

Interim Report

January 1–September 30, 2024

Financial summary July–September 2024

- Net sales totaled SEK 164m (172), a decrease of 4.4 percent. Organic growth totaled -1.1 percent, and the currency effect, -3.3 percent.
- EBIT amounted to SEK 39m (35) and the EBIT margin to 23.9 percent (20.2).
- Adjusted EBIT amounted to SEK 30m (35) and adjusted EBIT margin to 18.4 percent (20.2). Adjustments for the period related to a reduction of the liability for an acquisition-related earn-out of SEK 9m.
- Profit for the period was SEK 28m (27).
- The return on operating capital totaled 32.3 percent (56.5).
- Cash flow from operating activities totaled SEK 14m (29).
- Earnings per share (basic and diluted)¹ totaled SEK 0.70 (0.67).

Financial summary January–September 2024

- Net sales totaled SEK 530m (583), a decrease of 9.0 percent. Organic growth totaled -7.7 percent, and the currency effect, -1.3 percent.
- EBIT amounted to SEK 110m (153), and the EBIT margin to 20.7 percent (26.3).
- Adjusted EBIT amounted to SEK 101m (153) and adjusted EBIT margin to 19.0 percent (26.3). Adjustments for the period related to a reduction of the liability for an acquisition-related earn-out of SEK 9m.
- Profit for the period totaled SEK 83m (119).
- Cash flow from operating activities totaled SEK 60m (147).
- Earnings per share (basic and diluted)¹ totaled SEK 2.07 (2.96).

Net sales
LTM

SEK 734m
(SEK 813m)

EBIT
LTM

SEK 161m
(SEK 234m)

EBIT margin
LTM

21.9%
(28.8%)

Return on operating capital
LTM

32.3%
(56.5%)

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

1) Calculated based on 40,000,000 ordinary shares before and after dilution.

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

Key ratios, Group

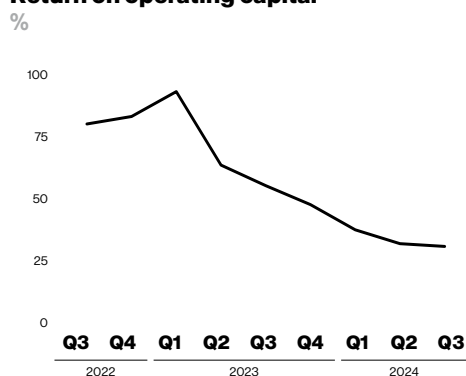
	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Oct 2023- Sep 2024	Full year 2023
Net sales, SEKm	164	172	530	583	734	787
Organic growth ¹ , %	-1.1	-28.7	-7.7	-12.8	-9.0	-12.6
EBITA, SEKm	48	48	137	195	200	258
EBITA margin, %	29.0	28.0	25.9	33.4	30.5	32.8
EBIT, SEKm	39	35	110	153	161	204
EBIT margin, %	23.9	20.2	20.8	26.3	22.0	26.0
Adjusted EBIT ¹ , SEKm	30	35	101	153	153	204
Adjusted EBIT ¹ margin, %	18.4	20.2	19.1	26.3	20.7	26.0
Profit/loss for the period, SEKm	28	27	83	119	118	155
Cash flow from operating activities, SEKm	14	29	60	147	124	211
Net debt ² , SEKm	219	88	219	88	219	44
Net debt/EBITDA LTM	0.98	0.28	0.98	0.28	0.98	0.16
Return on capital employed, %	29.6	47.9	29.6	47.9	29.6	37.9
Return on operating capital, %	32.3	56.5	32.3	56.5	32.3	49.0
Earnings per share, SEK ³	0.70	0.67	2.07	2.96	2.99	3.88

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

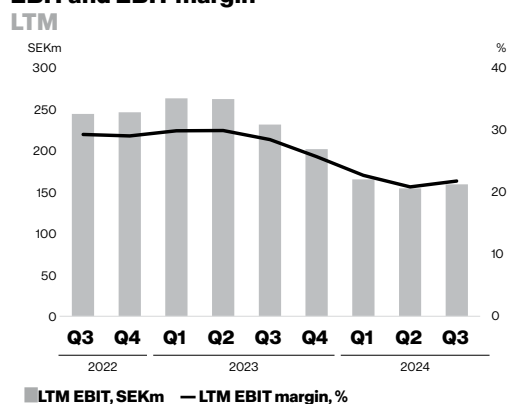
2) A negative amount indicates a positive net cash position.

3) Calculated based on 40,000,000 ordinary shares before and after dilution.

Return on operating capital



EBIT and EBIT margin



Continued cautious market climate – strong focus on upcoming product launches

In the third quarter, we saw a continued challenging market situation combined with a quarter without major product launches. Reported sales decreased by 4.4 percent to SEK 164m (172) with organic growth of -1.1 percent.

The adjusted EBIT result amounted to SEK 30m (35), corresponding to an EBIT margin of 18.4 percent (20.2). The decrease is directly attributable to the lower sales combined with marketing activities for upcoming product launches and strategic investments that initially provide negative economies of scale.

Market climate remains cautious

In line with recent quarters, both professional photographers and large studios continued to act cautiously, as a direct consequence of the uncertain macroeconomic situation regarding equipment purchases and investments. Underlying demand for our products therefore remains subdued in all our regions. Nevertheless, our business in North America showed positive development during the quarter, primarily due to selective product-specific marketing activities.

