

## Corporate Governance statement

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## Corporate Governance Code

Pursuant to Article 3:6, §2 of the Belgian Companies and Associations Code, the 2020 Code applies to smartphoto group NV and the Company uses the 2020 Code as a reference code. The Belgian Corporate Governance Code 2020 is available on the website of the Corporate Governance Committee, [www.corporategovernancecommittee.be](http://www.corporategovernancecommittee.be).

Smartphoto group NV complied with all stipulations from the Corporate Governance Code 2020, except those of which are deviated because of a reason mentioned elsewhere in this corporate governance statement.

The main aspects of smartphoto group NV's Corporate Governance policy are listed in the Corporate Governance Charter, which can be consulted on the website [www.smartphotogroup.com](http://www.smartphotogroup.com). The Corporate Governance Charter is updated on a regular basis.

In this annual report, we report on the practical application of the Corporate Governance Charter.

## Deviations from the 2020 Code

Because of the specific structure of the Company and the nature of its activities, the Company does deviate from the 2020 Code in a few stipulations:

The composition of the Board of Directors deviates from principle 3.4 of the 2020 Code which stipulates that at least 3 of the non-executive directors must be independent. The Board of

Directors is currently composed of 1 executive director and 6 non-executive directors, 2 of which are independent directors. The Board of Directors is of the opinion that, in view of the limited size of the Company, the current size and composition of the Board of Directors, the required complementarity and diversity is achieved in order to make decisions efficiently and effectively in the Company's best interest.

In deviation from principle 3.11 of the Code 2020, no formal meeting of the non-executive directors is held in absence of the CEO. The Board is of the opinion that, to evaluate the interaction with the CEO, such a meeting is not valuable, given the open and continuous dialogue with the CEO, both informally and at meetings of the Board of Directors and its committees. When the Board of Directors has to deliberate on matters of concern to the CEO, he is requested to leave the meeting.

The composition of the Nomination Committee deviates from principle 4.19 of the 2020 Code, which stipulates that the Nomination Committee must be composed of a majority of independent non-executive directors. The current Nomination Committee is composed of non-independent, non-executive directors. The Board of Directors is of the opinion that the fact that the members are not independent, does not weigh up against their experience as a member and Chairman of the Nomination Committee. This is even more justified in view of the division of powers between the Nomination Committee and the Remuneration Committee. The Board is of the opinion that these members therefore possess sufficient objectivity when exercising their function.

The remuneration of the non-executive directors deviates from principle 7.6 in the 2020 Code which stipulates that non-executive directors receive part of their remuneration in the form of shares of the Company. Non-executive directors receive a fixed remuneration of 12 500 euro per annum. The Board of Directors is of the opinion that the shareholders' long-term perspective is reasonably represented by: (i) the Chairman is the main shareholder of the companies that have united in the Midelco Consortium, which is holder of 701 195 shares of smartphoto group NV, (ii) three of the non-executive directors are connected to the main shareholders, and (iii) the Nomination Committee is composed of the non-executive directors connected to the main shareholders.

The remuneration of the executive director is a deviation from principle 7.8 of the 2020 Code, which stipulates that the variable part of the executive director's remuneration package is linked to the overall performance of the company and the individual performance. Notwithstanding the fact that the variable remuneration of the executive director is in principle linked to the overall performance of the Company, the Board of Directors is of the opinion that it is the individual performance of the executive director that underlies the achievement of these overall goals. After all, this is the merit of the managing director who is in charge of the daily management.

The remuneration of the executive director is also a deviation from principle 7.9 of the 2020 Code, which stipulates that a minimum threshold of shares must be adhered to. The Board of Directors is of the opinion that, despite the deviations from this principle of the 2020 Code, the interests of the executive director are sufficiently aligned with the objectives of sustainable value creation of the Company. The executive director is, through Acortis BV, represented by its permanent representative Mr Stef De corte, holder of 5 250 shares of the Company. Refer to the brief biography of the member of the Board of Directors.

In addition, the fact that the executive director already receives a remuneration in his capacity as CEO, and that the variable part of the remuneration is not only dependent on the individual performance, but also related to the overall performance of the Company, means that the interests of the executive director are aligned with the objectives of sustainable value creation of the Company.

### Composition and functioning of the Board of Directors

The Board of Directors is the main decision-making body of the Company and disposes of all authorities which are not preserved for the General Meeting of Shareholders by law or by the articles of association. Smartphoto group NV has opted for a monistic governance structure, in the sense of article 7:85 of the Belgian Companies and Association Code.

The roles and membership of the directors within the Board of Directors and the committees are as follows:

Name		Non-executive director	Independent director	Audit Committee	Nomination Committee	Remuneration Committee
De heer Philippe Vlerick	◇	x			◇	◇
Acortis BV, represented by its permanent representative Mr Stef De corte	x					
Pallanza Invest BV, represented by its permanent representative Mr Geert Vanderstappen	x	x		◇		
Fovea BV, represented by its permanent representative Mrs Katya Degrieck	x	x	x	x		x
Mr Hans Van Rijckeghem	x	x		x	x	
Alychlo NV, represented by its permanent representative Mr Marc Coucke	x	x			x	
Mrs Alexandra Leunen	x	x	x			x

◇ Chairman x Member

### Current composition of the Board of Directors

The General Meeting of Shareholders of May 13, 2020 decided to reappoint as directors: Mr Philippe Vlerick; Acortis BV, with its registered office at Drève des Hêtres Rouges 10, 1430 Rebecq, RPR Nivelles 0472.845.009, represented by its permanent representative Mr Stef De corte; Pallanza Invest BV, with its registered office at Molenberg 44, 1790 Affligem, RPR Brussels 0808.186.578, represented by its permanent representative Mr Geert Vanderstappen; Fovea BV, with its registered office at Vronerodelaan 103, 1180 Ukkel, RPR Brussels 0892.568.165, represented by its permanent representative Mrs Katya Degrieck; Mr Hans Van Rijckeghem; Alychlo NV, with its registered office at Lembergsesteenweg 19, 9820 Merelbeke, RPR Ghent, department Ghent 0895.140.645, represented by its permanent representative Mr Marc Coucke; and Mrs Alexandra Leunen; for a period of 3 years, with effect from May 13, 2020, and ending after the General Meeting of Shareholders of May 10, 2023.

Accordingly, the Board of Directors is composed of 7 members, of which 6 are non-executive members. The roles and responsibilities of the members of the Board of Directors, the composition, structure and organisation are described in detail in the Corporate Governance Charter of smartphoto group NV.

Not a single member of the Board of Directors has family connections with other members of the executive management or regulatory bodies of the company.

There are two independent directors in the Board of Directors.

The Board of Directors considers the following members to be independent directors:

- Fovea BV, represented by its permanent representative Mrs Katya Degrieck, and
- Mrs Alexandra Leunen.

Based on the information known to the company, as well as on the information provided by the directors, Fovea BV, represented by its permanent representative Mrs Katya Degrieck, and Mrs Alexandra Leunen, are independent directors as they meet all the criteria regarding independence included in Article 7:87 of the Belgian Companies and Associations Code and the 2020 Code.

The General Meeting of Shareholders of May 13, 2020 confirmed the independence of Fovea BV, represented by its permanent representative Mrs Katya Degrieck, and Mrs Alexandra Leunen, in accordance with Article 7:87 of the Belgian Companies and Associations Code.

By appointing Fovea BV, represented by its permanent representative Mrs Katya Degrieck, and Mrs Alexandra Leunen, the composition of the Board of Directors complies with the requirements for gender diversity within the Board of Directors, in accordance with Article 7:86 of the Belgian Companies and Associations Code.

#### **Duration of the current appointments**

The above mentioned directors are appointed until the General Meeting of Shareholders of 2023, which will take place on May 10, 2023.

#### **Directorships at other companies**

The brief biography of the members of the Board of Directors (see pages 34 until 40 of this document) also contains their main directorships at other companies.

#### **Internal measures to promote proper Corporate Governance practices**

Based on the indicative publication schedules related to the 2022 financial year, the closed periods are the following:

- From July 24, 2022 until August 24, 2022;
- From February 3, 2023 until March 3, 2023.

Insiders will be informed about the closed periods and the corresponding statutory and administrative law obligations associated with the abuse or unauthorised disclosure of confidential information.

The people with managerial responsibilities and persons closely associated with them are informed of the obligation to inform the supervisory body, the FSMA (Financial Services and Markets Authority), of any personal transactions in financial instruments of the Company outside the closed periods. This reporting obligation pursuant to Article 19 of the market abuse regulation (EU) No 596/2014 applies as soon as the total transaction amount within one calendar year has reached the 5 000 euro threshold, and applies to each subsequent transaction.

#### **Board of Directors' report on activities in 2021**

In 2021, 9 meetings took place under the chairmanship of Mr Philippe Vlerick.

