



PART 1 smartphoto group
2023 ANNUAL REPORT

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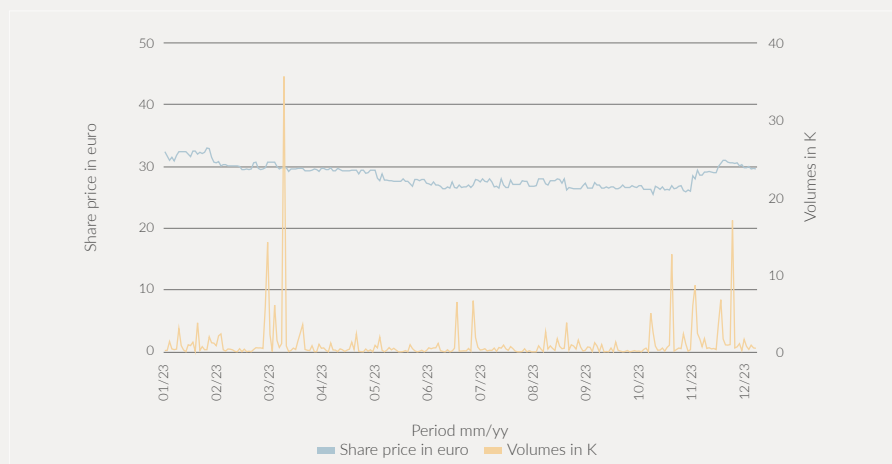
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This report is a free English translation of the official Dutch version

INFORMATION ABOUT THE SHARE

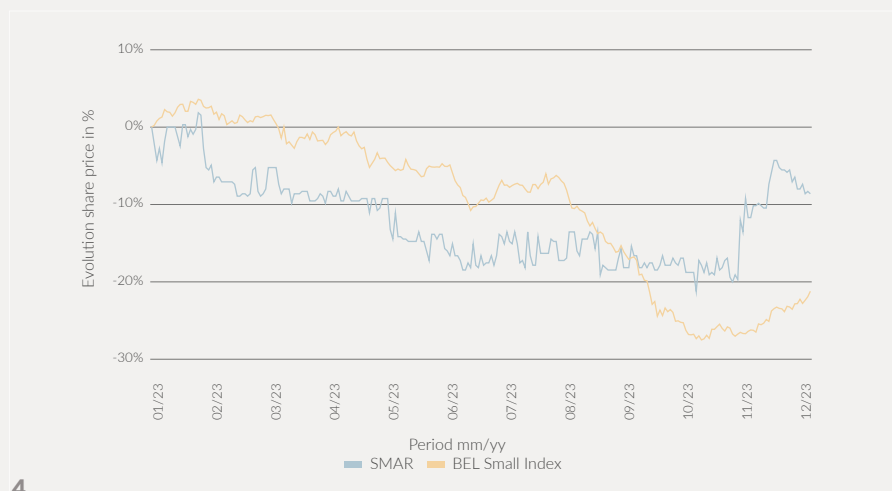
Evolution share price and traded volumes smartphoto group

January - December 2023



Evolution share price in % smartphoto group/BEL Small Index

January - December 2023



Relevant figures relating to the share

	2022	2023
Closing price at the end of December	32.50 euro	29.60 euro
Average closing price	29.33 euro	28.48 euro
Highest closing price	33.40 euro	33.00 euro
Highest intraday notification	33.50 euro	33.40 euro
Lowest closing price	25.70 euro	25.50 euro
Lowest intraday notification	24.70 euro	25.00 euro
Total traded volume in units	282 824	264 855
Average daily volume traded in units	1 164	1 055
Total turnover	8 336 425 euro	7 678 867 euro
Average daily turnover	34 306 euro	30 593 euro
Rotation ⁽¹⁾	20.03%	20.88%

⁽¹⁾ Rotation calculated on the total number of freely tradable shares as at 31 December, taking into account the number of shares held with a percentage $\geq 3\%$ of the total number of shares, and taking into account the treasury shares

Shareholders' agenda

24 April 2024	24H00	Registration date for depositing shares to participate at the Annual General Meeting of Shareholders
8 May 2024	14H00	Annual General Meeting of Shareholders
22 August 2024*	After trading hours	Half-year results and half-yearly financial report 2024
3 February 2025*	After trading hours	Trading update 2024
4 March 2025*	After trading hours	Annual results 2024

* Indicative dates

Communication with shareholders and investors

Smartphoto group values regular communication with shareholders and investors. Therefore, smartphoto group uses various means of communication, such as:

- Publication of the half-year results and annual results (see 'Shareholders' agenda').
- A separate Investor Relations section on the website www.smartphotogroup.com.
- The organisation of investor days.
- Free registration for investors to receive the press releases via the website identified above.

Smartphoto group's share is currently monitored by Guy Sips, Executive Director Research - Small & Midcaps Benelux, KBC Securities.



Stock exchange listing

The share of smartphoto group is listed on Euronext Brussels.

- ISIN code: BE0974323553
- Stock code: SMAR
- Reuters code: SMAR.BR

Legal Entity Identifier (LEI)

LEI code smartphoto group NV: 529900EKGNL8HWTMTO81

Number of shares

Total number of shares	3 941 950
Weighted average number of shares (ordinary or dilutive)	3 941 950
Weighted average number of shares entitled to dividend ⁽¹⁾	3 602 218

⁽¹⁾ The weighted average number of treasury shares purchased in 2023 amounts to 39 522. This is calculated as follows: the total number of outstanding days is multiplied by the number of treasury shares purchased, and divided by 365. The total weighted average number of shares entitled to dividend amounts to 3 602 218.

The shareholder structure as at year-end can be found on page 51 of this annual report.

Financial services

The financial services of the shares are provided by KBC Bank. In case the company should change its policy, it will be announced in the Belgian financial media.

WORD FROM THE CEO AND THE CHAIRMAN

2023 was characterised by very difficult economic conditions, due to, among others, the ongoing war in Ukraine, the return of the war in the Middle East, and the still high inflation that weighed on consumer behaviour.

Also as a company, we experienced a large increase in our costs, even the strongest increase in 10 years. We coped with that by implementing smart price increases everywhere, and by negotiating well with our suppliers.

In the end, we managed to achieve a net profit of 6 928K euro, or an increase of 26.2% compared to prior year. This could be achieved because of the many efforts of the smartphoto and naYan teams.

Moving forward together and 'smile by smile', that is what the smartphoto group is all about!

The smartphoto division managed to limit the increase in operating costs despite higher personnel costs due to wage indexations and higher production, transport and material costs. By carefully managing costs and implementing smart price increases, we were able to increase our profit margins and preserve profitability.