Strategic investments in launches and organization

During the quarter, we continued to strengthen our organization, primarily in product development and marketing, with several important key recruitments. It is gratifying to note that we now have an organization with a cost base that will allow us to continue to strengthen our market position and that will not increase at the same rate as the expected increase in sales.

Furthermore, we continued to invest in future product launches during the quarter, not least in products intended for film production and LED. We expect to start seeing the results of these investments in the coming quarters.

Executive summary

In conclusion, macroeconomic conditions remain uncertain, which has a direct impact on underlying demand and thus our profitability. At the same time, I am proud that our organization continues to work purposefully with what we can influence, such as innovation and cost control, and that this diligent work will lead to exciting and strategically important product launches and growth in the future.



Given this, I am confident that our disciplined approach will continue to deliver results, and I remain committed to our long-term financial targets of at least 10 percent organic growth and 25–30 percent EBIT margin.

Sundbyberg, October 24, 2024

Anders Hedebark
President and CEO

Financial Overview

Third quarter, July 1–September 30, 2024

Net sales

Net sales for the third quarter totaled SEK 164m (172), a decrease of 4.4 percent compared to the corresponding quarter last year. Organic growth totaled -1.1 percent, and the currency effect was -3.3 percent.

Sales continue to be hampered by challenging macroeconomic conditions such as declining consumption and high interest rates. We noted a degree of cautiousness among our e-commerce customers and professional photographers, which affected the demand for our entire product portfolio.

Regions

Demand in all regions remained sluggish during the quarter. Sales in EMEA totaled SEK 51m (55), a decrease of 7.9 percent compared to the previous year. Sales for APAC fell by 19.6 percent to total SEK 32m (40). Sales in the Americas grew to SEK 81m (76), corresponding to an increase of 7.2 percent. For further information on sales by region, see note 2 on page 17.

Operating profit/loss (EBIT)

Third quarter EBIT amounted to SEK 39m (35), corresponding to an EBIT margin of 23.9 percent (20.2). The increase in EBIT compared to last year is mainly due to an item affecting comparability of SEK 9m relating to an adjustment of the liability for an acquisition-related earn-out. Adjusted EBIT amounted to SEK 30m, and adjusted EBIT margin to 18.4 percent.

Capitalized work for own account increased to SEK 26m from SEK 14m compared to the previous year as a result of an increased rate of investment in product development, which is also reflected in increased personnel and other external costs. Compared to the previous year, personnel expenses increased by SEK 4m and totaled SEK 41m (37). Other external costs totaled SEK 48m (43).

Depreciation/amortization totaled SEK 14m (19), of which SEK 5m (6) was attributable to property, plant and equipment, and SEK 9m (13) to intangible fixed assets. Of the amortization of intangible assets, SEK 5m (7) related to amortization of capitalized development expenditure, SEK 4m (3) to amortization of surplus values from acquisitions and SEK 0m (2) to amortization of other intangible assets.

Financial items

Net financial items were negative, totaling SEK 6m (1). Interest income totaled SEK 0m (1), exchange rate effects were negative and totaled SEK 3m (0), and interest expenses related to lease liabilities and liabilities to credit institutions totaled SEK 3m (2).

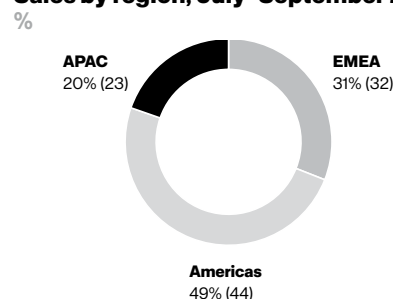
Profit for the period and tax expenses

Profit for the period was SEK 28m (27). The tax expense was SEK 6m (6), of which SEK 1m (9) was current tax and SEK 5m (-3) was the change in deferred tax. The effective tax rate for the period totaled 19.8 percent (18.9).

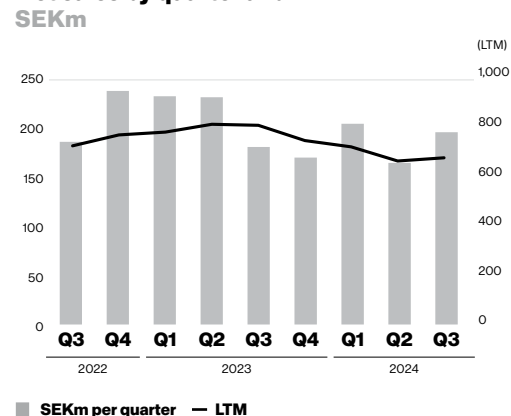
Change in net sales

	Jul-Sep 2024
Organic growth	-1.1
Currency effect	-3.3
Total	-4.4

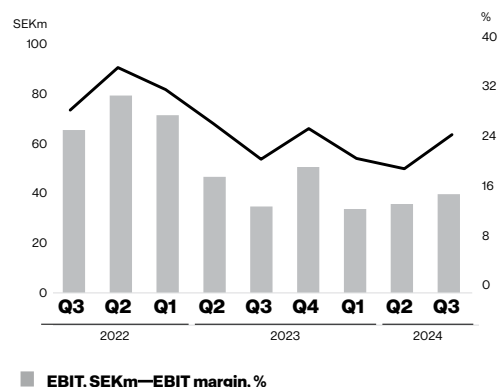
Sales by region, July–September 2024



Net sales by quarter and LTM



EBIT and EBIT margin



First three quarters, January 1–September 30, 2024

Net sales

Net sales for the first three quarters amounted to SEK 530m (583), a decrease of 9.0 percent compared to the corresponding period last year. Organic growth totaled -7.7 percent, and currency effect, -1.3 percent.