One meeting dealt mainly with the budget for 2021, two meetings dealt mainly with the approval of the financial statements as at December 31, 2020 and the half-yearly financial statements as at June 30, 2021. One meeting dealt mainly with the agenda of the Annual General Meeting of Shareholders, including the proposal to approve the variable remuneration of the executive director in accordance with the proposal of the Remuneration Committee. At the other meetings, the Board of Directors mainly discussed the periodic reporting concerning the results of the group and the Company's financial position, the investment strategy, and the recommendations from the Board of Directors' committees, such as the annual evaluation of the executive director. The Board of Directors deliberates on matters including the strategy and progress, the management structure, the strategy concerning ERM, and proposals for acquisitions or divestments. More specifically, the dividend payment, the share repurchase programme of September 17, 2020, the impact of the measures regarding Covid-19, and the acquisition of Frucon<sup>2</sup> NV were discussed in the 2021 meetings.

The Board of Directors meets at least four times a year. In 2021, the Board of Directors met nine times. The individual attendance rate of the directors regarding the meetings of the Board of Directors in 2021 was as follows:

Name	Attendance rate
Mr Philippe Vlerick	100%
Acortis BV, represented by its permanent representative Mr Stef De corte	100%
Pallanza Invest BV, represented by its permanent representative Mr Geert Vanderstappen	100%
Fovea BV, represented by its permanent representative Mrs Katya Degrieck	89%
Mr Hans Van Rijckeghem	100%
Alychlo NV, represented by its permanent representative Mr Marc Coucke	67%
Mrs Alexandra Leunen	78%

Although the Articles of Association state that the decisions must be made by a majority of votes, in 2021 the Board of Directors took all decisions by full consensus.

### Conflict of interests

Directors' conflict of interests of a patrimonial nature in application of Article 7:96 of the Belgian Companies and Associations Code.

In 2021, the Board of Directors complied with the procedure in accordance with Article 7:96 of the Belgian Companies and Associations Code, in the meeting of the Board of Directors on March 26, 2021.

The relevant parts of the minutes of this meeting of the Board of Directors are listed below:

“Article 7:96 of the Belgian Companies and Associations Code - declaration of the directors  
Mr Stef De corte declares, with regard to agenda item 5, he is affected by a conflict of interest, as a decision must be taken on the remuneration of Acortis BV, of which Mr De corte is permanent representative.

Consequently, the procedure included in Article 7:96 of the Belgian Companies and Associations Code must be complied with. Mr De corte will therefore leave the meeting during the discussion and decision-making of agenda item 5.

The Statutory Auditor will be informed of this conflict of interest.

### DELIBERATIONS AND DECISIONS

#### V. Discussion and approval variable remuneration Acortis BV

Mr Stef De corte leaves the meeting.

The Board of Directors refer to the Remuneration policy. The remuneration of the executive director consists, on the one hand, of a fixed component as a remuneration for the responsibilities related to the function and for certain competencies and experience; which is compared to remunerations of comparable functions, and annually evaluated. On the other hand, the remuneration consists of a performance-related remuneration which is related to the realisation of objectives of the Company and of individual objectives.

These objectives include both financial and non-financial objectives, of which the combination ensures a balanced package, whereby value is created for the shareholder, based on cash flow and growth.

The Remuneration Committee proposed the following remuneration package for Acortis BV over 2020:

- a fixed remuneration component of 385K euro - consistent with previous years
- a variable remuneration component of 147K euro, and
- other remuneration components of 3K euro.

The Board of Directors is of the opinion that this proposal is economically justified and in line with market conditions, and thus justified. There are no negative patrimonial consequences for the Company. Consequently, the Board of Directors approves the proposal.

The Remuneration policy stipulates that, in accordance with article 7:91 of the Belgian Companies and Associations Code, the variable remuneration is one quarter or less of the total annual remuneration. For the 2020 financial year, the proposed variable remuneration component amounts to 27%, and the fixed remuneration component amounts to 72% of the total remuneration. As a consequence, the remuneration of the executive director must be submitted for approval to the General Meeting of Shareholders. The approval will be included as a separate agenda item at the General Meeting of Shareholders of May 12, 2021.

Moreover, the remuneration of the executive director is part of the Remuneration report, which is also subject to approval of the Annual Shareholders Meeting.

Mr Stef De corte rejoined the meeting.”

#### **Relationships with affiliated companies**

Transactions between the Company and its subsidiaries and affiliated companies in accordance with Article 7:97 of the Belgian Companies and Associations Code.

During the 2021 financial year, there were no situations as referred to in Article 7:97 of the Belgian Companies and Associations Code.



## PHILIPPE VLERICK

Chairman,  
non-executive director

Office address:  
Vlerick Group - Doorniksewijk 49  
8500 Kortrijk, Belgium

## BRIEF BIOGRAPHY OF THE MEMBERS OF THE BOARD OF DIRECTORS

Holder of several degrees from domestic and foreign universities (philosophy, law, management, business administration). Extensive experience as a director and manager in numerous companies, of which several in the financial and industrial sector.

Active in sector federations and interest groups of the corporate world (VBO, Voka, etc.).

Non-executive director at the Company since 1995. Vice Chairman from November 28, 2005 to 2017. Chairman since May 10, 2017, also Chairman of the Nomination Committee and the Remuneration Committee.

His current mandate as director of the Company continues until the Annual General Meeting of Shareholders in 2023.

Current directorships at other companies:

- BIC Carpets NV (chairman),
- UCO NV (chairman, managing director),
- Raymond Uco Denim Private Limited (chairman),
- Exmar NV (director),
- KBC Groep (vice-chairman),
- Besix NV (chairman),
- BMT NV (director),
- Vlerick Business School (director),
- LVD Company NV (director),
- Pentahold NV (chairman),
- Concordia Textiles NV (director),
- Oxurion NV (director),
- Festival van Vlaanderen (chairman),
- Mediahuis (director).

In addition, Mr Philippe Vlerick is a director of various family companies. Mr Philippe Vlerick has no family ties with other members of the Company's administrative, management or supervisory bodies.

Mr Philippe Vlerick is the main shareholder of the companies that have joined forces in the Consortium Midelco NV, which holds 701 195 shares (17.79%) of smartphoto group NV, of which 3 607 shares are held by Mr Philippe Vlerick personally. Mr Philippe Vlerick does not hold any stock options of smartphoto group NV and does not hold any registered shares of the Company.

There is no agreement between the Company or its affiliates and Mr Philippe Vlerick, which provides for any benefit upon termination of the mandate.



## STEF DE CORTE

Permanent representative  
of ACORTIS BV,  
managing director, CEO

Office address:  
smartphoto group NV  
Kwatrechtsteenweg 160  
9230 Wetteren, Belgium

Civil engineer. Active within the group since 1999, initially as Finance & Administration Manager, then director of the Wholesale division which then had 18 labs in Europe, later as Chief Financial Officer and since December 2005 as Managing Director of smartphoto.

At the General Meeting of May 12, 2010, Mr Stef De corte was appointed director and on June 7, 2012 as managing director of smartphoto group NV. As of November 14, 2017, Acortis BV, represented by its permanent representative Mr Stef De corte, was appointed as managing director.

Previously active in various consultancy functions in the field of production, logistics and general business management at Bekaert-Stanwick and ABB Service.

His current mandate as managing director of the Company continues until the Annual General Meeting of Shareholders in 2023.

Current directorships at other companies:

- Roxette Photo NV (director),
- Daddy Kate NV (chairman).

Mr Stef De corte has no family ties with other members of the Company's executive, management or supervisory bodies. Mr Stef De corte does not hold any personally registered shares in the Company. Acortis BV, represented by its permanent representative Mr De corte, holds 5 250 shares. Acortis BV and Mr Stef De corte do not hold any stock options of smartphoto group NV.

There is an agreement that - only upon termination of the mandate at the request of the Company - provides for financial compensation of twelve months.



## GEERT VANDERSTAPPEN

Permanent representative  
of PALANZA INVEST BV,  
non-executive director

Office address:  
Pentahold NV - Molenberg 44  
1790 Affligem, Belgium

Civil engineer. Acted as Chief Financial Officer at the Company between 1993 and 1999, which is more than five years ago. As a partner at Pentahold NV and Buy-Out Fund CVA, Mr Vanderstappen has solid financial expertise.

Non-executive director since November 28, 2005. Director and Chairman of the Audit Committee. Mr Geert Vanderstappen has the necessary expertise in the field of accounting and auditing in the sense of Article 7:99, §2 of the Belgian Companies and Associations Code.

The current mandate of Pallanza Invest BV, represented by its permanent representative Mr Geert Vanderstappen, as director of the Company continues until the Annual General Meeting of Shareholders in 2023.

Current directorships at other companies:

- Kinapolis NV,
- Garden Vision (Oh'green) NV,
- Pentahold NV,
- Advipro Groep,
- Optimum Sorting Groep.

Mr Geert Vanderstappen has no family ties with other members of the Company's executive, management or supervisory bodies. Pallanza Invest BV and Mr Geert Vanderstappen do not hold any registered shares in smartphoto group NV, do not hold any stock options, and do not have any other business links with the group.

There is no agreement between the Company or its affiliated companies and Mr Geert Vanderstappen, which provides for any benefit upon termination of the mandate.





