected cost and sales levels in the Group are adjusted on an ongoing basis in 12-month forecasts carried out four times a year and may be adjusted to reflect an expected change in sales levels. Customer credit limits are also reviewed quarterly as part of ensuring an efficient ongoing flow of payments from customers. The

December 31, 2025	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities to credit institutions	45	12	159	–	216
Lease liabilities	3	6	21	–	30
Accounts payable	48	–	–	–	48
Other liabilities	7	–	–	–	7
Total	102	18	180	–	301

December 31, 2024	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities to credit institutions	218	1	–	–	218
Lease liabilities	4	10	34	–	47
Accounts payable	56	–	–	–	56
Other liabilities	2	–	0	–	2
Total	279	11	34	–	324

Credit and counterparty risk

Credit risk refers to the risk that the counterparty in a transaction will cause a loss to the Group by failing to fulfil its contractual obligations. The Group's exposure to credit risk is attributable to accounts receivable and cash and cash equivalents. In order to limit the Group's credit risk, a credit assessment is made for each new

customer. The financial situation of existing customers is also continually monitored in order to identify warning signs at an early stage. The Group has established a credit policy under which each new customer is individually analyzed for creditworthiness before the Group offers its general payment and delivery terms. The Group's review includes external credit ratings, where

credit limit for new customers is assessed case-by-case on the basis of estimated sales and credit checks. The maturity distribution of contractual payment obligations relating to the financial liabilities of the Group and the Parent Company, are shown in the tables below. The utilized part of the revolving credit facility of SEK 150m (150) has been reclassified as non-current in 2025 based on the facility's contractual availability of three years plus two option years. The option years are not included in the maturity below for 2025. In 2024, the utilized part of the credit was classified as current based on the applied interest period, which is three months. The figures in these tables are not discounted values and they also include interest payments where applicable, which means that these figures cannot be compared with the figures recognized on the statements of financial position. Interest payments are determined on the basis of the conditions prevailing at the balance sheet date. Amounts in foreign currencies are translated to Swedish kronor (SEK) at the exchange rates on the balance sheet date.

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

available, financial reports, information from credit rating agencies, industry information and, in some cases, bank references. Sales limits are set for each customer and reviewed quarterly. Sales in excess of these limits require special approval from the Group.

The Group limits credit risk exposure from accounts receivable by setting a maximum payment period of one and three months for individual and corporate customers, respectively. For more information on past due receivables and loss allowance, see Note 21.

The Group's exposure to credit risk is primarily attributable to accounts receivable. The simplified approach is used to calculate the credit losses on the Group's accounts receivable, and gives an insignificant effect. Expected credit losses have been calculated based on historical bad debt data. The expected credit losses for accounts receivable are calculated with the aid of a matrix based on previous events, current conditions and forecasts for future economic conditions and the time value of the money if applicable. The estimated impact on accounts receivable at December 31, 2025, of SEK 0m (0) is considered insignificant, hence the receivables are reported at nominal values. Accounts receivable are spread across a large number of customers and no customer accounts for a significant portion of the total accounts receivable. Moreover, accounts receivable are not concentrated in a specific geographic area. The Group therefore, considers the concentration risks to be limited. In addition to the simplified approach a financial asset can be seen as doubtful when it is uncertain if the counterpart will be able to pay the full credit commitment to the Group and the Group can't regress in alternative securities, or the financial asset is overdue by more than 90 days. The Group's maximum exposure to credit risk is considered to be equal to the carrying amounts of all financial assets and is shown in the table below.

	Dec 31, 2025	Dec 31, 2024
Accounts receivable	75	102
Other current receivables	11	6
Non-current receivables	3	4
Cash and cash equivalents	48	21
Maximum credit risk exposure	137	133

Accounts receivable from external customers by region:

	Dec 31, 2025	Dec 31, 2024
APAC	15	27
Americas	29	34
EMEA	31	41
Total external accounts receivable	75	102

Credit risk in cash and cash equivalents

The Group has cash and cash equivalents of SEK 48m (21) at December 31, 2025. For cash and cash equivalents, banks and financial institutions are counterparties. These consist mainly of the Group's two main banks, Svenska Handelsbanken and Danske Bank, which are rated AA- to A+, based on Standard & Poor's credit ratings. Expected credit losses in cash and cash equivalents have been assessed as insignificant and therefore are not recognized.

Capital management

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

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

Note 5 cont.

Classification of financial instruments

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

	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value
December 31, 2025			
Financial assets			
Non-current receivables	3		
Accounts receivable	75		
Other receivables	–		
Cash and cash equivalents	48		
Total financial assets	126		
Financial liabilities			
Liabilities to credit institutions		202	
Accounts payable		48	
Accrued expenses		13	
Total financial liabilities		263	
	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value
December 31, 2024			
Financial assets			
Non-current receivables	4		
Accounts receivable	102		
Other receivables	–		
Cash and cash equivalents	21		
Total financial assets	127		
Financial liabilities			
Liabilities to credit institutions		217	
Accounts payable		56	
Accrued expenses		12	
Total financial liabilities		285	

Net income from financial assets and liabilities, broken down by measurement category under IFRS 9, is presented in the table below.