Sales in the first three quarters continued to be affected by macroeconomic factors such as declining consumption and high interest rates. Caution was noted among our e-commerce customers and professional photographers, which affected the demand for our entire product portfolio.

Regions

Demand in all regions remained subdued in the first three quarters. Sales in EMEA totaled SEK 187m (207), a decrease of 10.1 percent compared to last year. Sales for APAC totaled SEK 110m (122), a decrease of 10.1 percent. Sales in the Americas totaled SEK 235m (253), corresponding to a decrease of 7.3 percent. Interest rate and economic uncertainty were the main reasons for the negative development. For further information on sales by region, see note 2 on page 17.

Operating profit/loss (EBIT)

EBIT for the first three quarters amounted to SEK 110m (153), corresponding to an EBIT margin of 20.7 percent (26.3). The decrease in EBIT compared to the previous year was mainly an effect of the lower sales. Adjusted EBIT amounted to SEK 101m, and the adjusted EBIT margin to 19.1 percent. The difference of SEK 9m relates to an adjustment of the liability for an acquisition-related earn-out.

Capitalized work for own account increased from SEK 46m to SEK 78m compared to the previous year as a result of an increased rate of investment in product development. Compared to the previous year, personnel expenses increased by SEK 8m and totaled SEK 128m (120). Other external costs totaled SEK 162m (131). The cost increases are mainly explained by the increased investment in product development and costs for marketing activities.

Depreciation/amortization totaled SEK 44m (59), of which SEK 17m (17) was attributable to tangible fixed assets and SEK 27m (42) to intangible fixed assets. Of the amortization of intangible assets, SEK 15m (7) related to amortization of capitalized development expenditure, SEK 11m (3) to amortization of surplus values from acquisitions, and SEK 0m (2) to amortization of other intangible assets.

Financial items

Net financial items were negative and totaled SEK 9m (4). Interest income totaled SEK 1m (2), foreign exchange gains and losses totaled SEK -1m (1), and interest expenses related to lease liabilities and liabilities to credit institutions totaled SEK 9m (5).

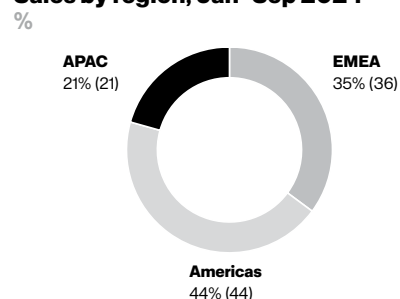
Profit for the period and tax expenses

Profit for the period totaled SEK 83m (119). The tax expense was SEK 18m (31), of which SEK 2m (34) was current tax and SEK 16m (-3) the change in deferred tax. The effective tax rate for the period was 22.1 percent (20.7).

Change in net sales

	Jan-Sep 2024
Organic growth	-7.7
Currency effect	-1.3
Total	-9.0

Sales by region, Jan-Sep 2024



Financial Position and Other Information

Product development and other investments

Total product development expenditure in the third quarter totaled SEK 28m (22). Of these, SEK 23m (14) was capitalized as capitalized development expenditure. In total, the book value of capitalized development expenditure was SEK 187m (124), other intangible fixed assets SEK 21m (3), and technology SEK 64m (80) as of September 30, 2024. Product development expenses expensed in the third quarter were SEK 5m (8). Expenditure incurred mainly related to product maintenance costs, prestudy phase projects and project-wide administrative costs not attributable to the development of specific products. During the period, SEK 4m (0) was capitalized as other intangible fixed assets, which related to the upgrade of the ERP system and e-commerce platform. During the quarter, SEK 2m (5) was invested in tools and equipment mainly related to ongoing development projects. During the year, Profoto initiated activities to combat patent infringement in China and the USA.

Working capital and cash flow

Inventories at the end of the third quarter totaled SEK 161m (152), and accounts receivable SEK 90m (78). Accounts payable totaled SEK 48m (37). Cash flow from operating activities for the third quarter totaled SEK 14m (29) during the quarter.

Return on operating capital

EBIT LTM as of September 30, 2024 was SEK 161m (234) while operating capital LTM totaled SEK 497m (414). The return on operating capital thus totaled 32.3 percent (56.5). For further information and an explanation, see alternative performance measures on page 19.

Financial position and liquidity

On September 30, the Group's equity totaled SEK 330m (356). Cash and cash equivalents totaled SEK 36m (58). The Group had a net debt of SEK 219m (88). Interest-bearing liabilities amounted to SEK 255m (146). The available and undrawn RCF loan was SEK 100m at the end of the first six months. Lease liabilities totaled SEK 39m (46).