During the Belgian E-commerce Awards in October 2023, smartphoto was awarded the prestigious Diamond Award as the best Belgian webshop, in the category of large webshops. The fact that smartphoto won the Diamond Award means that our webshop scored best across all categories. The individual categories included webshop concept, sustainability and customer friendliness. Smartphoto is particularly proud of this recognition as the best Belgian webshop. The fact that we are recognised and rewarded by our own customers is a confirmation of the commitment of all our employees within the smartphoto family, who work day after day to provide them with a meaningful smile.


In December 2023, smartphoto was recognised by 'Test Aankoop' as the best and least expensive online service for printing photos, based on comparative and independent test results and analysis. For smartphoto, this is a confirmation of the quality of our services and products.

At naYan, business is also going extremely well. We were able to expand the teams even more, and we welcomed some interesting new customers. For 2024, we have already acquired some new companies as clients. The clear focus on helping our customers with their e-commerce growth, based on 3 pillars (Full e-commerce, Customer 360 and Marketplace), is clearly paying off, and is the basis for future growth of this division.

In 2023, the evaluation committee of the Voka Charter for Sustainable Entrepreneurship (VCDO) awarded smartphoto the certificate of 'Sustainability Laureate', for the second time. Together with the Sustainability team, smartphoto group managed to implement the planned actions according to the 2023 action plan. The evaluation committee conducted its audit and completed it positively, allowing smartphoto to claim the certificate of 'Pioneer Sustainable Entrepreneurship'. In 2024, further actions will be carried out regarding sustainability. This year, smartphoto group will also already take the necessary steps to prepare for the implementation of the upcoming CSRD reporting, applicable as of 2025.

In 2024, we are further committed to growth, for both the activities of smartphoto as well as naYan.

For smartphoto, this will include expanding the product range, implementing price increases, and improving conversion. Besides focusing on growth by gaining new customers for its e-commerce services, naYan will also continue to pay attention to optimisations of the underlying processes and structures.



Moving forward together
and 'smile by smile', that is what
the smartphoto group
is all about!



Growth through acquisitions is also being further explored. Always with a view to exploiting synergies, exploring new commercial opportunities, and strengthening our teams across the group.

Smartphoto could not achieve its goals without the commitment and trust of its employees, its customers, its suppliers and its shareholders. We therefore wish to thank them for their indispensable contribution and ongoing support.

Stef De corte
Permanent representative of Acortis BV,
CEO

Philippe Vlerick
Chairman of the Board of Directors

2023 CONSOLIDATED KEY FIGURES

Audited figures

Statement of profit or loss for the period

(in K euro)	2022	2023	Δ in % 2023
Revenue	76 295	77 346	1.4%
Profit/loss (-) from operating activities (EBIT)	9 850	9 207	-6.5%
Depreciation, amortisation, write-downs, impairment and provisions from operating activities	3 119	3 923	25.8%
Profit/loss (-) from operating activities, corrected for depreciation, amortisation, write-downs, impairment and provisions (EBITDA)	12 969	13 130	1.2%
Financial result	-1 416	-383	73.0%
Profit/loss (-) before taxes (EBT)	8 434	8 824	4.6%
Income taxes expense (-)/income	-2 944	-1 896	35.6%
Profit/loss (-) for the period	5 490	6 928	26.2%

Statement of financial position for the period

(in K euro)	2022	2023	Δ in % 2023
Total assets	82 886	81 383	-1.8%
Cash and cash equivalents	24 143	25 179	4.3%
Gross financial debt (-)	-5 736	-5 495	-4.2%
Net financial debt (-)/Net cash	18 407	19 683	6.9%
Total equity	48 627	49 294	1.4%
Solvency ratio	58.7%	60.6%	3.2%
Current ratio	127.8%	133.7%	4.5%

Alternative Performance Measures (APMs)

The measures listed below are used systematically in our financial reporting, but are not defined in any law or generally accepted accounting principles (GAAP). These measures are considered Alternative Performance Measures (APMs), as described by the European Securities and Markets Authority (ESMA) in its guidelines on the use and the explanation of the alternative performance measures.

These APMs are used in addition to the figures prepared in accordance with the International Financial Reporting Standards (IFRS). They provide additional insights in the financial results of the group and offer useful information for investors. The presentation of interrelationships based on comparative figures about the current period and the previous period also provides information about the financial evolution.

Turnover

Total revenue included in the statement of profit or loss for the period.

EBIT

EBIT (Earnings Before Interest and Taxes) is an indicator for the operational result, and is defined as the profit/loss (-) from operating activities.

This performance measure does not take into account the effect of the capital structure, nor the various aspects of corporate taxes.

EBITDA

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) is an indicator for the operational result, and is defined as the profit/loss (-) from operating activities adjusted for depreciation, amortisation, write-downs, impairment losses and provisions.

This performance measure does not take into account the effect of the capital structure, nor the various aspects of corporate taxes; and, additionally, disregards the non-cash items, being depreciation, amortisation, write-downs, impairment losses and provisions.

EBT

EBT (Earnings Before Taxes) is an indicator of the profit/loss (-) before taxes.

EBIT, EBITDA, and EBT are measures frequently used by investment analysts and investors or other stakeholders to compare companies within the same sector, to determine a company's creditworthiness or to obtain an insight of the company's ability to generate cash.

Cash conversion ratio

The ratio of cash flow from operating activities and EBITDA. This ratio measures the efficiency to convert earnings into cash.



Dividend

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

Balance sheet total

The balance sheet total equals total assets or total equity and liabilities.

Gross financial debt (-)

The gross financial debt is defined as the total current and non-current interest-bearing financial liabilities, increased by the total current and non-current lease liabilities.

(in K euro)	2022	2023	Δ in % 2023
Non-current interest-bearing financial liabilities	-1 888	-1 409	25.3%
Non-current lease liabilities	-2 690	-2 809	-4.4%
Current interest-bearing financial liabilities	-476	-478	-0.6%
Current lease liabilities	-682	-798	-17.0%
Gross financial debt (-)	-5 736	-5 495	-4.2%

Net financial debt (-)/net cash

The net financial debt (-) is the total of the current and non-current interest-bearing financial liabilities and the current and non-current lease liabilities, less the cash and cash equivalents. When the cash and cash equivalents exceed the aforementioned liabilities, this measure is referred to as net cash or cash surplus.

(in K euro)	2022	2023	Δ in % 2023
Cash and cash equivalents	24 143	25 179	4.3%
Non-current interest-bearing financial liabilities	-1 888	-1 409	25.3%
Non-current lease liabilities	-2 690	-2 809	-4.4%
Current interest-bearing financial liabilities	-476	-478	-0.6%
Current lease liabilities	-682	-798	-17.0%
Net cash	18 407	19 683	6.9%

Current ratio

The current ratio is the ratio of the current assets to the current liabilities.