	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Total
2025			
Operating profit/loss			
Operating receivables – foreign exchange differences	–	-15	-15
Total operating profit	–	-15	-15
Net financial items			
Interest income	2		2
Interest expense		-11	-11
Foreign exchange differences		-8	-8
Total net financial items	2	-19	-17
	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Total
2024			
Operating profit/loss			
Operating receivables – foreign exchange differences	4	–	4
Total operating profit	4	–	4
Net financial items			
Interest income	1		1
Interest expense		-12	-12
Foreign exchange differences	1	–	1
Total net financial items	2	-12	-10

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

Accounts receivable and accounts payable

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

Interest-bearing liabilities

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

Note 6 Segment information

The Group's only operating segment is Photographics.

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

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

2025	Photo-graphics	Group-wide	Eliminations	Total Group
Revenue	617			617
Other operating income	3	17	-17	3
Total revenue	620	17	-17	620
Capitalized work for own account	84			84
Goods	-219			-219
Depreciation, amortization and impairment	-110			-110
Other operating expenses	-381	-17	17	-381
Operating profit/loss	-6	0	0	-6
Not distributed: Net financial items				-17
Profit/loss before tax				-23

2024	Photo-graphics	Group-wide	Eliminations	Total Group
Revenue	731			731
Other operating income	19	22	-20	21
Total revenue	750	22	-20	751
Capitalized work for own account	113			113
Goods	-237			-237
Depreciation, amortization and impairment	-59			-59
Other operating expenses	-404	-18	20	-404
Operating profit/loss	163	4	0	167
Not distributed: Net financial items				-10
Profit/loss before tax				158

Revenue from external customers by region ¹	2025	2024
APAC	133	145
Of which Japan	39	49
Americas	245	323
Of which the US	227	306
EMEA	239	263
Of which Sweden	19	26
Total	617	731
	Dec 31, 2025	Dec 31, 2024
Fixed assets²		
Sweden	477	478
Other	4	28
Total	481	506

Information about large customers

The Group has one customer who individually accounts for 10 percent or more of consolidated revenue. Sales to this customer totaled SEK 97m (143).

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

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

Note 7 Breakdown of revenue

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

Revenue by product category	2025	2024
Photographics	617	730
Other	0	0
Total	617	731
	2025	2024
Revenue per product line		
Light units and systems	332	381
Accessories	160	182
Other	124	168
Total	617	731

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

Note 8 Other income

Group	2025	2024
Exchange gains	-	4
Adjustment of purchase price	-	14
Insurance compensation	1	-
Other income	1	2
Total	2	21

Other income consists of net realized and unrealized foreign exchange gains and losses from operating activities, and insurance compensation received. 2024 also included the revaluation of debt related to the business acquisitions of Assetflow. The corresponding foreign exchange losses are recognized as Other operating expenses.

Note 9 Remuneration to auditors

	Group		Parent Company	
	2025	2024	2025	2024
Öhrlings				
Pricewaterhouse-Coopers AB				
Audit assignments	1.8	1.8	1.3	1.3
Other audit duties	–	–	–	–
Tax advisory services	0.1	–	0.1	–
Other services	–	0.3	–	0.3
Deloitte AB				
Audit assignments	–	–	–	–
Other audit duties	–	–	–	–
Tax advisory services	0.3	0.4	–	–
Other services	–	–	–	–
Ecovis				
Audit assignments	0.1	0.1	–	–
Azets				
Audit assignments	–	0.1	–	–
Total	2.3	2.7	1.5	1.6

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

All costs for the statutory auditing of Group companies included in the consolidated accounts, as part of the Group audit have, for both 2025 and 2024, been invoiced to the Parent Company Profoto Holding AB (publ).

Note 10 Leasing

Leases	2025	2024
Leased assets		
Real Estate	28	37
Equipment	0	0
Vehicles	1	2
Total leased assets	29	39
Lease liabilities		
Current liabilities	7	11
Non-current liabilities	21	29
Total lease liabilities	28	40
Depreciation of right-of-use assets		
Real Estate	-11	-11
Equipment	-0	-0
Vehicles	-1	-1
Interest expense on lease liabilities	-1	-2
Total impact on earnings	-13	-14

Additional rights of use in 2025 totaled SEK 5m (9) and primarily relate to new premises in Japan and the US.

Typically, offices leases include extension options. The current fundamental assessment is that none of these extension options will be used, and no optional periods are therefore included in the terms or lease liabilities.

These judgements are based on the long remaining contractual duration in one case, and the decision not to prolong periods in other cases. Reassessment of whether a renewal option will be exercised with reasonable certainty on office leases occurs if a significant event occurs or circumstances change significantly in a way that is within the lessee's control. Payments on leases of short duration and low-value leases are not material.

The total cash flow from leases in 2025 was SEK 11m (15). Maturity analysis of lease liabilities is shown in Note 5.