Financial targets

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

- 1) Net sales growth: Over time, achieve annual organic net sales growth of over 10 percent in constant currency.
- 2) Profitability: Achieve an EBIT margin of 25–30 percent, while maintaining year-on-year growth in EBIT.
- 3) Dividend policy: Aim to pay out at least 50 percent of net profit, while taking into account other factors such as financial position, cash flow and growth opportunities.

Employees

The average number of employees in Q3 2024 was 142 (136), of which 67 (67) were employed in sales companies in China, Japan, USA, Germany, France, the UK, and the Netherlands.

Significant events during July–September

There were no other significant events during the period.

Owners

On September 30, 2024, Profoto had 1,644 owners, of which the ten largest were:

	Number of shares	%
Anders and Helén Hedeback	15,252,321	38,1
Conny Dufgran	6,111,560	15,3
Lovisa Hamrin (Herenco)	4,411,148	11,0
Lannebo Kapitalförvaltning AB	3,340,918	8,4
Svolder	2,100,000	5,3
Hans Eckerström	1,230,508	3,1
Investment AB Spiltan	823,846	2,1
Aeternum Capital AS	650,000	1,6
Life insurance company Skandia	463,542	1,2
Skandia Fonder	414,718	1,0

The Profoto share

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

Parent Company

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

The Parent Company is a holding company with management fees to third group companies of SEK 5.0m (5.0) as the only income in the third quarter, and with personnel costs and other external costs related to the management of the group as expenses.

Operating profit (EBIT) amounted to SEK 0.3m (0.5) for the third quarter. Current assets totaled SEK 2.4m (2.7), and total current liabilities totaled SEK 188.2m (166.2). Other long-term liabilities amounted to SEK 0m (8.6) at the end of the third quarter. The non-current portion of the vendor note from the acquisition of Style-Shoots has been reclassified to current liabilities, as the remaining debt is scheduled to be fully repaid in April 2025.

Significant risks and uncertainties

The Profoto Group is an international group exposed to operational risks, industry and market-related risks, legal and tax risks, as well as financial risks and sustainability and climate risks.

Current market turmoil such as inflation, increased interest rates and geopolitical conflicts have contributed to market uncertainty, which may have a negative effect on Profoto's sales and earnings.

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

A more comprehensive description of the risks can be found in the 2023 Annual and Sustainability Report available at <https://investors.profoto.com>.

2025 AGM

Profoto's AGM will take place on Friday, May 9 at 3:00 p.m. at Profoto's address at Landsvägen 57 in Sundbyberg, Sweden. Shareholders who wish to have a matter addressed at the AGM must, for the request to be considered with certainty, submit their proposal to the Board of Directors agm@profoto.com no later than March 21, 2025. Shareholders who wish to submit proposals regarding the Board of Directors, chairman of the board, chairman of the meeting or nomination committee for next year's AGM can contact Profoto's nomination committee, no later than March 21, 2025, via email to nomination@profoto.com or by mail sent to the address Profoto Holding AB (publ), Att: Nomination Committee, Box 1264, Landsvägen 57, 172 25 Sundbyberg, Sweden.

Auditor's Report

Profoto Holding AB (publ.) reg. no. 556810-9879

Introduction

We have reviewed the condensed interim financial information (interim report) of Profoto Holding AB (publ.) as of September 30, 2024, and the nine-month period ended on that date. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of financial interim information conducted by the company's chosen auditor. A review involves making inquiries, primarily to persons responsible for financial matters and accounting issues, conducting an analytical review and performing other review procedures. A review has a different focus and a significantly smaller scope than

the focus and scope of an audit in accordance with ISA and with generally accepted auditing practice. The review measures taken in a review do not allow us to obtain such a full understanding that we become aware of all the important circumstances that could have been identified if an audit was carried out. Therefore, the stated conclusion based on a review does not have the assurance that an expressed conclusion based on an audit has.

Conclusion

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

Stockholm on the date that appears from our electronic signature
Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow

Authorized Public Accountant

Other information

About Profoto

Profoto was founded more than 50 years ago and has since then been a world leader in lighting equipment for professional photographers, driving innovation and awareness of how to create better images through light. We know that light is the indispensable source in all image creation – whatever the camera or situation. Creating great images is about mastering and shaping light. The end users are professional photographers and commercial customers, including major consumer brands and e-commerce companies. The company currently has sales in 54 countries worldwide. Net sales in 2023 totaled SEK 787m, with an EBIT margin of 26 percent. Profoto has approximately 150 employees at its headquarters in Stockholm and in subsidiaries in the US, Japan, China, Germany, France, England and the Netherlands.

Financial calendar

Year-End Report 2024 – February 12, 2025

Annual Report 2024 – April 10, 2025

Interim Report Q1 2025 – May 9, 2025

AGM 2025 – May 9, 2025

Interim Report Q2 2025 – July 18 2025

Interim Report Q3 2025 – October 23, 2025

Conference call

Profoto Holding AB (publ) will publish the interim report for the third quarter 2024 on Wednesday, October 24 at 8:00 a.m. CET. At 9:00 a.m. CET the same day, a webcast teleconference will be held where Anders Hedebark, President and CEO, will present the report together with acting CFO Linus Marmstedt. The presentation will be followed by a Q&A session. The presentation will be held in English. If you wish to participate via the webcast, please use the link below.