This ratio provides insight into the ability of a company to meet its current liabilities, and also indicates whether the company has sufficient own resources to finance its investments.

(in K euro)	2022	2023	Δ in % 2023
Current assets	34 243	35 058	2.4%
Current liabilities	26 786	26 231	-2.1%
Current ratio	127.8%	133.7%	4.5%

Solvency ratio

The solvency ratio is the ratio of the total equity to the balance sheet total.

This ratio provides insight into the ability of a company to meet its non-current liabilities, and also indicates its level of dependency towards creditors.

(in K euro)	2022	2023	Δ in % 2023
Total equity	48 627	49 294	1.4%
Balance sheet total	82 886	81 383	-1.8%
Solvency ratio	58.7%	60.6%	3.2%





PROFILE SMARTPHOTO GROUP

Smartphoto group, the innovative e-commerce group, is active under the brand name smartphoto™ in 12 European countries in B2C e-commerce offering affordable, high quality personalised products such as gifts, cards, photo books, photo calendars, prints and wall decoration. The group has local teams in Hengelo, Pratteln and Malmö for customer service and marketing, which enables a closer customer relationship.

Production is centralised across the two production sites, Kwatrecht and Vantegem, located in Wetteren, Belgium. With the start-up of the second factory in 2020, smartphoto doubled its production capacity to support future growth. The full e-commerce site is hosted on the Google Cloud platform, which increases the scalability and the security of data; this also enables the peaks throughout the year to be easily handled.

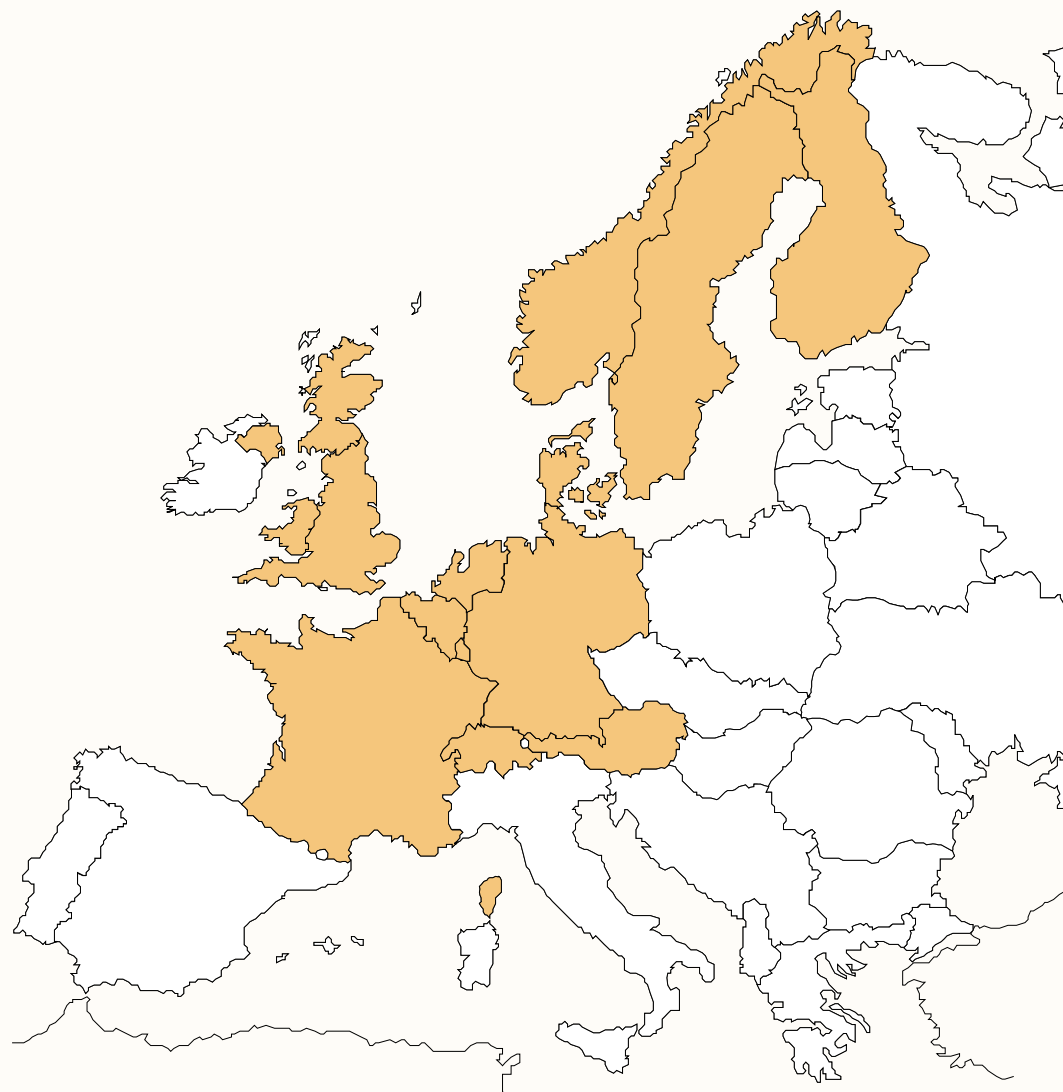
Furthermore, smartphoto group is, through naYan, one of the market leaders in e-commerce distribution in Europe by offering a unique 'E-commerce as a Service' (EaaS) for international brands looking for growth, and the sale to companies of personalised gift packages with chocolate, alcohol, fruit or flowers through websites such as Gift.be and GiftsforEurope.com. NaYan, mainly active in B2B e-commerce, is located in Ardoois (Belgium).