## KATYA DEGRIECK

Permanent representative  
of FOVEA BV,  
non-executive director

Office address:  
Fovea BV - Vronerodelaan 103  
1180 Brussels, Belgium

Commercial Engineer. MBA.

Started as a management consultant at Andersen Consulting and has been active in the media world for 25 years: including managing director of ECI (daughter of Bertelsmann), Corporate Director & Business Development manager of Corelio, member of the Executive Committee of Corelio NV (later Mediahuis NV), and director of various media companies of the Corelio and/or Mediahuis holdings, and the Arkafund venture capital fund.

Today active at Google as Head of Large Publishers in Northern Europe.

Current directorships at other companies:

- Director at Lannoo Group, one of the biggest book publishers of the Benelux.
- Non-executive, independent director at UPG (Unified Post Group) as from September 8, 2020. Listed company. Member of the Remuneration Committee and the M&A Committee.
- Member of the International Advisory Board IconicHouses.org, a global platform and network for house musea.

Non-executive, independent director since May 8, 2013. Member of the Remuneration Committee and the Audit Committee since May 10, 2017. Mrs Katya Degriek complies with the independence criteria in accordance with principle 5.3 of the Belgian Corporate Governance Code 2020, referred to in Article 7:87 of the Belgian Companies and Associations Code.

The mandate of Fovea BV, represented by its permanent representative Mrs Katya Degriek, as director of the Company, continues until the Annual General Meeting of Shareholders in 2023.

Mrs Katya Degriek has no family ties with other members of the Company's administrative, management or supervisory bodies. Fovea BV and Mrs Katya Degriek do not hold any registered shares in smartphoto group NV, do not hold any stock options of the Company, and do not have any other business links with the group.

There is no agreement between the Company or its affiliates and Mrs Katya Degriek, which provides for any benefit upon termination of the mandate.



## HANS VAN RIJCKEGHEM

Non-executive director

Office address:  
Locofin BV - Bunder 4  
9080 Lochristi, Belgium

Licentiate in Commercial and Financial Sciences (VLEKHO - Brussels), PUB (Vlerick Business School- Ghent).

Since 2010 managing director of Shopinvest NV, Nr4 NV and various associated real estate companies. Also director at Concordia Textiles NV.

Mr Van Rijckeghem started his career in 1993 at KBC Bank NV. He then worked for ten years at the independent service provider Lessius Corporate Finance (partner until 2009). Also active as chairman-director of VZW Karus, psychiatric centre in Melle and Ghent.

Non-executive director and member of the Nomination Committee and the Audit Committee at the Company since May 10, 2017. Mr Hans Van Rijckeghem has the necessary expertise in the field of accounting and auditing in the sense of Article 7:99, §2 of the Belgian Companies and Associations Code.

His current mandate as director of the Company continues until the Annual General Meeting of Shareholders in 2023.

Mr Hans Van Rijckeghem has no family ties with other members of the Company's executive, management or supervisory bodies. Mr Hans Van Rijckeghem is managing director of Shopinvest NV, which holds 719 000 shares (18.24%) of smartphoto group NV.

Mr Hans Van Rijckeghem does not hold any registered shares in smartphoto group NV, does not hold any stock options of the Company, and does not have any other business links with the group.

There is no agreement between the Company or its affiliated companies and Mr Hans Van Rijckeghem, which provides for any benefit upon termination of the mandate.



## MARC COUCKE

Permanent representative  
of ALYCHLO NV,  
non-executive director

Office address:  
Alychlo NV - Lembergsesteenweg 19  
9820 Merelbeke, Belgium

Master in Pharmaceutical Sciences (UGent) followed by Postgraduate Business Management (MBA Vlerick Business School- Ghent).

Founder and former CEO of Omega Pharma. After its sale, Mr Marc Coucke invested through Alychlo NV in various listed and unlisted companies.

Current most important directorships at other companies:

- Fagron NV (director),
- Animalcare Group Plc. (director).

Non-executive director and member of the Nomination Committee at the Company since May 10, 2017. His current mandate as director of the Company continues until the Annual General Meeting of Shareholders in 2023.

Mr Marc Coucke has no family ties with other members of the Company's administrative, management or supervisory bodies. Mr Marc Coucke is the main shareholder of Alychlo NV, which is the holder of 625 557 shares (15.87%) in smartphoto group NV. In addition, Mr Marc Coucke holds 900 shares (0.02%) of smartphoto group NV personally.

The shares of smartphoto group NV, held by Alychlo NV are registered shares, and are recorded in the shareholders' register of the Company. The shares held by Mr Marc Coucke personally, are not registered shares. Alychlo NV and Mr Marc Coucke, do not hold any stock options of the Company, and do not have any other business links with the group.

There is no agreement between the Company or its affiliated companies and Mr Marc Coucke, which provides for any benefit upon termination of the mandate.



## ALEXANDRA LEUNEN

Non-executive director

Office address:  
Van Hamméestraat 41  
1030 Brussels, Belgium

UX Design & Research Certificate (ULB), Digital Transformation Program «Take the Lead», Digital Disruption (Vlerick Business School), Graduate Marketing (EPHEC). Graduate International Advertising Association (IAA).

Head of Digital & Customer Experience at STIB/MIVB. Previously active as a Freelance Consultant (Patada Consult) in various companies in the field of marketing, communication and digitisation. Founder and Managing Partner of Lemon Crush BV, sold in 2013. Active in 'Woman on board' and 'Entrepreneurs WE'.

Current directorships at other companies:

- Ascencio CVA (director);
- Universum NV (director).

Non-executive, independent director and member of the Remuneration Committee since May 10, 2017. Mrs Alexandra Leunen fulfills the independence criteria in accordance with principle 5.3 of the Belgian Corporate Governance Code 2020, referred to in Article 7:87 of the Belgian Companies and Associations Code.

Mrs Alexandra Leunen's mandate, as director of the Company, continues until the Annual General Meeting of Shareholders in 2023.

Mrs Alexandra Leunen has no family ties with other members of the Company's administrative, management or supervisory bodies. Mrs Alexandra Leunen does not hold any registered shares or stock options in smartphoto group NV, nor does she have any other business links with the group.

There is no agreement between the Company or its affiliates and Mrs Alexandra Leunen, which provides for any benefit upon termination of the mandate.

## Composition and functioning of the committees

The Board of Directors has established three committees: an Audit Committee, a Nomination Committee, and a Remuneration Committee. The regulations of these committees have been incorporated in the Corporate Governance Charter.

### Audit Committee

Composition of the Audit Committee

The following members of the Audit Committee have been appointed until the 2023 Annual General Meeting of Shareholders, which will take place on May 10, 2023:

- Pallanza Invest BV, represented by its permanent representative Mr Geert Vanderstappen, director and Chairman of the Committee;
- Fovea BV, represented by its permanent representative Mrs Katya Degriecq, independent director;
- Mr Hans Van Rijckeghem, director.

In accordance with Article 7:99 of the Belgian Companies and Associations Code, the Audit Committee is composed of 3 non-executive members of the Board of Directors. The members possess a collective expertise in the field of the Company's activities. At least one member is an independent director in the sense of Article 7:87. Fovea BV, represented by its permanent representative Mrs Katya Degriecq, is an independent director.

Also in accordance with Article 7:99 of the Belgian Companies and Associations Code, at least one member of the Audit Committee possesses the necessary expertise and professional experience in the field of accounting and audit. Both Mr Geert Vanderstappen, permanent representative of Pallanza Invest BV, non-executive director, and Mr Hans Van Rijckeghem, non-executive director, possess the necessary expertise and professional experience in the field of accounting and audit as a result of their career and current professional activities.

The CEO and the internal auditor attend the meetings of the Audit Committee.

Audit Committee's report on its activities in 2021

The Audit Committee met 4 times in 2021. Two meetings were mainly devoted to the review of the consolidated financial statements as at December 31, 2020 and the half-yearly consolidated figures as at June 30, 2021. One meeting was devoted to the annual impairment tests in accordance with IAS 36 concerning the identified cash-generating unit e-commerce, to examine whether an impairment loss should be recognised. One meeting was mainly devoted to internal controls and risk management systems, more specifically the risks and the measures taken to mitigate the risks related to cybersecurity were discussed. Other important items on the agenda were: the discussion of the acquisition of Frucon<sup>2</sup> NV, the impact of the measures related to

Covid-19 and the discussion of the non-audit services of the Statutory Auditor and its network. The Audit Committee also checked the findings and recommendations of the Statutory Auditor as well as his independence.

Of 12 possible attendances (4 meetings x 3 members) there were no apologies for absence, all members participated in the meetings.

### Nomination Committee

Composition of the Nomination Committee.

The following members of the Nomination Committee have been appointed until the 2023 Annual General Meeting of Shareholders, which will take place on May 10, 2023:

- Mr Philippe Vlerick, Chairman of the Committee, non-executive director;
- Mr Hans Van Rijckeghem, non-executive director;
- Alychlo NV, represented by its permanent representative Mr Marc Coucke, non-executive director.