<https://ir.financialhearings.com/profoto-q3-report-2024>

If you wish to participate via teleconference, please register via the link below. After registering, you will receive a phone number and a conference ID to log in to the conference. The teleconference provides an opportunity to ask questions in real time.

<https://conference.financialhearings.com/teleconference/?id=50048838>

For further information, please contact

Linus Marmstedt, acting. CFO
linus.marmstedt@profoto.com
+46 (0) 76 808 03 01

Amanda Åström, Investor Relations
amanda.astrom@profoto.com
+46 (0) 736 79 34 48

This information is insider information that Profoto Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 8:00 a.m. CET on October 24, 2024.

Stockholm, October 24, 2024

Anders Hedebark
President and CEO

Consolidated Financial Statements

Consolidated statement of profit and loss

SEKm	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
Net sales	2	164	172	530	583	787
Other income	3	11	11	44	24	32
Total revenue		175	182	574	606	819
Capitalized work for own account		26	14	78	46	70
Goods		-57	-51	-177	-167	-226
Other external expenses		-48	-43	-162	-131	-185
Personnel expenses		-41	-37	-128	-120	-159
Depreciation, amortization and impairment of intangible and tangible assets		-14	-19	-44	-59	-77
Other operating expenses		-3	-11	-33	-22	-37
Operating profit/loss (EBIT)		39	35	110	153	204
Finance income and costs						
Finance income		0	1	1	2	3
Finance costs		-6	-2	-10	-6	-10
Profit/loss before tax		34	33	101	150	197
Tax		-6	-6	-18	-31	-42
Profit/loss for the period		28	27	83	119	155
<i>Attributable to:</i>						
Owners of the Parent Company		28	27	83	119	155
Basic and diluted earnings per share ¹ , SEK		0.70	0.67	2.07	2.96	3.88

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

Consolidated statement of comprehensive income

SEKm	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
Profit/loss for the period		28	27	83	119	155
<i>Other comprehensive income items that may be reclassified to the consolidated statement of profit and loss:</i>						
Translation differences for the period		2	-4	0	3	6
Total comprehensive income for the period		31	23	83	122	161
<i>Attributable to:</i>						
Parent Company shareholders		31	23	83	122	161

Consolidated statement of financial position

SEKm	Note	Sep 30 2024	Sep 30 2023	Dec 31 2023
ASSETS				
Noncurrent assets				
Intangible fixed assets				
	5			
Capitalized development expenditure		187	124	137
Technology, customer assets and brand		64	80	74
Other intangible assets		21	3	5
Goodwill		130	132	128
Total intangible assets		402	339	343
Property, plant and equipment				
Leased assets		38	44	40
Equipment, tools and installations		33	31	31
Leasehold improvements		1	1	0
Total property, plant and equipment		72	76	71
Financial assets				
		3	2	2
Deferred tax assets				
		17	23	24
Total noncurrent assets		494	440	441
Inventories				
		161	152	164
Current receivables				
Accounts receivable		90	78	78
Current tax assets		42	5	7
Other current assets		4	5	8
Prepayments and accrued income		7	8	7
Total current receivables		143	96	100
Cash and cash equivalents				
		36	58	95
Total current assets		339	306	358
TOTAL ASSETS		833	746	799

Cont. Condensed consolidated statement of financial position

SEKm	Note	Sep 30 2024	Sep 30 2023	Dec 31 2023
EQUITY AND LIABILITIES				
Total equity		330	356	396
Noncurrent liabilities				
Liabilities to credit institutions		0	2	1
Other noncurrent liabilities		0	9	8
Lease liabilities		29	34	31
Provisions		7	8	8
Deferred tax liabilities		114	95	104
Total noncurrent liabilities		151	148	152
Current liabilities				
Liabilities to credit institutions		216	81	79
Lease liabilities		10	12	10
Provisions		10	15	12
Accounts payable		48	37	59
Current tax liabilities		0	13	6
Other current liabilities		15	31	25
Accrued expenses and deferred income		55	53	59
Total current liabilities		353	241	250
TOTAL EQUITY AND LIABILITIES		833	746	799

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 at January 1, 2024	1	6	3	386	396
Profit/loss for the period	-	-	-	83	83
Total other comprehensive income	-	0	-	-	0
Total comprehensive income	1	6	3	469	479
Option premiums	-	-	1	-	1
Dividend to shareholders	-	-	-	-150	-150
Closing balance on September 30, 2024	1	6	4	319	330
Opening balance January 1, 2023	1	0	-	390	391
Profit/loss for the period	-	-	-	119	119
Total other comprehensive income	-	3	-	-	3
Total comprehensive income	1	3	-	119	122
Option premiums	-	-	-	3	3
Dividend to shareholders	-	-	-	-160	-160
Closing balance on September 30, 2023	1	3	-	352	356