Milestones

- 1964: Foundation of DBM-Color.
1965: Start of the business activities of DBM-Color.
1976: Creation of the Spector logo.
1977: Creation of the Spector™ brand name and link with the logo.
1982: Expansion into the Netherlands.
1984: Joint venture for mail order activities in France under the name Extra Film, a joint venture between DBM-Color and Extra Film in Sweden.
1988: Acquisition of Tecnocrome, a photofinishing company in Belgium.
1990: Extra Film (Sweden) joined the group. The French Extra Film joint venture becomes a fully owned subsidiary.
1991: The group acquires a majority interest in Prominvest, a holding company listed on the Brussels stock exchange. Via a reverse takeover, the group becomes part of Prominvest. As a result, the group indirectly obtains a stock-exchange listing.
1993: The group changes its name to Spector Photo Group and merges with Prominvest by absorbing the company.
1994: Acquisition of photofinishing labs in France.
1995: Expansion into Austria and acquisition of a majority interest in Extra Film Switzerland.
1996: An agreement with the Swiss holding Interdiscount provides access to the Hungarian and German market and Spector takes 100% control of Extra Film Switzerland.
Acquisition of Photo Hall (Belgium).
Takeover of the French mail order company Maxicolor.
1997: Maxicolor expands its activities into Belgium and the Netherlands
1998: Listing of Photo Hall, followed by the acquisition of Hifi International (Luxembourg).
1999: Participation in the Italian photo lab FLT.
2001: Withdrawal from the German and Austrian markets, and streamlining of the photofinishing division to 5 labs in Belgium, Sweden, France, Hungary, and Italy.
2002: Merger by absorption of Photo Hall by Spector Photo Group, followed by the start of a programme to remodel the Hungarian organisation to match the Belgian Photo Hall concept.
2003: Start of expansion of ExtraFilm to become the group's brand name for 'web-to-post' activities in Europe.
2004: Acquisition of the business of KodaPost (Scandinavia), and of Litto-Color (photofinishing lab in Belgium with commercial activities in Benelux and France).
Closing of the lab in Hungary.
2005: ExtraFilm becomes the preferred photo print partner for Windows XP in France, Germany, Great Britain and Spain.
Closing of the lab in Munster (France).
Capital increase of 41.8 million euro.
2006: Litto-Color, the lab in Ostend, is divested.
Sacap SA is closed.

GEOGRAPHICAL PRESENCE



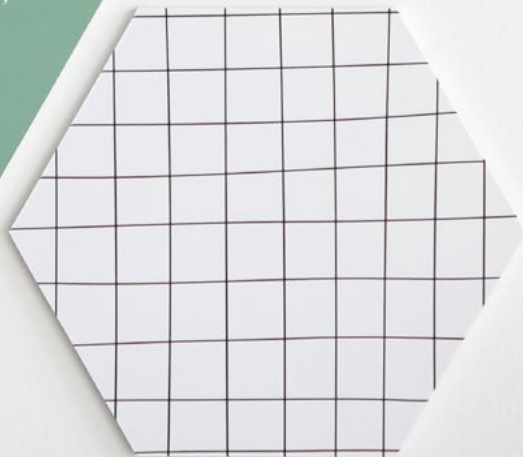


Belgium	smartphoto
	Spector
Luxembourg	smartphoto
The Netherlands	smartphoto
France	smartphoto
Sweden	smartphoto
Norway	smartphoto
Finland	smartphoto
Denmark	smartphoto
Switzerland	smartphoto
Germany	smartphoto
Austria	smartphoto
The United Kingdom	smartphoto
The European Union	smartphoto

Through naYan, smartphoto is not only active in Europe, but also in the United States of America.

- 2007: The brand names ExtraFilm, Maxicolor and Wistiti are combined under the name ExtraFilm.
The two photo retail channels Filmobel (hardware) and Spector (photo service), are centralised as one organisation located in Wetteren.
- 2008: Completion of the restructuring of the e-commerce organisation by centralising the Extra Film (France) support services in Belgium. The marketing department remained in France (Paris).
- 2009: Sale of the Hungarian Föfoto via an MBO.
- 2010: Closure of the lab in Tanumshede (Sweden).
Centralisation and automation of the production activities in Wetteren.
- 2011: ExtraFilm™ becomes smartphoto™.
- 2012: Transfer of Hifi International and various parts of Photo Hall Multimedia under the judicial reorganisation procedure.
End of the judicial reorganisation procedure, followed by the bankruptcy of Photo Hall Multimedia.
- 2013: The group changes its name from Spector Photo Group to smartphoto group.
- 2014: Phasing out and finally termination of the wholesale activities of Filmobel NV.
Liquidation of smartphoto SAS and integration of the French customer database into the Belgian company smartphoto NV.
- 2016: Stronger commercial position in Europe because of the acquisition of Webprint in the Netherlands.
- 2017: Integration of production activities of the Netherlands in Belgium.
Simplification of the structure through the merger through acquisition of smartphoto services NV by smartphoto group NV, followed by the merger through acquisition of smartphoto NV by smartphoto group NV, and finally split-off of the ICT department from DBM-Color NV to smartphoto group NV.
- 2018: Name change from Webprint BV to smartphoto Nederland BV.
- 2019: Production capacity doubled by purchasing an additional production building at Vantegem (Wetteren, Belgium).
- 2020: Start-up of the additional production building at Vantegem (Wetteren, Belgium).
- 2021: Expansion of the operating activities through the acquisition of Frucon² NV, operating under the brand name naYan.
- 2022: Name change of Frucon² NV to naYan NV.

When you can't
find the sunshine,
be the sunshine





THE WORLD OF
SMARTPHOTO

THE WORLD OF SMARTPHOTO

Our mission at smartphoto still is to help socially active young mums and families to create, give and share affordable, high-quality personalised products, using smart and simple websites.

We want everyone to enjoy their family photos again and again. We only deem our mission successful when you can transform your pictures into unique personal products without too much effort. Inspiring is very important to us, because we know how busy everyone is and how little time there is left to create personalised products.

Therefore our motto is 'smart.simple.smile', and every day we look for better solutions so you can enjoy your pictures or your favourite products personalised with a nice text or quote, in different, fun ways.

Smart.simple.smile

Day after day, we try to find smart ways to help you get the most out of those special moments in life, whether it's birth, birthday, communion or spring party, wedding, Mother's Day, Father's Day, or any celebration for any other occasion.

Our products have to be of high and reliable quality, but must also remain affordable and, above all, offer solutions for your daily needs.

In December 2023, smartphoto was recognised by Test Aankoop as the best and least expensive online service for printing photos, based on comparative and independent test results and analysis. For smartphoto, this is a confirmation of the quality of our services and products.

We also make it as easy as possible for our customers to enjoy their pictures by making sure that designing a product on our website is as simple as possible. For example, we pay a lot of attention to the speed of our websites, their accessibility from all kinds of devices (smartphone, tablet, laptop, PC), and we continuously expand our product range, as well as our designs and models within the product categories, so you are sure to find something you like.

We are only satisfied when we have brought a smile to your face as you rediscover your pictures or personal text or quotes on all kinds of products. We therefore believe that our products should not only be fun to make (no menus, software to be installed or difficult choices); they should also be fun to receive and share. We also like to inspire you to get more





out of your pictures. We do this not only through the increasing range of our products, but also through our blog where you can find a lot of creative ideas, tips & tricks and a lot of inspiration.

The widest choice of (photo) products



On the smartphoto website, which is fully hosted on the Google Cloud platform, you can find over 500 different products. This increases our scalability, which enables us to handle the many peaks throughout the year even more easily, and optimises our data security level.