The composition of the Nomination Committee deviates from principle 4.19 of the 2020 Code, which stipulates that the Nomination Committee must be composed of a majority of independent, non-executive directors. The current Nomination Committee is composed of non-independent, non-executive directors. The Board of Directors is of the opinion that the fact that the members are not independent does not weigh up against their experience as a member and Chairman of the Nomination Committee. This is even more justified in view of the division of powers between the Nomination Committee and the Remuneration Committee. The Board is of the opinion that these members therefore possess sufficient objectivity when exercising their function.

Nomination Committee's report on its activities in 2021

The Nomination Committee makes proposals concerning the evaluation and reappointment of directors and executive management, as well as the appointment and introduction of new directors.

In accordance with principle 4.5 of the 2020 Code, the Nomination Committee convenes when necessary in order to fulfil its tasks efficiently. In 2021, the Nomination Committee did not meet.

## Remuneration Committee

The Remuneration Committee makes recommendations to the Board of Directors about the individual remuneration of the directors, including the Chairman of the Board of Directors, the remunerations for the members of the committees and the people responsible for daily management, including variable remuneration and long-term performance bonuses, whether or not linked to shares, in the form of share options or other financial instruments, and severance pay.

The recommendations of the Remuneration Committee are submitted to the Board of Directors and subsequently the General Meeting of Shareholders for approval.

### Composition of the Remuneration Committee

The following members of the Remuneration Committee have been appointed until the 2023 Annual General Meeting of Shareholders, which will take place on May 10, 2023:

- Mr Philippe Vlerick, Chairman of the Committee, non-executive director;
- Fovea BV, represented by its permanent representative Mrs Katya Degrieck, independent non-executive director;
- Mrs Alexandra Leunen, independent non-executive director.

The composition of the Remuneration Committee fulfils the requirements of Article 7:100 of the Belgian Companies and Associations Code and the principles of the 2020 Code.

The members all possess the necessary expertise in the field of remuneration policy, in view of their prior and current professional activities.

### Remuneration Committee's report on its activities in 2021

In accordance with Article 7:100 of the Belgian Companies and Associations Code, the Remuneration Committee convenes when they deem it necessary to carry out their tasks effectively, and at least twice a year. The Remuneration Committee met twice in 2021 and dealt with issues including the individual remuneration for the executive director, more specifically, the approval of the variable remuneration over 2020, and the terms and conditions of the fixed and variable remunerations for the current financial year. Moreover, the remuneration for the non-executive directors and the executive director are reviewed according to the stipulations of the Belgian Companies and Associations Code and the principles of the 2020 Code.

The remuneration policy of the Company was approved by the General Meeting of Shareholders of May 12, 2021. Thereafter, for every material change and at least every four years, the remuneration policy will be submitted for approval to the General Meeting of Shareholders of the Company.

All members attended the meetings.

## Information regarding diversity

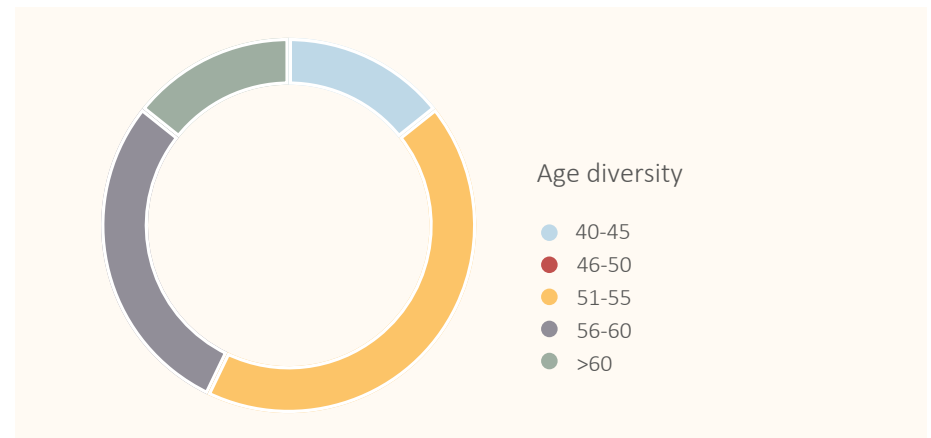
The composition of the Board of Directors takes into account the necessary diversity and complementarity concerning competencies, experience and knowledge for efficient and effective decision-making.

Gender and age diversity are also pursued when appointing a new director. The appointments of the members of the Board of Directors, confirmed by the General Meeting of Shareholders on May 13, 2020, met the criteria of the proposed diversity policy.

The current composition of the Board of Directors also complies with the legal requirements of gender diversity as provided for in Article 7:86 of the Belgian Companies and Associations Code. The legal requirements are included in the nomination process of the members of the Board of Directors.

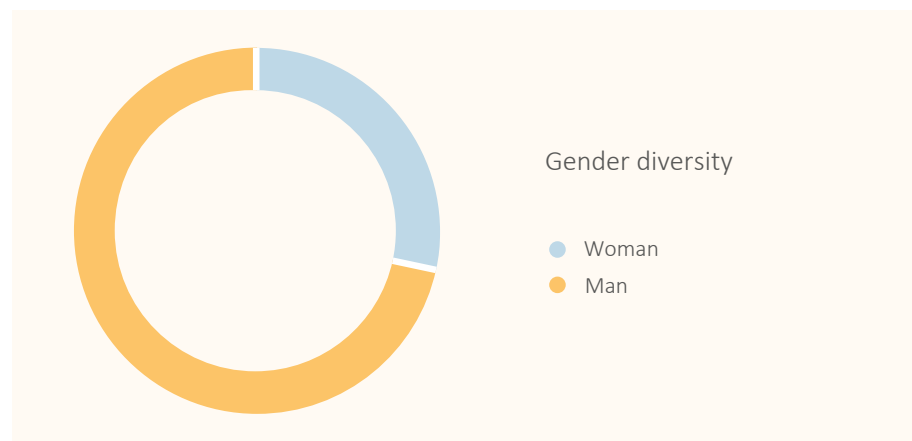
### Age diversity within the current Board of Directors

Age	40-45	46-50	51-55	56-60	>60	Total
Number of directors	1		3	2	1	7
In % of total	14.3%	0.0%	42.9%	28.6%	14.3%	100.0%



## Gender diversity within the current Board of Directors

Gender	Woman	Man	Total
Number of directors	2	5	7
Breakdown	2/7	5/7	



In the brief biography of the members of the Board of Directors, more information can be found concerning the competency, experience and expertise of the members.

### Statutory Auditor

The General Meeting of Shareholders of May 13, 2020 has appointed Grant Thornton Bedrijfsrevisoren CVBA, represented by Mr Danny De Jonge, Auditor, as Statutory Auditor of the Company. This appointment of Grant Thornton Bedrijfsrevisoren CVBA runs for three years and expires after the General Meeting of 2023.

### Day-to-day management

#### Managing director

In accordance with Article 19 of the Articles of Association, the authorisation for the day-to-day management has been delegated to a managing director. The managing director, or two directors acting jointly, represent the enterprise legally and factually. Acortis BV, represented by its permanent representative Mr Stef De corte, is acting as managing director of the Company as from November 14, 2017.

## Evaluation process of the Board of Directors, the committees and the individual directors

The Board of Directors regularly evaluates its size, composition and performance; as well as those of the committees and the individual directors. In this evaluation, the Board of Directors assesses how the Board of Directors and the committees operate, examines whether the important issues are thoroughly prepared and discussed, evaluates the performance of each director and, if necessary, the current composition of the Board of Directors or the committees is harmonised with the required composition of the Board of Directors or of the committees.

### Remuneration report

The remuneration report provides a general overview of the remunerations granted to the executive and non-executive directors in 2021. The fees included below are in accordance with Article 3:6, §3 of the Belgian Companies and Associations Code, with the 2020 Belgian Corporate Governance Code ("2020 Code") and with the Company's remuneration policy, applicable as from 2020.

The Remuneration Committee makes recommendations to the Board of Directors on (i) the remuneration policy and (ii) the individual remuneration of the directors, the persons charged with day-to-day management as referred to in Article 3:6, §3, last paragraph, and the persons charged with the day-to-day management. These recommendations are subject to the approval of the Board of Directors and the shareholders at the Annual General Meeting.

The remuneration policy of smartphoto group has been drawn up in accordance with Article 7:89/1 of the CCA and, insofar no deviations have been included in the Corporate Governance statement, with the recommendations of the 2020 Code. The remuneration policy is approved by the General Meeting of Shareholders of May 12, 2021. This policy will, for every material change and at least every four years, be submitted for approval to the General Meeting of Shareholders of the Company.

#### Remuneration of the non-executive directors in 2021

In accordance with the remuneration policy of smartphoto group NV, the non-executive directors each receive a fixed remuneration of 12 500 euro per year.

Mr Philippe Vlerick, appointed as Chairman, receives an additional fixed remuneration of 12 500 euro per annum in his capacity as Chairman of the Board of Directors.