Note 11 Number of employees, staff costs and senior executives

Average number of employees in 2025			
	Women	Men	Total
Parent Company			
Sweden	0	1	1
Total for Parent Company	0	1	1
Subsidiaries			
Japan	2	2	4
UK	0	0	0
Sweden	21	55	76
Germany	1	1	2
China	5	3	8
USA	5	14	19
The Netherlands	4	17	21
Total for subsidiaries	38	92	130
Total Group	38	93	131

Average number of employees 2024

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

Board members and other senior executives on the balance sheet date

	2025	2024
Parent Company		
Women:		
Board of Directors	2	3
Other senior executives	0	0
Men:		
Board of Directors, including CEO	3	3
Other senior executives	0	0
Total for Parent Company	5	6
Group		
Women:		
Board of Directors	2	3
Other senior executives	3	3
Men:		
Board of Directors, including CEO	3	3
Other senior executives	4	5
Total Group	12	14
Costs for employee benefits		
	2025	2024
Parent Company		
Salaries and other remuneration	4.3	7.6
Social security contributions	2.5	3.2
Pension costs	1.5	1.8
Subsidiaries		
Salaries and other remuneration	110	108
Social security contributions	33	30
Pension costs	10	9
Total salaries and remuneration in the Group	114	116
Total social security contributions in the Group	36	33
Total pension costs in the Group	11	11
Total Group	161	160

Note 11 cont.

Salaries and other remuneration distributed between senior executives and other employees

	2025	2024
Parent Company		
Salaries and other remuneration to senior executives	4.3	7.6
including bonuses and similar remuneration to senior executives	–	0.3
Total salaries and other remuneration in the Parent Company	4.3	7.6

Salaries and other remuneration and pensions to senior executives

	2025	2024
Group		
Salaries and other remuneration to senior executives	16	16
including bonuses and similar remuneration to senior executives	–	1
Pension costs to senior executives	4	4
Total salaries and other remuneration and pensions for senior executives in the Group	20	20

Remuneration to senior executives (SEK)

	Basic salary/Fees	Variable remuneration	Other benefits and other allowances	Pension costs	Total
Remuneration to senior executives 2025					
Chairman of the Board, Hans Eckerström	600,000	–	–	–	600,000
Member of the Board, Magnus Brännström	330,000	–	–	–	330,000
Member of the Board, Pernilla Ekman	390,000	–	–	–	390,000
Chief Executive Officer, Anders Hedebark	4,210,626	–	117,014	1,457,011	5,784,651
Member of the Board, Helena Holmgren	180,000	–	–	–	180,000
Member of the Board, Helene Willberg	480,000	–	–	–	480,000
Other senior executives (7 people)	11,752,000	–	90,695	2,190,880	14,033,575
Total remuneration to senior executives	17,942,626	–	207,709	3,647,891	21,798,226

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

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

Pensions

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

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

ITP 2 defined benefit plan obligations for old age pension and family pension obligations for salaried employees in Sweden are managed through insurance from Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Accounting for pension plan ITP 2 financed by insurance in Alecta, this is a defined benefit plan that covers several employers. For fiscal year 2025, the company did not have the information to account for its proportionate share of the plan's obligations, plan assets and expenses, which meant that the plan could not be accounted for as a defined benefit plan.

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

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

The collective consolidation level is the market value of Alecta's assets as a percentage of the insurance liabilities calculated according to Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective consolidation level should normally be allowed to vary between 125 and 175 percent. If Alecta's collective consolidation level falls below 125 percent or exceeds 175 percent, measures must be taken to create the conditions for the consolidation level to return to the normal range. At a low consolidation level, one measure could be to increase the agreed price for subscription and extension of existing benefits. At a high consolidation, one measure could be to implement premium reductions. At the end of 2025, Alecta's surplus in terms of the collective consolidation ratio was 167 percent (162).

Agreements on severance pay

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

Share-based payments

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

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

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

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

During the second calendar quarter of 2024, a total of 171,800 warrants in series 2024/2027 were transferred to 20 participants, 18 of whom still held their warrants at the end of 2024. The transfers were made at a price of SEK 7.04 per warrant. The warrants can be called for subscription of shares between June 15 and December 15, 2027, and the redemption price per share has been

Note 11 cont.

set at SEK 96.78, which corresponds to 140 percent of the volume-weighted average price according to Nasdaq Stockholm's official price list during the five trading days immediately preceding the transfer. The ceiling price was set at SEK 152.36, which corresponds to 220.4 percent of the same average price. In connection with the termination of a key person in a senior position in 2024, Profoto repurchased 180,000 warrants of series TO 2023/2026 at an amount corresponding to the fair value of the warrants, SEK 147,600. A further 8,600 warrants were repurchased in 2024 at a price of SEK 1.97 per warrant. No buy-backs were made in 2025. At the end of 2025, 343,200 warrants were outstanding. The recognized bonus cost and bonus liability, including social security contributions recognized at year-end, totaled SEK 2m (1).