Every year, an average of 50 new products are added, ranging from completely new products to new variants of existing products. For example, you can organise a themed party where the cards, the thank-you gifts and the decorations are of the same personalised theme.

In 2023, a brand new category was also added: the smartphoto name tags with text or photo. This category offers many possibilities for name labelling clothes, school supplies, linen and accessories. For example, the name labels for labelling lunch boxes, drinking bottles, school books, ... are not only durable, but also dishwasher-, freezer- and microwave-safe! This category also includes iron-on labels, which can be personalised with name, phone number, address and/or photo, name tags, and name stamps.

The category of communion or spring party products continues to expand with personalisable products for before, during and after the party, with the possibility of personalising within the same theme: invitations, table and other decoration, a guest book, a small thank-you gift for the guests, souvenirs for the godfather and godmother, ...

Not only are new products continuously launched, but also new themed designs which can be used in our webshop for a lot of various popular products.

Smartphoto, as an innovative e-commerce company, is also evolving with the new developments in technology and launched, at the end of 2022, the innovative product where it looks like a gift comes to life by adding a video message via 'Augmented Reality' (AR) during the ordering process on the webshop. The receiver can then, after installing smartphoto's 'smartmotion' app on his or her smartphone, point the camera at the personalised side of the gift, bringing the video to life on the gift.

Oops, made a typo?

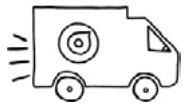
We offer free reprints. That is how far we go!



We are only satisfied when our customer is satisfied, so even if the customer made a typo, forgot a word in the text, or accidentally selected the wrong pictures, the customer can make the product again for free, thanks to our smart guarantee!

Because your product should look exactly the way you imagined it. You trusted us with your most beautiful memories, so you definitely deserve the best possible product as a result. In the unlikely event that you are not 100% satisfied with your order, we will make sure you can be.

Fast delivery



We also guarantee the fastest delivery: your pictures are sent to our printers as soon as you place your order. Thanks to our central location in Belgium, we are able to deliver your parcel very quickly, so that it reaches you in record time, for you to enjoy.

Each product is unique and produced within an average of 48 hours. We ship more than 2 million parcels a year with up to 40 000 items on peak days during the Christmas period! We deliver throughout Europe at lightning speed, within a few days after production.

It has happened to each and every one of us that we have to look for a gift at the last minute. When there is little time left to come up with a personalised gift, we tend to choose a less original gift. In principle, there is nothing wrong with this, but it can be different! Smartphoto offers you the opportunity to design a nice personalised gift today, and to have it delivered tomorrow!

Both in terms of countries and in the number of products, the possibility of super fast delivery "Ordered today, delivered tomorrow" is further expanded. We managed to deliver at least 125 different products at home within 1 day. Knowing that each product has to be made individually for our customers before it can be shipped, this can be called a real masterpiece.



A real e-commerce company

Smartphoto is an innovative e-commerce company.

We feature in the top 10 e-commerce companies in Belgium (across all sectors). Furthermore, we received the BeCommerce Award Best Website in our category 4 times in a row, and in 2021 we won the BeCommerce Advertising Award. We were also the winner of a SafeShops Award in 2022, for the fifth time in a row. And in 2023, smartphoto was even awarded the prestigious Diamond Award as the best Belgian webshop, in the category of large webshops. This implies that our webshop scored best across all categories.

We are also in the top 5 of photo e-commerce in Europe with over 1 million unique visitors per month, sometimes peaking at 2 million.

Our local teams in Hengelo, Pratteln and Malmö provide customer service and marketing assistance, so we can be closer to our customers.

In a few years, we have switched from prints to a full e-commerce site. The market in which we operate has evolved from 'prints that you needed to have printed' in the analogue period, to 'printing as added value' for our customers.

Customers are ordering more and more using their mobile devices. In some countries, mobile purchases, in the meantime, account for over half of all orders. This is only possible because of our strong focus on mobile, both in terms of websites and product development.

The mobile creator continues to improve, which allows you to easily personalise and order your product via your smartphone, without getting stuck or experiencing problems. You can even personalise a puzzle via your mobile phone.

The three pillars on which we further develop our future are: more and more mobile, even more personalised and even faster delivery. In 2023 we will continue to further ensure to do so in the most optimal and cost-efficient way.

In this process, the quality of your product remains essential; this is something we take very seriously at smartphoto. Taking care of each product as a unique item is something that is embedded in the minds of our production staff.

Due to the additional factory, which is fully operational as from the third quarter of 2020, we are able to invest in state-of-the-art machinery. After the investments in 2021 in new printers and machines to print, package and deliver your products to your home at the best quality, in 2022 investments were made in machines to offer products with new capabilities, such as lasering, engraving and embroidery. In addition, investments were made in co-bots, that help employees in production perform repetitive operations and sort products, which facilitates and accelerates the production process.

More focus on the customer, and a more human smartphoto in this digital world

We are an emotional company. We 'work' with photo products and we are passionate about it. We believe in the power of dialogue with you, our customers, and we want to meet your needs better and better.

At smartphoto, smiling is the essence of our existence. We strive for happy customers, a goal we can only achieve through happy employees. We are a human company, without big noisy actions. A company where direct contact with our customers is valuable, and where we appreciate our colleagues. Through our 'smile by smile'-approach, we encourage everyone to put a smile on all faces.

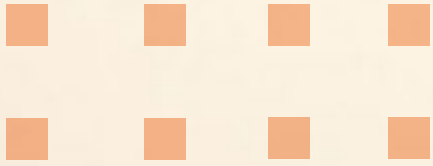
Smartphoto group has already been allowed to call itself a Great Place to Work® twice! This certification shows that smartphoto group, including naYan and the foreign teams, meets the high standards for what distinguishes a good workplace. Our employees clearly appreciate the many actions around corporate sustainability and climate, our commitment to maintaining and increasing colleague bonding, and the informal and dynamic work environment with attention to an optimal work-life balance. This also all fits within our ESG strategy.

By analysing our NPS (Net Promoter Score), we measure what you, as our customer, really want, and we know where we can go the extra mile. We carefully read all your feedback, so we can do something about it. This is the real power of improvement!

Furthermore, the many positive reactions confirm that we do the right thing at smartphoto. That we succeed in bringing people a little closer to each other when so many other things in the world seem to divide us.







THE WORLD OF
NAYAN

THE WORLD OF NAYAN

NaYan, a full-service e-commerce agency, helps ambitious brands in their online growth, worldwide.

Our team, with HQ in Belgium and presence in the United States, consists of more than 80 driven professionals with proven expertise in e-commerce, digital marketing, customer experience and sales through marketplaces.