No separate remunerations are provided for the members of the committees, except for the members of the Audit Committee (Pallanza Invest BV, Fovea BV and Hans Van Rijckeghem). In addition to their general annual remuneration as a member of the Board of Directors, they each receive an annual fixed remuneration of 2 500 euro.



The total fees paid to non-executive directors for the 2021 financial year amount to 95 000 euro; for 2020, these fees also amounted to 95 000 euro.

There is no agreement between the Company or its affiliated companies and the non-executive members of the Board of Directors, which provides for any benefit upon termination of their mandate as directors.

The non-executive directors do not receive variable remunerations, pensions or other components of remuneration. Accordingly, the fixed remuneration granted to them, as described above, is the full remuneration granted to them.

The non-executive directors personally hold a total of 4 507 shares in the Company. Certain directors represent another main shareholder, and are indirect shareholders. A breakdown of these indirect interests can be found on page 50 of this document.

44 None of the directors has received a loan granted by smartphoto group NV or any other related company.

Remuneration of the executive director in 2021

The remuneration of the executive director is determined by the Board of Directors at the recommendation of the Remuneration Committee, corresponding to the remuneration policy of smartphoto group NV.

A part of the remuneration of the present executive director is performance related as an incentive to support the short and long term performance of the group. The variable remuneration is directly linked to the achievement of the objectives of smartphoto group NV. In accordance with principle 7.12 of the 2020 Code, there is a clawback clause between Acortis BV, represented by its permanent representative Mr Stef De corte, and the Company to withhold payment of variable remuneration in case the proposed objectives, which are set up at the start of the financial year, and are proposed by the Remuneration Committee, are not realised.

The executive director's remuneration is a deviation from principle 7.8 of the 2020 Code, which stipulates that the variable part of the executive director's remuneration package is linked to the overall performance of the Company and individual performances. Notwithstanding the fact that the variable remuneration of the executive director is in principle linked to the overall performance of the Company, it is the individual performance of the executive director that underlies the achievement of these overall goals. After all, this is the merit of the managing director who is in charge of the daily management.

In 2021, the fixed remuneration amounts to 385K euro. The variable remuneration consists of a cash bonus which depends on the realised performance of the Company against the objectives pursued, as determined by the Remuneration Committee. The actual performance

over the 2021 financial year did not meet the objectives pursued, therefore, there is no variable remuneration granted over 2021. The remuneration of the executive director for 2021 includes a one-off success fee for the realisation of the acquisition of Frucon<sup>2</sup> NV and Frucon International Inc. Thanks to the efforts and commitment of the executive director in the months prior to the acquisition, the acquisition was completed on December 2, 2021, by signing the sale-purchase agreement. This non-recurring component amounts to 125K euro. The other remuneration components amount to 2K euro. The total remuneration for the executive director for the 2021 financial year thus amounts to 512K euro.

The remuneration components for the executive director are shown below. No guarantees or loans have been provided by smartphoto group NV or related companies to the executive director.

Remunerations and interests of the executive director (in K euro)

Executive Director	Fixed remuneration component <sup>(1)</sup>	Variable remuneration component <sup>(1) (2)</sup>	Non-recurring remuneration component <sup>(3)</sup>	Other remuneration components <sup>(4)</sup>
Stef De corte <sup>(5)</sup>	-385		-125	-2

<sup>(1)</sup> Cost to the Company, i.e. gross amount including social security contributions.

<sup>(2)</sup> The variable component is determined in the form of a bonus plan that is assessed each year by the Remuneration Committee. This bonus plan includes financial and non-financial targets.

<sup>(3)</sup> The non-recurring component includes a one-off success fee for the realisation of the acquisition of Frucon<sup>2</sup> NV and Frucon International Inc., as determined by the Remuneration Committee.

<sup>(4)</sup> The other components refer to the costs for insurance policies, and the cash value of the other benefits in kind, i.e. expense allowances, company car, etc.

<sup>(5)</sup> Mr Stef De corte, fixed representative of Acortis BV.

Regardless of the aforementioned remuneration, Acortis BV, represented by its permanent representative Mr Stef De corte, holds 5 250 shares of smartphoto group NV. See the brief biography of the members of the Board of Directors. Contrary to principle 7.9 of the 2020 Code, no minimum threshold has been set for shares that should be held. The Board of Directors is of the opinion that, despite the deviations from this principle of the 2020 Code, the interests of the executive director are sufficiently aligned with the objectives of sustainable value creation of the Company. Moreover, the fact that the executive director already receives a remuneration in his capacity as CEO, and that the variable component of the remuneration not only depends on the individual performance, but also relates to the overall performance of the Company, means that the interests of the executive director are sufficiently aligned with the objectives of sustainable value creation of the Company.



Information about the remuneration policy in accordance with Article 7:91 of the Belgian Companies and Associations Code

The remuneration policy stipulates that the variable remuneration is one quarter or less of the total annual remuneration. For the 2021 financial year, the variable remuneration component was nil. The non-recurring remuneration component amounts to 125K euro, which is 24% of the total remuneration and the fixed remuneration amounts to 75% of the total remuneration.

#### Severance payments

There is an agreement between Mr Stef De corte and the Company that - only upon termination at the request of the Company - provides for a financial compensation of 12 months.

Other information corresponding to Article 3.6, §3 of the Belgian Companies and Associations Code

The annual evolution of the remuneration, of the development of the Company's performance and of the average remuneration of the other employees of the Company are presented in the table below; as well as the ratio between the highest and the lowest remuneration within the Company.

Evolution of the remuneration	2017	2018	2019	2020	2021
Yearly remuneration non-executive directors <sup>(1)</sup>	0%	0%	0%	0%	0%
Executive director <sup>(2)</sup>	-8.1%	2.2%	2.2%	12.0%	-3.8%
Changes in the performance of the Company <sup>(3)</sup>	44.5%	5.3%	27.2%	34.9%	-14.1%
Changes in the average remuneration of the other employees <sup>(4)</sup>	-2.1%	0.4%	4.7%	-3.1%	5.0%
Ratio between the highest and lowest remuneration <sup>(5)</sup>	9.8%	10.2%	10.3%	10.2%	10.2%

<sup>(1)</sup> The evolution of the annual remuneration of the non-executive directors is calculated by dividing the annual remuneration for a non-executive director for the financial year by the annual remuneration for the previous financial year.

<sup>(2)</sup> The evolution of the annual remuneration of the executive director is calculated by dividing the annual remuneration (fixed and variable) for the executive director for the financial year by the annual remuneration for the previous financial year.

<sup>(3)</sup> The change in performance of the Company is calculated by dividing the EBITDA for the financial year by the EBITDA for the previous financial year.

<sup>(4)</sup> Changes in average remuneration (expressed as full time equivalents) of the other employees.

<sup>(5)</sup> Ratio between the fixed remuneration of the executive director and the lowest remuneration (in full time equivalents) of the other employees.

## Risk management and internal control

The Board of Directors relies on the Audit Committee for the supervision of the proper operation of the risk management and internal control systems.

The internal control and risk management systems provide reasonable assurance regarding the achievement of the objectives, the reliability of the financial reporting and compliance with the applicable laws and regulations.

The management of risks forms an integral part of the way in which the group is managed. The group has taken - and will continue to take - measures to control any risks as efficiently as possible. There is no guarantee, however, that the measures taken will be completely efficient in all possible circumstances and it can therefore not be ruled out that some risks may occur and therefore may impact the Company. There may be other risks the Company is currently not aware of or which are currently not thought to be significant, and which may have a negative impact on the Company or the value of its shares.

The analysis of the risks surrounding the planning, organisation, managing and controlling of operations is being elaborated and structured in more detail. This Enterprise Risk Management process (ERM process) encompasses financial, strategic and operational risk management to minimise the likelihood of risks. This means that the business risks are being systematically identified, measured and controlled, so that the risk profile is in line with the risk appetite. The Audit Committee monitors the ERM project. The ERM system is systematically evaluated by the Audit Committee.

The internal audit department of smartphoto group ensures that the risk management process is complied with, that the minimum internal control requirements are met, and that the identification and management of the risks are implemented effectively. The Audit Committee subjects the company's systems for internal control and risk management to an annual assessment. The Audit Committee also evaluates the operation of the internal audit department on a biannual basis.

The external audit also assesses the internal controls embodied in the business processes on an annual basis and reports regularly to the Audit Committee.

## Description of the risks and uncertainties

### Strategic risks

#### Market risks

The Company operates in a market that is highly susceptible to changes. The most important market-related risks are related to technological developments and their effect on consumer behaviour, the development of consumer prices, and the competitive position.

Smartphoto group's strategy is based to a large extent on the findings of prospective market research from which new opportunities emerge for the business. These findings have an inherent risk of error and may also be impacted by future technological developments not yet taken into account. The group manages these risks by permanently keeping in touch with the technological world, the market, and the consumers, in order to, if necessary, rapidly revise not only its strategy, but also its investment plans and business plans.