Note 12 Other operating expenses

Group	2025	2024
Exchange losses	-15	-
Loss on disposal of property, plant and equipment	-3	-
Total	-18	-

Note 13 Finance income

Group	2025	2024
Interest income	2	1
Foreign exchange differences	-	1
Other	0	0
Total	2	2

Note 14 Finance costs

Group	2025	2024
Interest expense	-11	-12
Foreign exchange differences	-8	-
Total	-19	-12

Note 15 Appropriations

Parent Company	2025	2024
Group contributions paid	-10.6	-
Group contributions received	-	7.1
Total	-10.6	7.1

Note 16 Tax on profit/loss for the year

	Group		Parent Company	
	2025	2024	2025	2024
Current tax				
Current tax on profit/loss for the year	-4	-19	-	-
Adjustments recognized in the current year for current tax in previous years	-1	-1	-	-
Deferred tax				
Deferred taxes attributable to temporary differences	6	-12	0.4	0.5
Total	0	-32	0.4	0.5

Reconciliation of tax expense for the year

	Group		Parent Company	
	2025	2024	2025	2024
Profit/loss before tax	-23	158	-49.1	51.5
Tax at applicable Swedish tax rate, 20.6 percent (20.6)	5	-32	10.1	-10.6
Tax effect of nondeductible expenses	-2	-4	-9.9	0.0
Tax effect of nontaxable income	0	3	0.0	12.2
Effect of different tax rates for foreign subsidiaries	-1	0	-	-
Other items	-1	1	0.1	-0.8
Total	2	-31	0.4	0.5
Adjustments recognized in the current year for current tax in previous years	-1	-1	-	-
Reported tax expense for the year	0	-32	0.4	0.5

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

	Dec 31, 2025	Dec 31, 2024
Deferred tax asset		
Internal profit on inventories	12	16
Other items	10	8
Deferred tax asset	22	24
Deferred tax liability		
Capitalized development expenditure	48	44
Acquired intangible assets	11	16
Untaxed reserves	45	51
Other items	0	6
Deferred tax liability	104	117

Deferred tax assets are valued at no more than the amount likely to be recovered based on current and future taxable earnings. The tax rate for the calculation of deferred tax is 20.6 percent based on the effective tax rate applicable from 2021. No tax is recognized in other comprehensive income. The Parent Company's deferred tax asset amounts to SEK 2.5m (2.1) at year-end and consists of a deferred tax asset related to tax on deferred cost deductions on a capital insurance of SEK 2.5m (2.1).

Note 17 Composition of the Group

The Group has the following subsidiaries at December 31, 2025:

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

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

Profoto Holding AB is the direct owner (100 percent) of Profoto AB with a share book value of SEK 147m (32). Profoto Holding AB is also the direct owner (100 percent) of the Netherlands-based (NL) company Profoto B.V, acquired in 2022, with a book value of SEK 12m (185.3). Profoto AB is in turn the direct owner (100 percent) of all the other subsidiaries.

During the year there was a transfer of surplus values from Profoto B.V. to Profoto AB, which resulted in a change in the valuation of the shares in each company and also resulted in an impairment of a total of SEK 58m relating to shares held in Profoto B.V.

During the year, the wholly owned subsidiaries Profoto France SARL and Profoto Ltd. were merged into Profoto AB to simplify the Group structure. The company is also in the process of merging into Profoto GmbH in the same way, and this is expected to be completed in 2026.

No other changes in the composition of the Group took place in 2025.

Note 18 Intangible fixed assets

	Goodwill	Capitalized development expenditure	Technology, customer assets and brand	Others intangible assets	Total
Opening accumulated acquisition value January 1, 2025	132	442	103	59	604
Internally developed assets	–	69	–	14	84
Currency effects	-7	-4	-12	–	-16
Closing accumulated acquisition value December 31, 2025	125	507	91	73	672
Opening depreciation/amortization January 1, 2025	–	-210	-43	-35	-287
Depreciation/amortization for the year	–	-32	-13	-1	-46
Currency effects	–	5	2	–	8
Closing accumulated depreciation/amortization December 31, 2025	–	-236	-53	-35	-325
Opening impairment January 1, 2025	–	-19	–	–	-19
Impairment for the year	-0	-30	-11	–	-41
Closing accumulated impairment December 31, 2025	-0	-49	-11	–	-60
Carrying amount per December 31, 2025	125	222	27	38	287
Opening accumulated acquisition value January 1, 2024	128	344	100	39	611
Internally developed assets	–	96	–	21	117
Currency effects	4	1	3	–	8
Closing accumulated acquisition value December 31, 2024	132	442	103	59	736
Opening depreciation/amortization January 1, 2024	–	-189	-26	-34	-249
Depreciation/amortization for the year	–	-20	-17	-1	-37
Currency effects	–	-1	0	–	-1
Closing accumulated depreciation/amortization December 31, 2024	–	-210	-43	-35	-287
Opening impairment January 1, 2024	–	-19	–	–	-19
Impairment for the year	–	–	–	–	–
Closing accumulated impairment December 31, 2024	–	-19	–	–	-19
Carrying amount per December 31, 2024	132	214	60	25	430

Total research and development expenses that were expensed in the period totaled SEK 34m (38). These relate mainly to costs in the feasibility phase and project-wide administrative expenses that cannot be attributed to the development of specific products.