Consolidated statement of cash flows

SEKm	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
Cash flow from operating activities						
Operating profit/loss		39	35	110	153	204
Adjustments for noncash items:						
Depreciation, amortization and impairment of noncurrent assets		14	19	44	59	77
Adjustments for other noncash items		-1	3	8	0	-3
Interest received		0	1	1	1	2
Interest paid		-3	-2	-9	-5	-7
Income tax paid		-11	-12	-43	-43	-54
Cash flow from operating activities before changes in working capital		37	44	111	166	218
Changes in working capital						
Decrease (+)/increase (-) in inventories		-4	-18	-8	-18	-31
Decrease (+)/increase (-) in accounts receivable		-13	8	-13	18	19
Decrease (+)/increase (-) in other receivables		1	3	-13	-0	-2
Decrease (-)/increase (+) in accounts payable		-10	-6	-3	-16	8
Decrease (-)/increase (+) in other current liabilities		2	-2	-15	-3	-2
Cash flow from operating activities		14	29	60	147	211
Investing activities						
Investments in intangible fixed assets		-26	-14	-78	-54	-78
Acquisition of property, plant and equipment		-6	-5	-14	-11	-14
Acquired subsidiary		-	-	-	-17	-17
Cash flow from investing activities		-32	-19	-92	-82	-109
Financing activities						
Repayment of external loans		-5	-1	-14	-6	-15
Amortization of leasing liability		-4	-4	-11	-11	-14
New loans		-	4	150	20	31
Payment of option premiums		-	3	-	3	3
Dividends paid		-	-	-150	-160	-160
Cash flow from financing activities		-9	3	-25	-154	-155
Cash flow for the period		-26	13	-58	-90	-53
Cash and cash equivalents at beginning of period		64	47	95	150	150
Exchange rate differences in cash and cash equivalents		-2	-1	-2	-2	-2
Cash and cash equivalents at end of period		36	58	36	58	95

Parent Company Financial Statements

Parent Company Income Statement

SEKm	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
Net sales		5.0	5.0	15.1	13.2	18.2
Operating expenses						
Other external expenses		-1.8	-1.1	-4.9	-6.0	-6.8
Personnel expenses		-2.8	-3.5	-11.0	-9.3	-13.5
Depreciation, amortization and impairment of intangible and tangible fixed assets		-0.1	-	-0.1	-	-
Operating profit/loss (EBIT)		0.3	0.5	-0.9	-2.1	-2.2
Profit/loss from financial items						
Income from participations in Group companies		-	-	-	-	140.0
Interest income and similar income statement items		1.0	5.7	0.0	5.7	11.8
Interest and similar expenses		-2.6	-	-6.4	-11.6	-11.6
Profit after financial items		-1.3	6.1	-7.3	-8.0	138.0
Appropriations		-	-	-	-	-0.6
Profit/loss before tax		-1.3	6.1	-7.3	-8.0	137.4
Tax on profit/loss for the period		0.4	-1.6	1.8	1.6	0.5
Profit/loss for the period		-1.0	4.6	-5.4	-6.4	137.9

Parent Company balance sheet

SEKm	Note	Sep 30 2024	Sep 30 2023	Dec 31 2023
ASSETS				
Noncurrent assets				
Intangible fixed assets				
Other intangible assets		3.3	-	-
Total intangible assets		3.3	-	-
Financial assets				
Participations in Group companies		217.3	217.3	217.3
Total financial fixed assets		217.3	217.3	217.3
Deferred tax assets		2.0	1.5	1.6
Total noncurrent assets		222.5	218.8	218.9
Current assets				
Current tax assets		1.9	2.2	0.7
Other current receivables		0.0	-	-
Prepayments and accrued income		0.6	0.5	0.4
Total current receivables		2.4	2.7	1.1
Cash and cash equivalents		-	-	-
Total current assets		2.4	2.7	1.1
ASSETS		224.9	221.4	220.0
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		0.5	0.5	0.5
Total restricted equity		0.5	0.5	0.5
Unrestricted equity				
Share premium reserve		4.2	-	3.1
Retained earnings		37.4	52.6	49.5
Profit/loss for the period		-5.4	-6.4	137.9
Total unrestricted equity		36.2	46.2	190.5
Total equity		36.7	46.7	191.0
Noncurrent liabilities				
Other noncurrent liabilities		-	8.6	8.3
Total noncurrent liabilities		-	8.6	8.3
Current liabilities				
Liabilities to credit institutions		150.0	-	-
Accounts payable		0.4	0.5	0.2
Current liabilities to Group companies	4	14.0	148.0	4.4
Other current liabilities		14.2	10.2	10.0
Accrued expenses and deferred income		9.6	7.5	6.2
Total current liabilities		188.2	166.2	29.0
TOTAL EQUITY AND LIABILITIES		224.9	221.4	222.0

Parent Company Statement of Cash Flows

SEKm	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
Cash flow from operating activities						
Operating profit/loss		0.3	0.5	-0.9	-2.1	-2.1
Income tax paid		-0.4	-0.4	-0.3	-0.8	-1.1
Cash flow from operating activities before changes in working capital						
		-0.1	0.1	-1.2	-2.9	-3.2
Changes in working capital						
Decrease (+)/increase (-) in other receivables		0.1	0.2	-0.1	0.1	0.0
Decrease (-)/increase (+) in accounts payable		0.2	0.4	0.2	0	-0.3
Decrease (-)/increase (+) in other current liabilities		0.8	0.9	2.1	1.2	0.0
Cash flow from operating activities						
		1.0	1.6	1.0	-1.6	-3.5
Investing activities						
Investment in intangible assets fixed assets		-3.3	-	-3.3	-	-
Acquired subsidiary		-	-	-4.3	-16.5	-16.5
Cash flow from investing activities						
		-3.3	0.0	-7.6	-16.5	-16.5
Financing activities						
Change in intercompany liabilities		2.3	-4.7	5.5	175.0	176.9
Borrowing		-	-	150.0	-	-
Option premiums		-	3.1	1.1	3.1	3.1
Dividends to shareholders		-	-	-150.0	-160.0	-160.0
Cash flow from financing activities						
		2.3	-1.6	6.6	18.1	20.0
Cash flow for the period		0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents at beginning of period		0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents at end of period						
		0.0	0.0	0.0	0.0	0.0

