

## PRESS RELEASE – Regulated information

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smartphoto group - Euronext Brussels: SMAR

## HALF-YEARLY RESULTS 2022

### smartphoto group realises strong profitable growth

- Revenue over the first 6 months of 2022 increased by 39.1% and evolved from 21 060K euro last year to 29 304K euro as at June 30, 2022. This increase was achieved through the company's internal organic growth (+8.5%) and through the integration of naYan.
- Over the first 6 months of 2022 profitability increased strongly compared to a year earlier due to a better product mix and price adjustments, this notwithstanding higher production, transport and material costs. EBITDA increased from 965K euro in the first half of 2021 to 3 238K euro as at June 30, 2022 (+235.5%).
- Net profit over the first half of 2022 of 975K euro compared to a net loss of 824K euro a year earlier.
- Positive evolution of net cash on an annual basis from 881K euro to 2 895K euro, and this despite the dividend payment over 2021, the additional share buy-back and further investments in growth.
- Despite the uncertain general economic outlook, smartphoto group expects further year-on-year growth in revenue and EBITDA.

## Key figures

Unaudited figures, prepared in accordance with IFRS

	(in K euro)	June 2021	June 2022	Δ in %
Revenue		21 060	29 304	39.1%
Profit/loss (-) from operating activities (EBIT)		-720	1 376	
Depreciation, amortisation, write-downs, impairment and provisions from operating activities		1 685	1 861	10.5%
<i>Profit/loss (-) from operating activities, corrected for depreciation, amortisation, write-downs, impairment and provisions (EBITDA)</i>		965	3 238	235.5%
Financial result		-106	-385	-263.6%
Write-offs and provisions from financial result		-47	245	
Profit/loss (-) before taxes		-826	991	
<i>Profit/loss (-) before taxes, corrected for depreciation, amortisation, write-downs, impairment and provisions</i>		812	3 097	281.4%
Income taxes expense (-)/income		2	-16	
Deferred taxes		-2	10	
Profit/loss (-) for the period		-824	975	
<i>Profit/loss (-) for the period, corrected for depreciation, amortisation, write-downs, impairment, provisions and deferred taxes</i>		812	3 091	280.7%
Profit/loss (-) for the period attributable to shareholders of the parent company		-824	975	

	(in K euro)	June 2021	Dec 2021	June 2022	Δ in % June 2021- June 2022	Δ in % Dec 2021- June 2022
Total assets		57 308	82 566	69 044	20.5%	-16.4%
Gross financial debt (-)		-4 266	-3 800	-6 035	41.5%	58.8%
Net financial debt (-)/Net cash		881	17 013	2 895	228.4%	-83.0%
Total equity		42 209	48 939	45 733	8.3%	-6.6%
Solvency ratio		73.7%	59.3%	66.2%	-10.1%	11.8%
Current ratio		117.2%	130.8%	133.6%	13.9%	2.1%



## Financial result

The financial result decreased by 279K euro from -106K euro as at June 30, 2021 to -385K euro as at June 30, 2022. This decrease is mainly due to the negative impact of foreign exchange gains/losses of 267K euro and the increase in financial costs resulting from interest-bearing financial liabilities and lease liabilities of 10K euro.

## Income taxes

Income taxes expense (-)/income evolved from 2K euro over the first 6 months of 2021 to -16K euro as at June 30, 2022. The income taxes expense of -16K euro consists mainly of a net increase in deferred taxes.

## Statement of profit or loss and other comprehensive income for the period

As at June 30, 2022, net profit amounts to 975K euro compared to a net loss of 824K euro as at June 30, 2021. This positive evolution of the result with 1 800K euro over the first 6 months of 2022 compared to a year earlier, is mainly explained by:

- an increase in the profit/loss (-) from operating activities of 2 096K euro;
- a negative evolution of the financial result of 279K euro; and,
- a negative impact of the income taxes expense (-)/income of 17K euro.

The other comprehensive income after taxes amounts to 58K euro as at June 30, 2022 and relates to translation differences.