The future profitability of the Company is also determined by the selling prices that it can achieve for its products and services. The price elasticity of the demand, combined with the development of the margins, involves a risk for the group's profitability. Although the group assumes continued price pressure in its business plan, it continues to proactively manage risks by reducing its fixed overhead costs on the one hand and, on the other, by continuously offering new products. Thus the range of photo related products is increasingly being expanded with products such as photo books, cards, calendars, gifts, wall decoration, clothing and accessories, etc.

The group's future market share and business figures can be affected by campaigns of existing competitors or the entry of new competitors. By monitoring the position of competitors on a permanent basis, the group takes this factor into account for the further development of its plans and its operation.

### Operational risks

#### Inventory risks

Inventory risks can arise due to technological development or obsolescence, by theft or by price and currency fluctuations. The risks due to technological changes and the price risks are limited by optimising the inventory. The inventory is also continuously evaluated, and if needed sufficient amortisation and depreciation is applied to cover the risks. Risks of loss of inventory by theft are covered by stock insurances. Due to the nature of the activities, these risks are limited.

Regarding the e-commerce activities, smartphoto group is only dependent on strategic suppliers to a limited extent. There are always several suppliers for each of the various product groups.

#### IT risks

The e-commerce activities are strongly dependent on the in-house development of IT systems and access to the internet in general.

The online ordering software is maintained by a team of specialists and is increasingly optimised to improve the functionality for the customer. To reduce the risk of the failure of the systems as much as possible, and to ensure the continuity of operations, continuity programmes have been developed in which several backup systems have been implemented and fallback scenarios have been elaborated.

The migration of our fixed data centre to the Google Cloud platform has further contributed to the increased optimisation of our websites' speed and accessibility. It also helped to increase the security of our platform.

### Financial risks

#### Financial reporting

The quality of the reported financial figures is assured by the proper monitoring of the accounting closing processes and the related internal controls.

For management reporting purposes, the accounting is closed on a monthly basis. The financial figures are consolidated on a quarterly basis according to a formal consolidation process. The annual financial figures are also subject to the external auditor's review.

The financial figures are published by means of financial press releases on pre-announced dates in order to communicate and inform as transparently as possible.

Furthermore, the main financial risks the group is facing relate to outstanding trade receivables and transactions in currencies other than the euro.

#### Liquidity risk

The net cash evolved from a cash surplus of 13 229K euro at the end of 2020 to a cash surplus of 17 013K euro at the end of 2021.

The contractual obligations include, in addition to the current and non-current liabilities, the interest liabilities related to these current and non-current liabilities.

Non-current payables are measured at amortised cost which approaches the fair value. Also for the current payables, the fair value of the current payables is also comparable to the carrying amount.

Based on the prognoses of the cash flow 'Liquidity forecast', the subsidiaries of the group will be able to meet their financial obligations in 2022.

Neither in 2020, nor in 2021 there are derivative contracts.

Because the credit agreements with KBC Bank and BNP Paribas Fortis Bank (Note 27) were entered into at a fixed interest rate, a sensitivity analysis of the current and non-current interest-bearing financial liabilities is not representative.

For the bank overdrafts, the interest rate is determined at the moment of withdrawal. This operating procedure enables smartphoto group to accept fluctuations in the financial expenses

in accordance with the evolution of market interest rates. As at December 31, 2020 and 2021 there were no bank overdrafts. The cash and cash equivalents are invested free of risks.

Figures relating to the current and non-current interest-bearing liabilities, including the lease liabilities, divided by their maturity, can be found in Note 36 'Risk factors' to the Consolidated Financial Statements of 2021.

#### Credit risk

The majority of the smartphoto group's activities is conducted by means of 'remote sales' to end consumers.

This involves exposure to non-collectability of many, relatively small, trade receivables. The group manages this risk by encouraging online payment for its e-commerce activities on the one hand and, on the other, conducting adequate credit management. In cases of non-payment on the due dates, additional costs are charged depending on the overdue periods. In due course, the collection of the receivables is handed over to debt-collection agencies.

There was no significant concentration of risk as of December 31, 2020 and 2021.

Receivables of which collectability is partially or entirely uncertain are subject to write-downs. The carrying amount of these receivables does not differ significantly from their fair value, due to the short-term nature of these outstanding receivables.

Monthly, a provision for bad debt is recognised for the outstanding receivables that will mature in less than 6 months, based on the loss percentage of the past 6 months. Receivables which have been outstanding for more than 6 months are fully written-down. The write-downs are calculated based on the outstanding amounts, excluding VAT. For other trade receivables, credit limits and payment terms are defined for each customer. Deliveries are blocked to customers who have exceeded these terms and dunning procedures are started.

The write-downs on trade receivables are calculated taking into account any known and expected credit losses, which are based on historical information from the past regarding the losses incurred.

As a result of the adoption of IFRS 7 and IFRS 9, additional information regarding the financial assets and liabilities, which give more information to readers of the financial statements, are included. Those figures can be found in Note 36 'Risk factors' to the Consolidated Financial Statements of 2021.

#### Exchange rate risk

The Company publishes its consolidated financial statements in euro. As the Company operates mainly in a euro environment, the exchange rate risk is extremely limited.

The current exchange rate risks relate to the Swedish krona, the Norwegian krone, the Swiss franc and the American dollar. The exchange rate fluctuations are not covered by forward contracts, nor by currency options. As a result, exchange rate fluctuations of these currencies may be advantageous or disadvantageous for the smartphoto group.

In Note 36 'Risk factors' to the Consolidated Financial Statements of 2021, additional information about the sensitivity analysis of exchange rates is included.

#### Seasonal fluctuations

The activities of smartphoto group are subject to seasonal fluctuations. Sales, for example, show a strong peak every fourth quarter. As a result, it is not meaningful to make a comparison between revenue and results of different quarters and semesters of the same year and interim results are not a reliable indicator for future revenue and results over an entire year.

#### Legal risks

Risks related to the compliance with laws and regulations

The Company is subject to the applicable laws and regulations of each country in which it operates, as well as the European laws and regulations. As smartphoto group is listed on Euronext Brussels, the group is also subject to the Belgian and European legislation regarding publication requirements and insider trading. Smartphoto group endeavours to respect the imposed statutory requirements.

Smartphoto is in line with the European Regulation 2016/679 of April 27, 2016 regarding data protection and privacy (also General Data Protection Regulation or 'GDPR'). This Regulation, which entirely and directly applies to all European member states, relates to the management and protection of the personal data of European citizens. Also in accordance with this Regulation, a Data Protection Officer (DPO) has been appointed within the smartphoto group.

Risks related to tax disputes

Neither the Company nor its subsidiaries are currently involved in any tax disputes which have been brought before the Tax Courts. Therefore no additional provisions have to be recognised.

Changes in tax legislation can have both positive and negative effects on the group's result.

Risks related to disputes

A receivable concerning a claim or dispute is taken into account if it is virtually certain that an inflow of economic benefits will occur. If such an inflow is probable, the receivable is disclosed as a contingent asset. A provision must be recognised for existing liabilities to the extent that it is also probable that an outflow of funds will take place to resolve the obligation and a reliable estimate can be made of the amount of the liability.

Regular assessment is carried out on all claims and disputes. The outcome of this assessment determines what provisions or receivables will be recognised for which claims and disputes.

If a provision or a claim has to be recognised, an estimate of the chance and size of the outflow, respectively inflow of resources requires a significant amount of evaluation. This evaluation is partly supported by legal advice.

There are no material claims or disputes pending for which no provision has been made.

#### Force majeure risks

##### Covid-19

Since the outbreak of Covid-19 in Europe, smartphoto group has taken necessary measures to avoid contamination within the company, to protect employees and to limit the negative consequences of Covid-19. For example, the employees have temporarily switched to teleworking for those departments of the group, both in Belgium and in the foreign entities, for which this is possible. For both the production employees and the employees of the departments for which teleworking is not possible, the necessary adjustments were made within the Company to optimise the protection against infections.

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Smartphoto group continues to monitor the epidemiological situation and, if required, will again take the necessary measures to protect the Company and its employees and limit any negative consequences.

##### Impact of the Ukraine crisis

The outbreak of the military aggression of Russia against Ukraine is a subsequent event which is not reflected in the statement of profit or loss and other comprehensive income as at December 31, 2021 (non-adjusting subsequent event).

Smartphoto group analysed the risks of the consequences of the conflict between Russia and Ukraine, and the impact of this crisis to the operating activities, the market, the financial situation and the economic performance.

Considering smartphoto group is not active on the Ukrainian market, nor on the Russian market, no direct or indirect impact on revenue is expected. The crisis however is causing increases in the prices of energy and raw materials, which could have an impact on the expenses from operating activities.

The impact on an annual base can not yet be estimated at the moment of approval of the financial statements. However, the management of smartphoto is convinced that it takes the necessary measures to limit the impact of the crisis.

##### Other risks concerning health, safety and the environment

Safety and prevention measures are used to avoid these risks as much as possible. These risks are also hedged by means of insurance policies with external insurers.

##### Risks as a result of fire and violence

These risks are avoided as much as possible thanks to fire safety and prevention measures and are covered by insurance policies with external insurers.