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

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

December 31, 2025	Goodwill	WACC, % before tax	WACC, % after tax
Photographics	125	13.4	11.3
Total	125	13,4	11,3

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

The recoverability of goodwill was determined by calculating the value in use of the cash-generating unit

	Goodwill	Capitalized development expenditure	Technology, customer assets and brand	Others intangible assets	Total
Opening accumulated acquisition value January 1, 2025	132	442	103	59	604
Internally developed assets	–	69	–	14	84
Currency effects	-7	-4	-12	–	-16
Closing accumulated acquisition value December 31, 2025	125	507	91	73	672
Opening depreciation/amortization January 1, 2025	–	-210	-43	-35	-287
Depreciation/amortization for the year	–	-32	-13	-1	-46
Currency effects	–	5	2	–	8
Closing accumulated depreciation/amortization December 31, 2025	–	-236	-53	-35	-325
Opening impairment January 1, 2025	–	-19	–	–	-19
Impairment for the year	-0	-30	-11	–	-41
Closing accumulated impairment December 31, 2025	-0	-49	-11	–	-60
Carrying amount per December 31, 2025	125	222	27	38	287
Opening accumulated acquisition value January 1, 2024	128	344	100	39	611
Internally developed assets	–	96	–	21	117
Currency effects	4	1	3	–	8
Closing accumulated acquisition value December 31, 2024	132	442	103	59	736
Opening depreciation/amortization January 1, 2024	–	-189	-26	-34	-249
Depreciation/amortization for the year	–	-20	-17	-1	-37
Currency effects	–	-1	0	–	-1
Closing accumulated depreciation/amortization December 31, 2024	–	-210	-43	-35	-287
Opening impairment January 1, 2024	–	-19	–	–	-19
Impairment for the year	–	–	–	–	–
Closing accumulated impairment December 31, 2024	–	-19	–	–	-19
Carrying amount per December 31, 2024	132	214	60	25	430

Photographics. The calculation model is based on a discounting of future projected cash flows against the carrying amounts of the entity. The forecast consists of a detailed forecast for the next twelve months, as well as the financial targets for the following four years adopted by the Board of Directors. Beyond the budget and the five-year forecast period, cash flows have been extrapolated at an annual growth rate of 2 percent, which can be considered to be a reasonable level in a global market in Profoto's field of activity.

The assumptions used in the calculation are based on

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

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

Two sensitivity analyses have been performed on the assumptions considered most significant to the calculation of value in use. The analyses indicate that there is substantial headroom between the recoverable amount and the carrying amount.

- Discount rate (WACC): A change in the discount rate of up to 5 percentage points would not reduce the recoverable amount to a level below the carrying amount.
- EBITDA level: Similarly, a change in EBITDA of 5 percentage points would not result in the recoverable amount falling below the carrying amount.

This indicates that the business has sufficient financial resilience to withstand normal fluctuations without triggering an impairment. Accordingly, no further disclosures regarding alternative scenarios have been provided.

At the balance sheet date, the book value after depreciation/amortization of assets, other than goodwill, arising from acquisitions of SEK 27m (60) is allocated to technology SEK 12m (22), customer relationships SEK 10m (22), customer contracts SEK 5m (11) and brand names SEK 0m (5). The depreciation/amortization periods applied are six to eight years for technology, nine years for customer relationships, five years for customer contracts and four years for brand names.

Excess values from the acquisition of Profoto B.V. have been identified mainly related to acquired customer assets, technology and brands. Acquired technology relates to proprietary software and patented integration of hardware and software in Profoto B.V. products and is estimated to have a useful life of eight years.

Customer assets relate to customer contracts and customer relationships comprising revenue from existing

Note 18 cont.

and future service contracts and revenue from future replacement of purchased and rented products by existing customers. Customer assets are depreciated over five to nine years. The StyleShoots brand is written off over four years.

Parent Company

The total license fees capitalized during the period were SEK 0.0m (3.4), accumulated amortization during the period amounted to SEK 0.4m (0.2) and is amortized over ten years. The carrying amount totaled SEK 2.8m (3.2).