In an increasingly complex world, our business model is refreshingly simple: 'We Only Grow, When You Grow'.

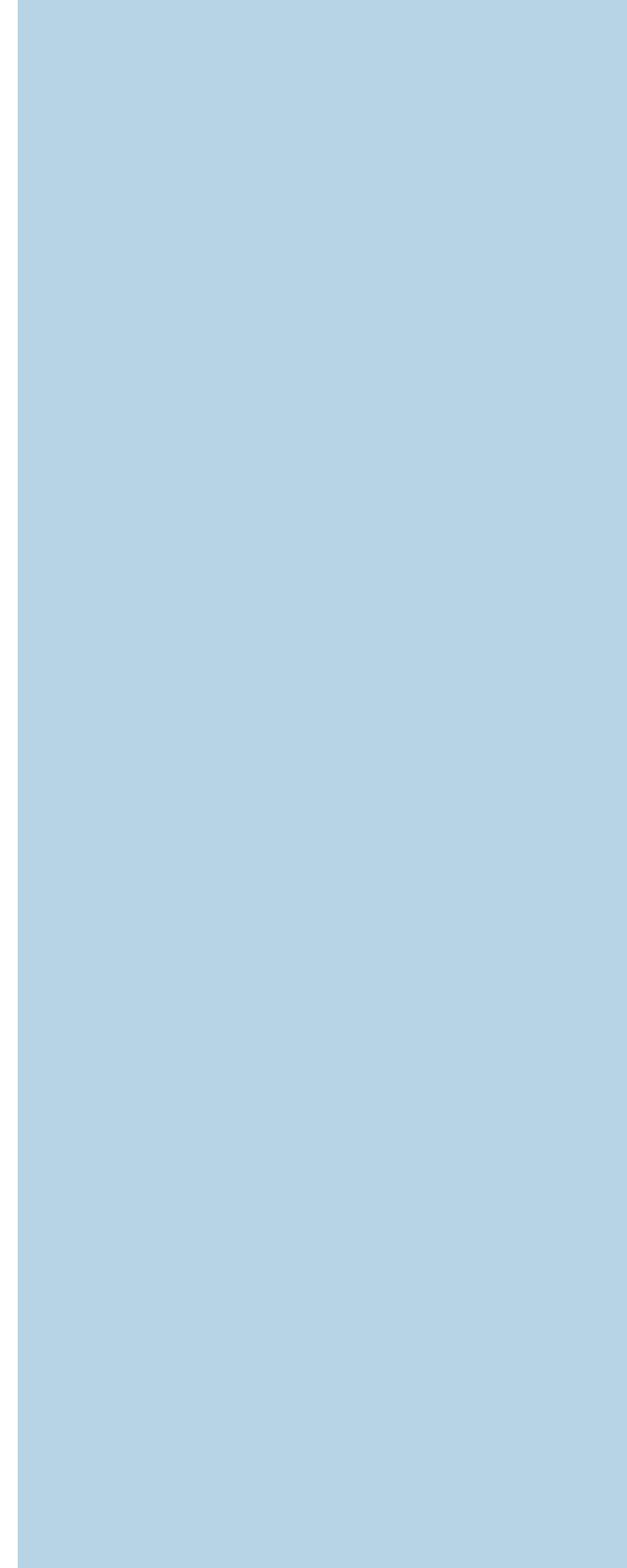
By combining the right people, technology and operational processes, we provide brands direct access to their end consumers, through digital channels, in an entirely scalable way. For consumers outside the EU, we bring not only online experience and digital solutions, but also a multilingual team and extensive tax experience in all EU countries.

By merging the business activities of naYan with smartphoto, the e-commerce know-how of naYan is combined with smartphoto's knowledge of consumers, technology, marketing and production of personalised products. The combination of these strengths allows smartphoto as a group to be taken to a new level.

nayan
SCALING YOUR ECOMMERCE









REPORT OF THE
BOARD OF DIRECTORS

REPORT OF THE BOARD OF DIRECTORS

2023 annual results

Smartphoto group shows resilience and confirms with growth in turnover and profitability

Dividend proposal

- Increase in revenue from 76 295K euro in 2022 to 77 346K euro (+1.4%) in 2023, and this under difficult economic conditions.
- The EBITDA amounts to 13 130K euro in 2023, an increase of 1.2%, compared to 2022 (12 969K euro), due to strict cost control and increased margins.
- Increase in net profit from 5 490K euro in 2022 to 6 928K euro in 2023 (+26.2%).
- Increase in net cash of 1 276K euro (+6.9%) from 18 407K euro in 2022 to 19 683 euro in 2023, and this notwithstanding the increased dividend payment and additional purchase of treasury shares.
- Net cash, excluding lease liabilities pursuant to IFRS 16, amounts to 23 291K euro as at 31 December 2023, compared to 21 780K euro as at 31 December 2022 (+6.9%).
- Proposal to pay a gross dividend for 2023 of 1.05 euro per share (or a 5.0% increase).

Notes to the annual results

Smartphoto group, the innovative e-commerce group from Wetteren, realised an increase in revenue to 77 346K euro in 2023. This increase of 1.4% (or 1 051K euro) was achieved in a year that was characterised by very difficult economic conditions, due to, among other things, the continuation of the war in Ukraine, the return of the war in the Middle East, and the still high inflation that weighed on consumer behaviour.

In this context, smartphoto group realised an EBITDA of 13 130K euro in 2023, compared to 12 969K euro in 2022 (+1.2%).

The smartphoto division achieved sales of 61 029K euro⁽¹⁾ and an EBITDA of 10 200K euro⁽¹⁾. The division managed to limit the increase in operating costs despite higher personnel costs due to wage indexations and higher production, transport and material costs. By implementing strict cost control and smart price increases, margins could still be increased and profitability preserved.

As planned, the B2B division was able to expand its business. NaYan experienced an increase in revenue from 15 515K euro⁽¹⁾ in 2022 to 16 830K euro⁽¹⁾ in 2023, and an increase in EBITDA from 2 734K euro⁽¹⁾ to 2 930K euro⁽¹⁾. The teams were further expanded and a number of new business customers could be welcomed.

Net cash increased from 18 407K euro in 2022 to 19 683K euro in 2023. As at 31 December 2023, net cash, without taking into account lease liabilities under IFRS 16, amounts to 23 291K euro, or an increase of 6.9%, compared to 21 780K euro as at 31 December 2022. This 6.9% increase was achieved through a positive free cash flow, versus investments in property, plant and equipment and intangible assets, the increased dividend payment and additional purchase of treasury shares.