##### Risks as a result of power outages

As mentioned under the IT risks, these risks are taken care of by continuity programmes in which several backup systems have been implemented and fallback scenar

#### Information pursuant to Article 14, §4 of the Act of May 2, 2007

##### Shareholder structure

The law and smartphoto group NV's Articles of Association require each shareholder whose voting rights, associated with the securities that grant voting rights, exceed or fall below the thresholds of 3%, 5% or any multiple of 5%, to notify this fact to the Company and the FSMA, the Belgian Financial Services and Markets Authority.

The Company received the following notifications in 2021:

##### Notification made on June 28, 2021

Smartphoto group NV has informed the Financial Services and Markets Authority (FSMA) that the percentage of voting securities or voting rights acquired on June 24, 2021 has exceeded the legal and statutory threshold of 5% due to the additional acquisition of treasury shares. The total number of voting securities held in treasury amounts to 197 759 or 5.02%.

##### Notification by a person that notifies alone.

Holders of voting rights	Previous notification	After the transaction	
	Number of voting rights	Number of voting rights	% of voting rights
smartphoto group NV c/o Kwatrechtsteenweg 160, B-9230 Wetteren	150 058	197 759	5.02%
TOTAL	150 058	197 759	5.02%

Total number of voting rights (the denominator) at the time of the acquisition of the voting rights, i.e. on June 24, 2021: 3 941 950.

Chain of controlled undertakings through which the holding is effectively held: smartphoto group NV is not a controlled undertaking.

Notification made on December 8, 2021

Smartphoto group NV has informed the Financial Services and Markets Authority (FSMA) that the percentage of voting securities or voting rights held by the company on December 2, 2021 has fallen below the legal and statutory threshold of 5% due to the transfer of treasury shares following the acquisition of Frucon<sup>2</sup> NV (see press release dated December 2, 2021). The total number of voting securities held by the company amounts to 188 497 or 4.78%.

Notification by a person that notifies alone.

Holders of voting rights	Previous notification	After the transaction	
	Number of voting rights	Number of voting rights	% of voting rights
smartphoto group NV c/o Kwatrechtsteenweg 160, B-9230 Wettere	197 759	188 497	4.78%
TOTAL	197 759	188 497	4.78%

Total number of voting rights (the denominator) at the time of the transfer of the voting rights, i.e. on December 2, 2021: 3 941 950.

Chain of controlled undertakings through which the holding is effectively held: Smartphoto group NV is not a controlled undertaking.

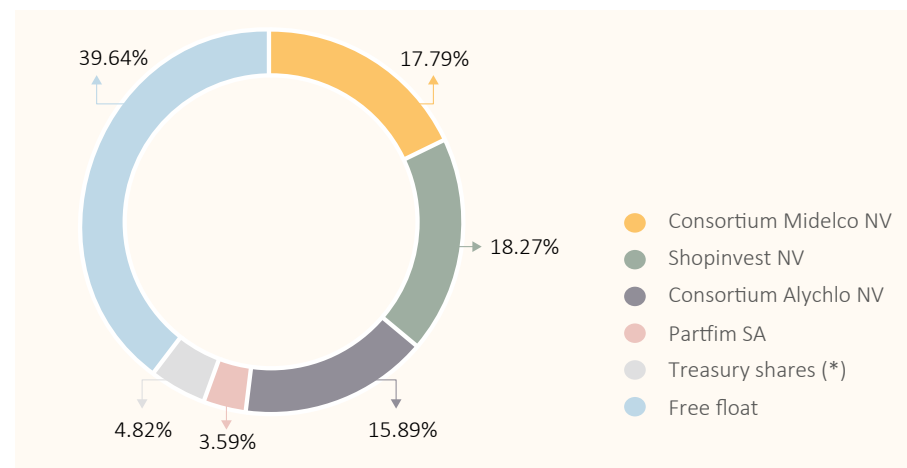


Shareholder structure as at the year-end closing date  
Shareholders with a percentage  $\geq 3\%$  of the total number of shares

	Most recent notification	% of total <sup>(1)</sup> (number of shares)	Number of shares	% of total <sup>(2)</sup>
CONSORTIUM MIDELCO NV, CECAN INVEST NV, ISARICK NV and Phippe Vlerick c/o Doorniksewijk 49, B-8500 Kortrijk	24/08/2018	17.79% (701 195)	701 195	17.79%
- MIDELCO NV		11.86%	467 555	11.86%
- CECAN INVEST NV		5.51%	217 364	5.51%
- ISARICK NV		0.32%	12 669	0.32%
- PHILIPPE VLERICK		0.09%	3 607	0.09%
SHOPINVEST NV and controlling person Beukenlaan 1, B-9250 Waasmunster	16/09/2015	15.57% (570 000)	720 000	18.27%
- SHOPINVEST NV			719 000	18.24%
- Etienne Kaesteker			1 000	0.03%
ALYCHLO NV and controlling person Lembergsesteenweg 19, B-9820 Merelbeke	27/05/2020	15.01% (591 551)	626 457	15.89%
- ALYCHLO NV		14.98%	625 557	15.87%
- Marc Coucke		0.02%	900	0.02%
SMARTPHOTO GROUP NV Kwatrechtsteenweg 160, B-9230 Wetteren	08/12/2021	4.78% (188 497)	190 028	4.82%
PARTFIM SA Avenue Montjoie 167 bus 9, B-1180 Brussel	02/06/2020	3.59% (141 500)	141 500	3.59%

<sup>(1)</sup> % of shares held of the total number of issued shares in accordance with the latest notification.

<sup>(2)</sup> current % of shares held of the current total number of issued shares, being 3 941 950 shares.



(\*) Number of treasury shares as at the year-end closing date

#### Treasury shares

The total number of treasury shares evolved from 193 133 shares per December 31, 2020 to 190 028 shares per December 31, 2021, or 4.82% of the total number of issued shares (3 941 950). This decrease of 3 105 treasury shares is the result of:

- The purchase of 13 321 treasury shares in the period from January 1, 2021 to December 31, 2021 following the execution of the share purchase programme with start date September 17, 2020. For the execution of this share repurchase programme, a discretionary mandate, assigned by the Board of Directors, was granted to KBC Securities, who is responsible for the purchase of shares of smartphoto group on Euronext Brussels as well as outside the regulated market, but only in open periods. Block trades are also possible within this mandate.
- The transfer of 16 426 treasury shares following the acquisition of 100% of the shares of Frucon<sup>2</sup> NV as at December 2, 2021.

As part of the current share repurchase programme, with start date September 17, 2020, as published on September 16, 2020, the Board of Directors decided, during the meeting of June 15, 2021, to extend the duration until May 31, 2023. The other modalities of this purchase programme remain unchanged. Treasury shares can still be purchased until that date, or until the predetermined value of 3 000 000 shares has been acquired; being, as at December 31, 2021 for a remaining value of 1 784 197.21 euro.

Smartphoto group aims to use part of the free cash flow to create a pool of treasury shares as an investment and to finance possible future acquisitions.



The overview of all transactions related to the purchase of treasury shares is represented on our website [www.smartphotogroup.com](http://www.smartphotogroup.com) under the section: “Investors / Information for shareholders / Purchase of treasury shares”.

In accordance with IFRS, treasury shares are included as a deduction from shareholders’ equity.

#### General Meeting of Shareholders

The Annual General Meeting takes place on the second Wednesday of May at 2 pm. The right to participate in the General Meeting is only granted if the shareholder has complied with the legal requirements concerning companies whose shares are admitted to trading on a market as referred to in Article 1:11 of the Belgian Companies and Associations Code. In any case, the shareholder must indicate his intention to participate in the General Meeting no later than six days before the General Meeting.

The Board of Directors has decided that the Annual General Meeting of Shareholders on May 11, 2022 will not be organised electronically, but will take place physically.

#### Conditions for participation

##### Registration procedure

The right to participate in the General Meeting will be granted on the basis of the accounting registration of the registered shares of the shareholder, on the registration date at midnight, either (i) by registration in the register of shares of the Company, or (ii) by registration in the accounts of a recognised account holder or a settlement organisation, for dematerialised securities.

The recognised account holder or the settlement organisation will provide the shareholder with a certificate or depository receipt showing the number of shares with which the shareholder wishes to participate at the General Meeting. Only the shareholders who are shareholders on the identified registration date and who can prove this by means of the certificate or depository receipt identified above, or the registration in the share register of the Company, are allowed to participate in the General Meeting.

##### Notification procedure

The intention to participate in the General Meeting must be notified to the Company no later than six days before the General Meeting on the basis of the submission of this, above mentioned, depository receipt or certificate to the Board of Directors. Registered shareholders must also notify their intention to attend the General Meeting in writing to the Board of Directors, and do this no later than six days before the General Meeting, as follows:

- by letter, addressed to NV smartphoto group attn. Marjan Janssens, Kwatrechtsteenweg 160, 9230 Wetteren (to be received no later than six days before the General Meeting), or
- by e-mail, sent to the e-mail address [corporate@smartphoto.com](mailto:corporate@smartphoto.com) This e-mail must reach the indicated e-mail address no later than six days before the General Meeting, at midnight.