Note 19 Property, plant and equipment

	Tools and equipment	Leasehold improvements	Total
Opening acquisition value January 1, 2025	140	10	150
Investments	16	–	16
Sales/retirement	-5	–	-5
Reclassification	-2	–	-2
Translation differences	-1	0	-1
Closing accumulated cost December 31, 2025	149	10	158
Opening depreciation January 1, 2025	-97	-8	-106
Depreciation/amortization for the year	-11	0	-11
Sales/retirement	4	–	4
Reclassification	2	–	2
Translation differences	1	0	1
Closing accumulated depreciation/amortization December 31, 2025	-101	-8	-110
Opening impairment January 1, 2025	-9	–	-9
Impairment for the year	–	–	–
Closing accumulated impairment December 31, 2025	-9	–	-9
Carrying amount per December 31, 2025	39	1	40
Opening acquisition value January 1, 2024	126	10	136
Investments	15	1	16
Sales/retirement	-1	-1	-2
Translation differences	1	0	1
Closing accumulated cost December 31, 2024	140	10	150
Opening depreciation January 1, 2024	-87	-10	-97
Sales/retirement	0	1	1
Depreciation/amortization for the year	-10	0	-10
Translation differences	0	0	0
Closing accumulated depreciation/amortization December 31, 2024	-97	-8	-106
Opening impairment January 1, 2024	-9	–	-9
Impairment for the year	–	–	–
Closing accumulated impairment December 31, 2024	-9	–	-9
Carrying amount per December 31, 2024	34	1	35

Note 20 Inventories

The composition of inventories is shown in the table below.

	Dec 31, 2025	Dec 31, 2024
Finished goods inventory	122	151
Consignment inventories	14	9
Other stock	10	8
Carrying amount	146	168
	2025	2024
Cost of goods	219	237
Total	219	237

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

Total inventory impairments in 2025 totaled SEK -5m (-5).

Note 21 Accounts receivable

	Dec 31, 2025	Dec 31, 2024
Accounts receivable, gross	79	106
Provision for expected credit losses	-4	-4
Accounts receivable, net after provision for bad debts	75	102

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

Provision for expected credit losses	Dec 31, 2025	Dec 31, 2024
Provision for expected credit losses, beginning of year	-4	-2
Provision for expected credit losses for the year	-1	-2
Reversal of unused amounts	0	0
Total	-4	-4

Accounts receivable aging analysis	Dec 31, 2025	Dec 31, 2024
Not past due	59	88
Past due <30 days	12	9
Past due 30–60 days	3	2
Past due 60–90 days	0	1
Past due > 90 days	5	6
Total	79	106

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

Note 22 Prepayments and accrued income

	Dec 31, 2025	Dec 31, 2024
Prepaid license fees	3	2
Prepaid rents	2	2
Prepaid marketing expenses	1	–
Prepaid financing cost	1	–
Prepaid insurance premiums	0	1
Other items	1	3
Carrying amount	8	8

Note 23 Cash and cash equivalents

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

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

Note 24 Share capital

On December 31, 2025, share capital consisted of 40,000,000 (40,000,000) shares with a nominal value of SEK 0.0125 (0.0125). All shares are ordinary shares with equal voting rights.

Note 25 Items affecting comparability

	2025	2024
Revaluation of earn-out consideration	–	14
Impairment of intangible assets	-42	–
Restructuring costs	-6	–
Total operating profit	-47	14

The above items are considered by the Group to be unusual in nature and also material to the Group's results. These items are therefore specified separately in the notes, as they play an important role in understanding the underlying business development.

For the full year 2025, adjustments have been made for restructuring costs (-6m) reported under other external costs (-0m), staff costs (-2m) and other costs (-3m), and for impairment of intangible assets (-41m) under depreciation, amortization and impairment of tangible and intangible assets. The revenue for 2024 relates to the change related to the earn-out for Assetflow.

Note 26 Provisions

Group - total provisions	Dec 31, 2025	Dec 31, 2024
Provisions at the beginning of the year	16	20
Provisions during the period	10	7
Provisions reversed during the period	-13	-11
Provisions at year-end	13	16

Group - warranty provisions	Dec 31, 2025	Dec 31, 2024
Provisions at the beginning of the year	16	16
Provisions during the period	10	7
Provisions reversed during the period	-13	-8
Provisions at year-end	13	16

Of the total provisions, SEK 13m (16) relates to provisions for guarantee commitments, of which SEK 5m (7) are long-term and SEK 8m (8) are short-term. Long-term provisions consist of guarantee commitments expiring within 1–2 years, short-term provisions expire within 1 year. The amounts are not discounted, and the discounting effect is not material. Other provisions consist of risks related to material costs of SEK 0m (0) and other provisions of SEK 0m (0). Provisions for material costs are considered to be short-term and other provisions long-term.

Note 27 Non-current and current liabilities to credit institutions

	Dec 31, 2025	Dec 31, 2024
Non-current interest-bearing liabilities		
Non-current liabilities to credit institutions	150	0
Carrying amount	150	0
Current interest-bearing liabilities		
Current liabilities to credit institutions	51	217
Carrying amount	202	217

The Group's utilized overdraft credit was SEK 43m (58) and is included in the item Current liabilities to credit institutions. The interest rate on the overdraft facility used is variable. The overdraft facility in USD is based on the SOFR reference rate. The Group's total overdraft facility was SEK 87m (100). The Group also has a revolving credit facility of SEK 250m, 150m of which was drawn on by year-end. The interest rate on the revolving credit is variable and based on the STIBOR reference rate for credit in the SEK currency. The utilized part of the revolving credit of SEK 150m (150) has in 2025 been classified as a long-term debt based on the renewal of the facility where the agreed availability is 3 years plus 2 option years. Fair value is estimated to be the carrying amount of the liabilities.