In 2023, the evaluation committee of the Voka Charter for Sustainable Entrepreneurship (VCDO) awarded smartphoto the certificate of 'Sustainability Laureate', for the second time. Together with the Sustainability team, smartphoto group managed to implement the planned actions according to the 2023 action plan. The evaluation committee conducted its audit and completed it positively allowing smartphoto to claim the certificate of 'Pioneer Sustainable Entrepreneurship'. In 2024, further actions will be carried out regarding sustainability. This year, smartphoto group will also already take the necessary steps to prepare for the implementation of the upcoming CSRD reporting, applicable as of 2025.

In December 2023, smartphoto was recognised by 'Test Aankoop' as the best and least expensive online photo printing service, based on comparative and independent test results and analyses. For smartphoto, this is a confirmation of the quality of our services and products.

⁽¹⁾ excluding intercompany eliminations

Financial result

The financial result evolved positively from -1 416K euro in 2022 to -383K euro in 2023. This increase is mainly due to the decrease in foreign exchange gains/losses (-) from -300K euro to -150K euro, and the decrease in the loss on realisation of other receivables of 845K euro, regarding the amount receivable towards the seller of naYan NV.

Income taxes expense (-)/income

The balance of income taxes expense (-)/income evolved from -2 944K euro in 2022 to -1 896 euro in 2023.

Income taxes expense of -2 944K euro in 2022 consists, on the one hand, of the net decrease in deferred tax assets of 2 301K euro, and, on the other hand, of current income taxes expense of 642K euro. The income taxes expense of -1 896K euro in 2023 consists, on the one hand, of the net decrease in deferred tax assets of 797K euro, and on the other hand, of the current taxes expense on income of 1 099K euro.

Profit or loss and other comprehensive income

As at 31 December 2023, the net profit amounts to 6 928K euro, an increase of 26.2%, compared to the net profit of 5 490K euro as at 31 December 2022.

This positive evolution of the realised profit for the 2023 period, with an increase of 1 438K euro, is mainly explained by:

- a negative evolution of the profit from operating activities of 643K euro;
- a positive evolution of the financial result of 1 033K euro; and,
- a positive impact of the income taxes expense (-)/income of 1 048K euro.

The other comprehensive income after taxes amounts to -23K euro in 2023 and relates, on the one hand, to the remeasurement of the net defined benefit liability (asset), also taking into account income taxes payable, for a net amount of -111K euro; and, on the other hand, to translation differences for a net amount, after income taxes, of 89K euro. Other comprehensive income after taxes amounted to -98K euro in 2022, and related merely to translation differences.

Total other comprehensive income amounts to 6 905K euro as at 31 December 2023, compared to 5 392K euro a year earlier.

Dividend

The Board of Directors will propose to the General Meeting of Shareholders of 8 May 2024 to distribute a gross dividend for 2023 of 1.05 euro per share (or a 5.0% increase).

Provided that the profit distribution is approved by the General Meeting of Shareholders of 8 May 2024, this dividend is payable as from 15 May 2024.

The timetable for the payment of the dividend is as follows:

Ex-dividend date	13 May 2024
Registration date	14 May 2024
Payment date	15 May 2024

Statement of financial position

The balance sheet total decreased by 1 503K euro, and amounts to 81 383K euro as at 31 December 2023. Mainly the following elements contributed to this:

Property, plant and equipment

The carrying amount of property, plant and equipment decreased by 822K euro. This decrease can be explained by:

- the investments for 871K euro, mainly consisting of investments in production machinery and renovations relating to the building at Kwatrecht (Wetteren); and
- the depreciation of property, plant and equipment for the amount of 1 703K euro.

Right-of-use assets

The carrying amount of the right-of-use assets amounts to 3 555K euro as at 31 December 2023, compared to a carrying amount of 3 350K euro as at 31 December 2022. The increase of 206K euro consists, on the one hand, of investments for 838K euro relating to the new agreement on a building in Malmö (Sweden) and new agreements on vehicles, as well as changes due to index adjustments for 154K euro. On the other hand, depreciation for the period amounts to 832K euro.

Goodwill

The goodwill remained unchanged at 17 220K euro.

Intangible assets

The carrying amount of the intangible assets has increased by 420K euro, and amounts to 3 614K euro as at 31 December 2023.

This increase is mainly related to investments of 1 778K euro on the one hand, and depreciation for the period of 1 357K euro, on the other. The investments mainly relate to investments to improve the web platform and underlying control tools. This expenditure meets the recognition criteria for capitalisation in accordance with IAS 38.57.

Deferred tax assets

The deferred tax assets decreased from 7 995K euro as at 31 December 2022 to 5 858K euro as at 31 December 2023, a decrease of 2 136K euro. This net decrease is mainly due to the reversal and utilisation of deferred tax assets relating to deferred tax benefits due to tax loss carryforwards (-824K euro), and netting with deferred tax liabilities (-1 304K euro).

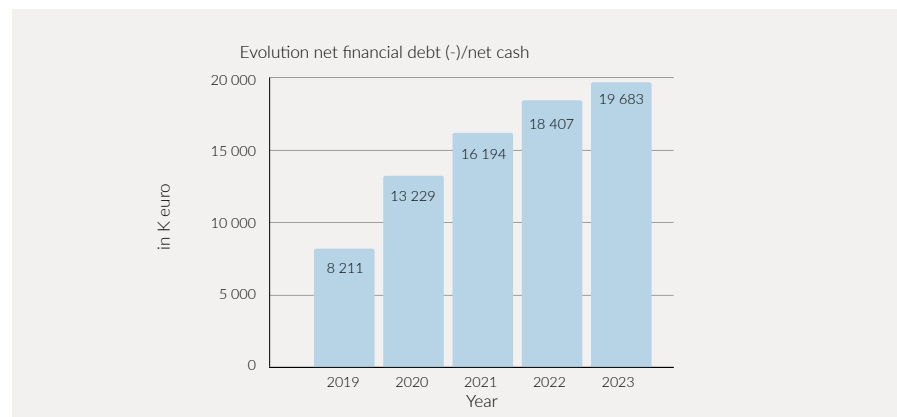
Inventories

The inventories decreased slightly from 3 956K euro as at 31 December 2022 to 3 748K euro as at 31 December 2023.

Trade and other receivables

Trade receivables and other receivables (non-current and current) decreased slightly from 6 148K euro as at 31 December 2022 to 6 028K euro as at 31 December 2023, or a decrease of 119K euro. This decline is due to an increase of 109K euro in trade receivables on the one hand, and a decrease of 230K euro in other receivables on the other. The decline in other receivables includes a decrease of 98K euro regarding the receivable against the seller of naYan NV, which was further withdrawn in 2023 in proportion to the further settlement of vat regularisations.