#### Use of proxies

Each shareholder with voting rights can provide a proxy to represent him or her at the General Meeting by means of a document that bears his or her signature, including digital signature as referred to in Article 1322:2 of the Belgian Civil Code, in which notice is provided by letter or email (or any other means specified in Article 2281 of the Belgian Civil Code). The representative does not have to be a shareholder. Except as stipulated in Article 7:143 of the Belgian Companies and Associations Code, only one proxy can be designated. The proxy has to vote in accordance with the instructions of the shareholder, for which each proxy maintains a special record.

In case of a potential conflict of interests between the shareholder and the proxy holder appointed, the proxy holder must disclose the precise facts that are important for the shareholder in order to assess whether there is a risk that the proxy holder pursues any interest other than the interest of the shareholder. Where applicable, the proxy holder can only vote on behalf of the shareholder on condition that the proxy holder has specific voting instructions for each item on the agenda. In particular, there is a conflict of interests when the proxy holder: 1° is the company itself or an entity controlled by it, or a shareholder that controls the company, or another entity that is controlled by such a shareholder; 2° is a member of the Board of Directors or of the management bodies of the company, of a shareholder that controls the company, or of a controlled entity as referred to in 1°; 3° is an employee or a statutory auditor of the company, of the shareholder that controls the company, or of a controlled entity as referred to in 1°; 4° has a parental relationship with a natural person as referred to in 1° to 3°, or is the spouse or the legally cohabiting partner of such a person or of a relative of such a person.

An example of a proxy that takes into account the rules above has been made available on the website of the Company [www.smartphotogroup.com](http://www.smartphotogroup.com).

The proxies must be deposited at the registered office of the Company, no later than six days before the General Meeting. This can be done by letter or e-mail at the same coordinates as stated in the above-mentioned notification procedure.

#### Rights of shareholders

For a comprehensive and detailed description of the specific terms and conditions of the rights of shareholders described below, please refer to the information made available on the website of the Company [www.smartphotogroup.com](http://www.smartphotogroup.com).

##### • Extension of the agenda

One or more shareholders, together holding at least 3% of the capital of the Company can request to add supplementary items to the agenda of the General Meeting and propose draft resolutions concerning the items included or to be included on the agenda. The Company must receive these requests no later than the 22nd day before the General Meeting. They can be sent to the Company by electronic means, to the following address: [corporate@smartphoto.com](mailto:corporate@smartphoto.com). The Company confirms the receipt of the request within a period of 48 hours from its receipt. No later than 15 days before the General Meeting, an agenda will be published that has been

supplemented with the additional items to be discussed and the corresponding draft resolutions that should be included, and/or merely with the draft resolutions that would be formulated.

- Right to ask questions

The shareholders have the right to ask questions to the directors and the Statutory Auditor during the General Meeting or prior to it, in writing, relating to their report or to the agenda items. These questions can be sent electronically to [corporate@smartphoto.com](mailto:corporate@smartphoto.com), no later than six days before the General Meeting.

Remote voting by letter or electronically

Voting by letter or electronically is not allowed.

Information available for consultation and obtainment

The convocation, the annual financial report (in accordance with Article 12 of the Royal Decree of November 14, 2007), the proxy form, additional information on the rights of shareholders and the other information provided for by law are made available on the company's website, [www.smartphotogroup.com](http://www.smartphotogroup.com), 30 days before the General Meeting. These documents can also be obtained on simple request from the office of the Company as of the same date.

Communication with the shareholders

Smartphoto group values regular and transparent communication with its shareholders.

These communications include, among other:

- Publication of half-yearly results and yearly results.
- A separate 'Investor Relations' section on the website [www.smartphotogroup.com](http://www.smartphotogroup.com).
- Free subscription to press release service for investors via the above mentioned website.

Remuneration and interests of the members of the supervisory bodies: see page 43 of this document.

Joint control

Smartphoto group is not aware of agreements between certain shareholders as a result of which a common policy is pursued with regard to smartphoto group.

## Information pursuant to Article 34 of the Royal Decree of November 14, 2007

### 1° Capital structure

Issued capital

The capital is 41 381 403.63 euro, represented by 3 941 950 shares.

Changing the issued capital

The General Meeting, deliberating under the conditions required to amend the Articles of Association, can increase or decrease the issued capital.

The shares that are subscribed to in cash, must first be offered to the shareholders, in proportion to the portion of the capital represented by their shares during a period of at least fifteen days calculated from the first day of the subscription period. When a share has been split into bare ownership and usufruct, the pre-emptive rights can only be exercised by the bare owner.

The General Meeting determines the subscription price at which, and the period during which, the pre-emptive rights can be exercised. The General Meeting that has to decide on the capital increase, taking into consideration the statutory provisions and in the interest of the Company, can limit or cancel the pre-emptive rights, or deviate from the minimum period of fifteen days for exercising the pre-emptive rights.

In the event of a reduction of the issued share capital, the shareholders that are in an equal position must be treated in an equal manner, and the other provisions included in the Articles 7:208, 7:209 and 7:210 of the Belgian Companies and Associations Code must be observed.

### 2° Legislative or statutory restrictions on transferring of securities

Not applicable.

### 3° Holders of securities with special control rights

Not applicable.

### 4° Control of any share plan for employees

Not applicable.

### 5° Legislative or statutory restriction on the exercise of voting rights

With respect to the Company, the shares are indivisible. If a share belongs to several persons, or if the rights associated with a share are divided among several persons, the Board of Directors may suspend the exercise of the rights associated with that share until one single person is designated as being the owner of the share with respect to the Company. In the event there is a usufruct, the bare owner of the share is represented by the usufructuary.



#### 6° Shareholders' agreements

Smartphoto group does not know of any existing shareholders' agreements. There are no direct or indirect relationships between the Company and its key shareholders.

#### 7° Rules governing the appointment and replacement of the members of the managing body and for amending the Articles of Association of the issuers

The legal rules as provided in the Belgian Companies and Associations Code are applicable.

The General Meeting may suspend or dismiss a director at any time.

As long as the General Meeting, for any reason whatsoever, does not provide for a new appointment or reappointment, the directors whose mandates have expired will remain in their positions. Directors whose mandates have been terminated are eligible for reappointment. In the event of a premature vacancy on the Board of Directors, the remaining directors have the right to temporarily fill the vacancy until the General Meeting appoints a new director. The appointment will be placed on the agenda of the next General Meeting. Any director appointed in this way terminates the appointment of the director being replaced.

#### 8° Authorities of the managing body, in particular concerning the possibility to issue or purchase treasury shares

##### Treasury shares

The Extraordinary General Meeting of May 9, 2018 explicitly authorised the Board of Directors in accordance with the provisions of the Belgian Companies and Associations Code, to acquire treasury shares or profit-sharing certificates by purchase or exchange, or to dispose of them, without a prior resolution of the General Meeting being required, directly or via a person acting under their own name but on behalf of the Company, or via a direct subsidiary as referred to in Article 7:221 of the Belgian Companies and Associations Code, if this acquisition or disposal is necessary to avoid an impending serious disadvantage for the Company.

This authorisation applied for a period of three years from the publication of this resolution in the Annexes to the Belgian Official Gazette, i.e. until May 31, 2021.

In accordance with Article 7:215, §1 of the Belgian Companies and Associations Code, this authorisation can be renewed.

The renewal of this authorisation will be proposed to the Extraordinary General Meeting of Shareholders of May 11, 2022. Please refer to the convocation to the Ordinary General Meeting and Extraordinary General Meeting of May 11, 2022, which is made available on the Company's website: [www.smartphotogroup.com](http://www.smartphotogroup.com).

The Company's treasury shares included in the 'Eurolist by Euronext' can be disposed of by the Board of Directors without the prior approval of the General Meeting.

The General Meeting of May 9, 2018 has also authorised the Board of Directors to obtain the maximum allowed number of shares pursuant to Article 7:215 of the Belgian Companies and Associations Code by purchase or exchange at a price equal to at least eighty-five percent (85%) and no more than one hundred and fifteen percent (115%) of the most recent closing rate these shares were listed for on the 'Eurolist by Euronext' on the day before that purchase or exchange. This authorisation applies for a period of five years from the publication of this resolution in the Annexes to the Belgian Official Gazette (until May 31, 2023), and can be renewed pursuant to Article 7:215, §1 of the Belgian Companies and Associations Code.

The renewal of this authorisation will be proposed to the Extraordinary General Meeting of Shareholders of May 11, 2022. Please refer to the convocation to the Ordinary General Meeting and Extraordinary General Meeting of May 11, 2022, which is made available on the Company's website: [www.smartphotogroup.com](http://www.smartphotogroup.com).

#### Share option plan

There is currently no share option plan.

#### Warrant plan

There are currently no outstanding warrants.

#### 9° Significant agreements whereby the Company is an involved party relating to a public takeover bid

Not applicable.

#### 10° Agreements between the Company and its directors or employees providing for compensation when, as a result of a public takeover bid, the directors resign or must be discharged without valid reason, or the employment of the employees is terminated

Not applicable.