Note 28 Accrued expenses and deferred income

Group	Dec 31, 2025	Dec 31, 2024
Accrued wages, etc.	26	23
Prepaid income	6	8
Accrued materials costs	2	2
Accrued marketing costs	1	2
Accrued consultancy fees	10	8
Other accrued costs	5	9
Carrying amount	49	53
	Dec 31, 2025	Dec 31, 2024
Parent Company		
Accrued wages and payroll overhead	4.6	4.3
Accrued interest expense	0.5	0.8
Other items	0.0	0.5
Carrying amount	5.1	5.6

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

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

Note 29 Specifications for Statement of Cash Flows

Group	2025	2024
Depreciation/amortization and impairment of property, plant and equipment and intangible assets	109	58
Provisions and similar items	6	8
Other items	2	3
Total	117	70

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

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

Group	Liabilities to credit institutions	Lease liabilities	Total
Opening balance January 1, 2025	217	40	257
Cash flow	-4	-9	-13
Net contracts entered into	–	-2	-2
Foreign exchange differences	-10	-1	-11
Carrying amount per December 31, 2025	203	28	230

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

Note 30 Pledged assets and contingent liabilities

	Dec 31, 2025	Dec 31, 2024
Contingent liabilities		
Swedish Customs Service	1	1
Total	1	1

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

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

Note 31 Related-party transactions

For the full year, invoiced management fees amounted to SEK 16.7m (20.1). Related-party transactions also include remuneration to directors and other senior executives. The remuneration level is determined on a commercial basis. The Parent Company has issued a general guarantee on behalf of its subsidiary (see Note 30). Closing balances are recognized in the table for the Group and the Parent Company, respectively. There were no additional costs with related parties in 2025.

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

	2025	2024
Receivables from related parties		
Parent Company		
Receivables from other Group companies	31.9	34,6
Carrying amount	31.9	34,6

Liabilities to related parties

Parent Company		
Liabilities to other Group companies	–	–
Carrying amount	–	–

Note 32 Events after the balance sheet date

In light of changing market conditions and our strategic shift towards LED, the Board of Directors has decided to update the financial targets. The updated targets include annual organic sales growth exceeding 5 percent and an EBIT margin of 20 percent, compared to previous targets of 10 percent growth and an EBIT margin of 25–30 percent. Dividend targets remain unchanged, and Profoto aims to distribute at least 50 percent of net profits to its shareholders through cash dividends and/or share buy-backs, taking into account factors such as financial position, cash flow and growth opportunities.

Note 33 Appropriation of profits

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

Retained earnings	96,508,647
Share premium reserve	4,074,658
Profit/loss for the year	-59,315,610
Total	41,267,695

The Board of Directors and the CEO propose:

to be carried forward	41,267,695
Total	41,267,695

Signatures

The annual accounts and consolidated accounts were approved for issue by the Board of Directors on April 9, 2026. The consolidated income statements and balance sheet as well as the Parent Company's income statements and balance sheet are subject to adoption by the Annual General Meeting on May 6, 2026.

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

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

The content of the annual report was finalized on April 9th 2026.

Stockholm, on the date indicated by electronic signature

Hans Eckerström
Chairman of the Board

Anders Hedebark
Board member and
Chief Executive Officer

Magnus Brännström
Member of the Board

Pernilla Ekman
Member of the Board

Helene Willberg
Member of the Board

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

Aleksander Lyckow
Authorized Public Accountant

Auditor's Report

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

Unofficial translation

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Profoto Holding AB (publ) for the year 2025 except for the corporate governance statement on pages 39–45. The annual accounts and consolidated accounts of the company are included on pages 30–65 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement or the sustainability report on pages 39–45 and 20–29. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS

Valuation of capitalized development expenses

As of December 31, 2025, the consolidated reported value of capitalized development expenses amounts to 222 million SEK. Given that the criteria described in note 2 are met, capitalized development expenses are reported as intangible assets according to the group's accounting principles. The company management assesses the commercial and technical potential of development projects during capitalization and valuation of the capitalized development expenses.

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

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

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–29 and 69–73. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information. In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to

HOW OUR AUDIT CONSIDERED THE PARTICULARLY SIGNIFICANT AREA

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

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

read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in that regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence

the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Profoto Holding AB (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance

whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Profoto Holding AB (publ) for the financial year 2025.

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

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

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Profoto Holding AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

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

Auditor's responsibility

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

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

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

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

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and

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

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

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

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 39-45 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has Provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of

the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB, was appointed auditor of Profoto Holding AB (publ) by the general meeting of the shareholders on the 7 May 2025 and has been the company's auditor since 5 May 2023.

Stockholm on the day shown by our electronic signature

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow

Authorized Public Accountant

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

Definitions

Average number of employees

Average number of full-time employees during the period.