Notes

Note 1 Accounting policies and general information

This consolidated interim report was prepared in accordance with IAS 34 "Interim Financial Reporting" and applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9. Interim Report in the Swedish Annual Accounts Act. In addition to the financial statements and their notes, information in accordance with IAS 34 is provided in the remaining parts of the interim report.

The same accounting principles and calculation methods used in the previous annual report have been applied to the Group and the Parent Company.

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

Additional accounting standards applied in 2024 have not had a significant impact on the consolidated financial statements.

Note 2 Operating segments and allocation of revenue

The Profoto Group consists of a single operating segment. Product development, sourcing, manufacturing and marketing are all managed at the Groupwide level, while sales are conducted in

three regions: EMEA, Americas and APAC. Internal monthly follow-up focuses on the Group as a whole in addition to the geographical sales data presented at levels other than the Group level.

SEKm	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
EMEA	51	55	187	207	279
Americas	81	76	235	253	338
APAC	32	40	109	122	169
Total net sales	164	172	531	583	787

Note 3 Other income

Other income includes an item affecting comparability of SEK 9m relating to the fair value adjustment of an earn-out relating to a business combination made in 2023. The fair value of the remaining liability totals SEK 5m and is based on management's assess-

ment of the likelihood of fulfillment of the terms of the agreement with respect to the acquisition of customers and the related revenue requirement per customer. The final settlement of the debt is expected in Q4 2024.

SEKm	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
Exchange gains	2	11	35	24	32
Adjustment of contingent consideration	9	-	9	-	-
Total	11	11	44	24	32

Note 4 Related-party transactions

Related-party transactions include remuneration to Board members and other senior executives. The remuneration levels are determined on a market basis.

The Parent Company invoices monthly management fees of SEK 1.7m (1.7) to the subsidiary Profoto AB. The level of monthly invoicing is determined annually and is based on the Group-wide fixed costs of the Parent Company. In Q3 2024, the Parent Company's revenue from invoiced management fees amounted to a total of SEK 5.0m (5.0). In the third quarter, the Group expensed consulting costs of SEK 0.3m (0.3) for the benefit of Aligro Advisory AB, which is owned by Profoto's chairman. According to the agreement, services corresponding to an invoice value of SEK 1m (1) will be performed and invoiced during 2024. The Parent Company has issued a general guarantee on behalf of its subsidiary (see note 6).

Parent Company SEKm	Sep 30 2024	Sep 30 2023	Dec 31 2023
Intercompany receivables	-	-	-
Intercompany liabilities	-14.0	-148.0	-4.4
Total	-14.0	-148.0	-4.4

Note 5 Intangible fixed assets

SEKm	Capitalized develop- ment expenditure	Technology, customer assets and brand	Other intangible assets ¹	Total
Opening accumulated acquisition value, January 1, 2024	344	100	39	483
Capitalized development expenditure	65	–	13	78
Currency effects	1	2	3	6
Closing accumulated cost as of September 30, 2024	410	102	55	565
Opening depreciation/amortization January 1, 2024	-189	-26	-34	-249
Depreciation/amortization for the period	-15	-11	0	-27
Currency effects	0	0	0	0
Closing accumulated depreciation/amortization on September 30, 2024	-204	-38	-34	-277
Opening impairment January 1, 2024	-19	-	-	-19
Closing accumulated impairment on September 30, 2024	-19	-	-	-19
Book value at September 30, 2024	187	64	21	272
Opening accumulated acquisition value January 1, 2023	278	95	35	408
Acquisitions	–	6	–	6
Capitalized development expenditure	46	–	0	46
Currency effects	1	3	–	4
Closing accumulated cost as at September 30, 2023	325	104	35	464
Opening depreciation/amortization January 1, 2023	-157	-11	-27	-195
Depreciation/amortization for the period	-25	-12	-5	-42
Currency effects	-1	-0	–	-1
Closing accumulated depreciation/amortization on September 30, 2023	-182	-23	-32	-238
Opening impairment January 1, 2023	-19	-	-	-19
Closing accumulated impairment on September 30, 2023	-19	-	-	-19
Book value at September 30, 2023	124	80	3	207

Goodwill as of September 30, 2024, totaled SEK 130m.

1) Other intangible assets consist of software and licenses with carrying values of SEK 14m (software) and SEK 4m (licenses).

Note 6 Pledged assets and contingent liabilities

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

Group SEKm	Sep 30 2024	Sep 30 2023	Dec 31 2023
Contingent liabilities			
Swedish Customs Service	1	1	1
Total	1	1	1

Explanations for alternative performance measures

Adjusted operating profit/loss (adjusted EBIT)

Adjusted operating profit is used to describe trends in the business and to increase comparability between periods.