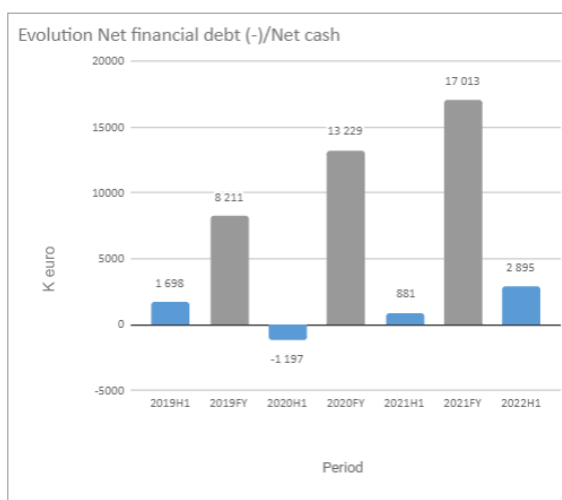
The profit or loss and other comprehensive income thus amounts to 1 033K euro as at June 30, 2022 compared to 847K euro as at June 30, 2021, an increase of 1 880K euro.

## Statement of financial position

The balance sheet total as at June 30, 2022 amounts to 69 044K euro compared to 82 566K euro as at December 31, 2021. This decrease of 13 522K euro is mainly explained by the following elements:

- A decrease in the net carrying amount of **property, plant and equipment** of 355K euro. This decrease is mainly due to, on the one hand, investments of 486K euro, which are mainly investments in production machines and investments for renovations and furnishing of office buildings. On the other hand, the depreciation amounted to 824K euro over the first 6 months of 2022.
- An increase in the net carrying amount of the **right-of-use assets** of 2 472K euro. On the one hand, the investments amount to 2 806K euro, mainly regarding the new lease on the office space in Pratteln (Switzerland), the renewed lease on the building in Ardoois (Belgium) and vehicles. On the other hand, the depreciation amounts to 344K euro over the first half of 2022. Furthermore, there was a positive impact from exchange rate fluctuations of 10K euro.
- An increase in the net carrying amount of **intangible assets** of 121K euro, due to investments of 725K euro on the one hand - of which €482K was generated internally -, and on the other hand, amortisation over the first 6 months of 2022 of 604K euro.
- A decrease in **inventory** of 438K euro to 3 593K euro as at June 30, 2022. Compared to the inventory level as at June 30, 2021, there is a net increase of 980K euro. This increase can be attributed to price increases of mainly paper and cardboard, the launch of new and additional products and the contribution of naYan, which is part of the group since December 2021.
- A decrease in the **current and non-current trade and other receivables** of 3 612K euro from December 31, 2021 to June 30, 2022, mainly due to the seasonal nature of the business.

- A positive evolution of the **net cash** on an annual basis from 881K euro as at June 30, 2021 to 2 895K euro as at June 30, 2022, i.e. an increase of 2 014K euro. This positive evolution is the result of, on the one hand, the realised free cash flow from smartphoto's regular activities on an annual basis, as well as the contribution from naYan, and on the other hand, the dividend payment over 2021, the additional purchase of treasury shares over the period from July 1, 2021 to June 30, 2022, and the further investments in growth.



Compared to December 31, 2021 (cash surplus of 17 013K euro), net cash decreased by 14 118K euro in the first 6 months of 2022.

This decrease is due to the seasonal effect, with sales traditionally characterised by a seasonal peak in the last quarter of the year, which applies to both the smartphoto and the naYan business.

- A decrease in **total equity** of 3 206K euro from December 31, 2021 to June 30, 2022. This decrease is mainly explained by:
  - on the one hand, the realised profit over the first 6 months of 2022 (975K euro) and the positive impact of conversion differences (58K euro); and
  - on the other hand, the payment of the dividend for 2021 in the month of May 2022 (2 421K euro) and the purchase of treasury shares in the period from January 1, 2022 to June 30, 2022 (1 819K euro).