LTM

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

Organic growth

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

Profoto Group/Group

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

Region Americas

Central America, North America and South America.

Region APAC

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

Region EMEA

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

Currency-adjusted organic growth

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

Explanations for alternative performance measures

Adjusted operating profit/loss (adjusted EBIT)

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

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

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

SEKm	2025	2024
Net sales	617	731
Operating profit/loss (EBIT)	-6	167
Total items affecting comparability	-47	14
Impairment of intangible assets	-42	-
Restructuring costs	-6	-
Revaluation related to acquisitions	-	14
Adjusted operating profit (EBIT)	41	153
Adjusted EBIT margin, %	6.6	20.9

Adjusted EBIT margin, %

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

EBITA

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

EBIT

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

EBIT margin, %

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

EBITA margin, %

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

EBITDA

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

SEKm	2025	2024
Operating profit/loss (EBIT)	-6	167
Depreciation and impairment of intangible fixed assets	87	37
EBITA	81	204
Depreciation, amortization and impairment of property, plant and equipment	22	22
EBITDA	104	225

Items affecting comparability

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

Net debt

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

SEKm	Dec 31 2025	Dec 31 2024
Liabilities to credit institutions, non-current	150	0
Other interest-bearing liabilities, non-current	-	0
Lease liabilities, non-current	21	29
Liabilities to credit institutions, current	52	217
Other interest-bearing liabilities, current	-	-
Lease liabilities, current	7	11
Cash and cash equivalents	-48	-21
Net debt	181	235

Net debt/EBITDA

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

SEKm	Dec 31 2025	Dec 31 2024
Net debt	181	235
EBITDA, LTM	104	225
Net debt/EBITDA LTM, ratio	1.74	1.04

Organic growth, %

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

%	2025	2024
Change in net sales	-15.6	-7.1
Acquisitions	-	-
Currency effect	5.2	0.6
Organic growth	-10.4	-6.5

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	Dec 31 2025	Dec 31 2024
Profit/loss for the period, LTM	-23	126
Equity	348	370
Equity, LTM	359	383
Return on equity, %	-6.4	32.9

Operating capital

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

SEKm	Dec 31 2025	Dec 31 2024
Total assets	802	872
Provisions, long-term	-5	-7
Deferred tax liabilities	-104	-117
Provisions, short-term	-8	-8
Accounts payable	-48	-56
Current tax liabilities	-4	0
Accrued expenses and prepaid income	-49	-53
Other noninterest-bearing liabilities, current	-7	-2
Cash and cash equivalents	-48	-21
Operating capital	529	607

Adjusted return on operating capital, %

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

SEKm	Dec 31 2025	Dec 31 2024
Adjusted EBIT, LTM	41	153
Operating capital	529	607
Operating capital, LTM	568	523
Adjusted return on operating capital, %	7.2	29.2

Financial information

Financial calendar

2025 Annual Report – April 9, 2026
 2026 Q1 Interim Report – May 6, 2026
 2026 Annual General Meeting – May 6, 2026
 2026 Q2 Interim Report – July 17, 2026
 Interim Report Q3 2026 – October 20, 2026
 Year end report - February 10, 2027

For further information, please contact

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Financial information

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

Annual General Meeting

Profoto's AGM will take place on Wednesday, May 6, at 13.00 a.m. at Profoto's premises at Landsvägen 57 in Sundbyberg, Sweden. Shareholders who wish to have a matter addressed at the Annual General Meeting must, for the request to be considered with certainty, submit their proposal to the Board of Directors agm@profoto.com no later than March 18, 2026. Shareholders who wish to submit proposals regarding the Board of Directors, Chairman of the Board, Chairman of the AGM or the Nomination Committee for next year's AGM may, no later than March 18, 2026, contact Profoto's Nomination Committee via nomination@profoto.com or by mail to Profoto Holding AB (publ), Attn: Nomination Committee, Box 1264, Landsvägen 57, 172 25 Sundbyberg, Sweden.

Conditions for participation

Shareholders who wish to participate in the general meeting must (i) be listed as a shareholder in the share register kept by Euroclear Sweden AB on April 27, 2026, and (ii) give notice of participation no later than April 29, 2026 by post to Profoto Holding AB (publ), "General meeting", P.O. Box 1264, SE-172 25 Sundbyberg or by e-mail to agm@profoto.com. The notification must state the shareholder's name, personal identification number/corporate registration number, address, phone number, and the number of any assistants (no more than two).

In order to be entitled to participate in the meeting, a shareholder whose shares are registered in the name of a nominee must, in addition to giving notice of participation in the general meeting, register its shares in its own name so that the shareholder is listed in the presentation of the share register as of April 27, 2026. Such re-registration may be temporary (so-called voting rights registration), and request for such voting rights registration shall be made to the nominee, in accordance with the nominee's routines, at such a time in advance as decided by the nominee. Voting rights registrations that have been made by the nominee no later than April 29, 2026 will be taken into account in the presentation of the share register.

Shareholders' right to receive information

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

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