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.

In the third quarter of 2024, an adjustment was made for items affecting comparability recognized under other operating income. See note 3 for further information.

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

SEKm	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
Net sales	530	583	787
Operating profit/loss (EBIT)	110	153	204
Total items affecting comparability			
Costs related to acquisitions	9	-	-
Adjusted operating profit (EBIT)	101	153	204
Adjusted EBIT margin, %	19.0	26.3	26.0

Adjusted EBIT margin, %

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

EBITA

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

EBIT

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

EBIT margin, %

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

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

SEKm	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
Operating profit/loss (EBIT)	39	35	110	153	204
Depreciation, amortization and impairment of intangible fixed assets	8	13	27	42	54
EBITA	48	48	137	195	258
Depreciation and impairment of property, plant and equipment	5	6	17	17	24
EBITDA	53	54	153	212	282

Explanation of alternative performance measures, cont.

Net debt/net cash

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 net amount indicates a positive net cash position.

SEKm	Sep 30 2024	Sep 30 2023
Liabilities to credit institutions, noncurrent	-	2
Other interest-bearing liabilities, noncurrent	-	9
Lease liabilities, noncurrent	29	34
Liabilities to credit institutions, current	216	81
Other interest-bearing liabilities, current	-	9
Lease liabilities, current	10	12
Cash and cash equivalents	-36	-58
Net debt	219	88

Net debt/EBITDA

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

SEKm	Sep 30 2024	Sep 30 2023
Net debt	219	88
EBITDA, LTM	223	312
Net debt/EBITDA LTM, ratio	0.98	0.28

Net sales adjusted for currency effects, %

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

%	Jul-Sep 2024	Jul-Sep 2023
Change in net sales	-4.4	-26.8
Currency effect	-3.3	-1.9
Organic growth adjusted for currency effect	-1.1	-28.7

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	Sep 30 2024	Sep 30 2023
Profit/loss for the period, LTM	120	183
Equity	330	356
Equity, LTM	343	337
Return on equity, %	34.9	54.3

Capital employed

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

SEKm	Sep 30 2024	Sep 30 2023
Total assets	833	746
Provisions, long-term	-7	-8
Deferred tax liabilities	-114	-95
Provisions, short-term	-10	-15
Accounts payable	-48	-37
Current tax liabilities	0	-13
Accrued expenses and deferred income	-55	-53
Other non-interest-bearing liabilities, current	-15	-22
Capital employed	585	502

Return on capital employed, %

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

SEKm	Sep 30 2024	Sep 30 2023
EBIT, LTM	161	234
Capital employed	585	502
Capital employed, LTM	544	489
Return on capital employed, %	29.6	47.9

Explanation of alternative performance measures, cont.

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	Sep 30 2024	Sep 30 2023
Total assets	833	746
Provisions, long-term	-7	-8
Deferred tax liabilities	-114	-95
Provisions, short-term	-10	-15
Accounts payable	-48	-37
Current tax liabilities	0	-13
Accrued expenses and deferred income	-55	-53
Other non-interest-bearing liabilities, current	-15	-22
Cash and cash equivalents	-36	-58
Operating capital	549	444

Return on operating capital, %

EBIT last twelve months (LTM) as a percentage of average operating capital based on incoming and outgoing operating capital for the last 12 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	Sep 30 2024	Sep 30 2023
EBIT, LTM	161	234
Operating capital	549	444
Operating capital, LTM	497	414
Return on operating capital, %	32.3	56.5

Performance measure by quarter

	2024			2023			2022	
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec
Net sales, SEKm	164	196	171	204	172	182	229	230
Organic growth, %	-1.1	7.6	-24.6	-10.1	-28.7	-8.5	0.0	-12.5
EBITA, SEKm	48	45	44	63	48	61	86	95
EBITA margin, %	29.0	23.2	25.6	31.0	28.0	33.6	37.4	41.1
EBIT, SEKm	39	36	34	51	35	47	72	80
EBIT margin, %	23.9	18.5	20.1	25.0	20.2	25.8	31.3	34.9
Adjusted EBIT, SEKm	30	36	34	51	35	47	72	80
Adjusted EBIT margin, %	18.4	18.5	20.1	25.0	20.2	25.8	31.3	34.9
Profit/loss for the period, SEKm	28	28	27	37	27	36	56	65
Net debt, SEKm	219	206	62	44	88	100	-75	4
EBITDA LTM, SEKm	223	224	241	282	312	344	344	322
Net debt/EBITDA LTM	0.98	0.92	0.26	0.16	0.28	0.29	-0.22	0.01
Return on equity, %	34.9	37.6	28.9	39.5	54.3	70.3	51.4	53.8
Earnings per share, SEK	0.70	0.70	0.66	0.92	0.67	0.89	1.40	1.62
Return on capital employed, %	29.6	30.4	28.9	37.9	47.9	54.9	49.4	52.5
Return on operating capital, %	32.3	34.0	38.9	49.0	56.5	64.7	94.0	84.2

Definitions

Average number of employees

Average number of full-time employees during the period.

LTM

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

Parent Company

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

Organic growth

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

Profoto Group/Group

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

Region 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.

Region Americas

Central America, North America and South America.

Earnings per share

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