On May 4, 2022, the share buy-back programme with a starting date of September 17, 2020 was completed. Under this programme 115 453 treasury shares were purchased for a value of 2 999 980.08 euro, of which 28 109 shares (813K euro) were purchased through block transactions. On June 17, 2022 a new share buy-back programme was initiated with a maximum value of 1 500 000 euro in treasury shares. With this new programme, smartphoto group further aims to use the free cash flow partly to increase the pool of treasury shares as an investment, as well as to enable the financing of possible future acquisitions. The current share buy-back programme ends on June 30, 2023 or earlier, when the target value of treasury shares is acquired.

As at June 30, 2022 smartphoto group NV holds 251 829 treasury shares, or 6.39% of the total number of shares issued (3 941 950).

- A decrease in the **current and non-current interest-bearing financial liabilities** of 236K euro over the first 6 months of 2022, as a result of the repayment of the loans relating to the acquisition of Aultmore NV in the context of the purchase of the additional production building.
- A net increase in the **current and non-current lease liabilities** of 2 472K euro from 963K euro as at December 31, 2021 to 3 435K euro as at June 30, 2022. This net increase is the result, on the one hand, of the repayment of current lease liabilities and, on the other, of entering into new lease agreements concerning the buildings in Pratteln and Ardoorie, as well as vehicles.
- A decrease in **current and non-current trade and other payables** by 12 037K euro from December 31, 2021 to June 30, 2022, mainly due to the seasonal nature of the business.

The financial statements and explanatory notes in accordance with IFRS, are included in the "**Half-yearly financial report 2022**", available on the website [www.smartphotogroup.com](http://www.smartphotogroup.com).

## Outlook 2022<sup>(1)</sup>

In 2022, the focus will continue to be on growth, both for the activities of smartphoto as well as for naYan. For smartphoto, the expansion of the product range, the implementation of price increases and the improvement of conversion, supported by a fully mobile-friendly site, will further support this. Besides the focus on growth by adding new customers for its EAAS ('e-commerce as a service'), naYan will also pay the necessary attention to optimising the underlying processes and structures.

## Definitions

EBIT= Profit/Loss (-) from operating activities.

EBITDA= Profit/Loss from operating activities, adjusted for depreciation, amortisation, write-downs, impairment losses and provisions.

Cash surplus= Net cash= Total cash and cash equivalents less current and non-current interest-bearing financial liabilities and lease liabilities.

Dividend= The part of profit (or reserves) which is distributed to the shareholders.

Balance sheet total= Total assets= Total equity and liabilities.

Gross financial debt (-)= The total current and non-current interest-bearing financial liabilities increased by the total current and non-current lease liabilities.

Solvency ratio=The ratio of the total equity to the balance sheet total.

Current ratio= The ratio of the current assets to the current liabilities.

## About smartphoto group

Smartphoto group, the innovative e-commerce group, is active under the name smartphoto™ in 12 European countries in B2C e-commerce with affordable, high-quality personalised products such as gifts, cards, photo books, photo calendars, prints and wall decoration.

Additionally, smartphoto group, through naYan, is one of the market leaders in e-commerce distribution in Europe by offering a unique 'e-commerce as a service' (EAAS) for international brands looking for growth, and the sale to companies of personalised gift packages with chocolate, alcohol, fruit or flowers through websites such as Gift.be and GiftsforEurope.com.

The shares of smartphoto group are traded on Euronext Brussels (ISIN BE0974323553, ticker symbol SMAR).

## Financial calendar

January 31, 2023 <sup>(2)</sup>	after trading hours	2022 trading update
March 3, 2023 <sup>(2)</sup>	before trading hours	2022 annual results
May 10, 2023	at 2 p.m.	Annual General Meeting of Shareholders
August 22, 2023 <sup>(2)</sup>	after trading hours	Half-year results and half-yearly financial report 2023

## For additional information

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<sup>(1)</sup> This press release contains forward-looking information based on current internal estimates and expectations. The forward-looking statements involve inherent risks and speak only as of the date they are communicated. It cannot be excluded that actual results differ materially from the forward-looking expectations contained in this release.

<sup>(2)</sup> Indicative dates

This press release is a free English translation of the official Dutch version.