Net cash



Net cash increased from 18 407K euro in 2022 to 19 683K euro in 2023.

This increase in net cash is due to the realised free cash flow on the one hand, and on the other hand, to the investments in property, plant and equipment and intangible assets (2 649K euro), the increased dividend payment (3 609K euro), and the additional purchase of treasury shares (2 628K euro).

Cash flow from operating activities amounts to 11 162K euro in 2023, compared to 13 812K euro in 2022. The cash conversion ratio for 2023 amounts to 85.0%. Excluding the payment of the remaining portion of the purchase price related to the acquisition of naYan NV (750K euro), the cash conversion ratio would amount to 90.7%.

Total equity

Total equity increased by 1.4% to 49 294K euro as at 31 December 2023. The following elements contributed to this:

- the net profit of 6 928K euro in the 2023 financial year;
- the other comprehensive income, net of taxes for -23K euro;
- the payment of the 2022 dividend for -3 609K euro; and
- the purchase of treasury shares for -2 628K euro, being 51 629 treasury shares for -1 500K euro under the share purchase programme with start date 6 March 2023, and 39 704 treasury shares for -1 128K euro under the share purchase programme with start date 19 October 2023.

Non-current and current interest-bearing financial liabilities

Interest-bearing financial liabilities amount to 1 888K euro as at 31 December 2023, compared to 2 363K euro as at 31 December 2022.

During 2023, an amount of 475K euro was repaid regarding the loans in the context of the acquisition of Aultmore NV, following the purchase of the additional production building.

No new interest-bearing financial liabilities were incurred during 2023.

Non-current and current lease liabilities

The lease liabilities amount to 3 607K euro as at 31 December 2023, compared to 3 372K euro as at 31 December 2022. This net increase of 235K euro is the result of the repayment of current lease liabilities on the one hand, and the entry into new lease agreements regarding a building in Malmö (Sweden), changes due to index adjustments, and the entry into new lease agreements regarding vehicles, on the other.

Non-current and current employee benefit liabilities

The employee benefit liabilities increased by 202K euro and amount to 3 895K euro at the end of 2023. An amount of 716K euro relates to long-term employee benefit liabilities concerning the pension obligations of the companies in the consolidation scope.

Deferred tax liabilities

The deferred tax liabilities decreased from 2 183K euro as at 31 December 2022 to 831K euro as at 31 December 2023. This decrease of 1 352K euro mainly relates to the netting with

deferred tax assets (-1 304K euro). The deferred tax liabilities relate to the revaluation gains of land and buildings, taxable temporary differences on property, plant and equipment and intangible assets, and translation differences.

Trade payables and other payables

The trade and other payables decreased by 709K euro, and amount to 21 499K euro at the end of 2023.

This net decrease includes, on the one hand, a decrease in trade payables of 418K euro, the decrease of advances received on orders of 213K euro, the decrease in other liabilities of 1 484K euro, of which 750K euro relating to the outstanding balance of the purchase price relating to the acquisition of naYan NV, and the decrease in accrued expenses and deferred income of 374K euro; and, on the other hand, an increase of 1 781K euro relating to value added tax payables.

Outlook 2024

In 2024, the focus will continue to be on growth, both for the activities of smartphoto as well as for naYan. For smartphoto, this will include expansion of the product range, the implementation of price increases and the improvement of conversion. Besides focusing on growth by gaining new customers for its EaaS (E-commerce as a Service), naYan will also focus on optimisations of the underlying processes and structures.

This forward-looking information is 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 report.

Description of the most significant risks and uncertainties

The most significant risks and uncertainties are included in the 'Corporate Governance statement' under the title 'Risk management and internal control' on page 47.

Subsequent events

No events have occurred since the 2023 financial year-end that could have a significant impact on the company's results.

Research and development activities

Research activities

In view of the company's nature and operations, there were no activities related to research in 2023.

Development activities

The activities related to development mainly relate to investments to improve the web platform and underlying control tools.

These expenses meet the recognition criteria for capitalisation pursuant to IAS 38.57, and amount to 1 619K euro for the 2023 financial year.

Branch offices

Smartphoto group NV has no branch offices.

Use of financial instruments

The group did not use financial instruments to hedge the currency and/or interest rate risk in 2023.

Remuneration of the Statutory Auditor

Smartphoto group NV's Statutory Auditor, Deloitte Bedrijfsrevisoren BV, represented by Mrs Charlotte Vanrobaeys, was appointed by the General Meeting of Shareholders of 10 May 2023 for a period of 3 years.

The Statutory Auditor received a remuneration of 68K euro for its mandate in 2023. In addition, a total fee of 95K euro was granted to the Statutory Auditor and its network for work concerning the audits of the subsidiaries with which smartphoto group forms a group. During the 2023 financial year, the Statutory Auditor and its network received a fee of 9K euro for work outside the scope of their engagement. These activities included tax-related services. Apart from these amounts, no remunerations or benefits in kind were granted, either by smartphoto group NV, or by any of its subsidiaries. There were also no payments made to persons with whom the Statutory Auditor entered into a cooperation agreement.

Application of Article 7:99 of the Belgian Companies and Associations Code

The composition of the Audit Committee fulfils the requirements stipulated in the Belgian Companies and Associations Code. Pursuant to Article 7:99, the Audit Committee is composed of 3 non-executive members of the Board of Directors, the members dispose of a collective expertise with regard to the activities of the company, at least one member is an independent director in the sense of Article 7:87, and at least one member disposes of the necessary expertise and professional experience in the field of accounting and auditing.

The Audit Committee is composed as follows: Pallanza Invest BV, represented by its permanent representative Mr Geert Vanderstappen, Fovea BV, represented by its permanent representative Mrs Katya Degrieck, and Mr Hans Van Rijckeghem. Fovea BV, represented by its permanent representative Mrs Katya Degrieck, is an independent director. Both Mr Geert Vanderstappen, permanent representative of Pallanza Invest BV, and Mr Hans Van Rijckeghem dispose of the necessary expertise and professional experience in the field of accounting and audit as a result of their career and current professional activities.

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.

Smartphoto group NV complied with all stipulations from the Corporate Governance Code 2020, except those of which is 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. 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, there are a number of principles where the company deviates from the 2020 Code:

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 and 6 non-executive directors, of which 2 are independent directors. The Board of Directors is of the opinion that, in view of the limited size of the company, and 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 who is the main

shareholder of the companies that have united in the Midelco Consortium, which is holder of 789 970 shares of smartphoto group NV, (ii) two of the non-executive directors who are connected to the main shareholders, and (iii) the majority of the members of the Nomination Committee who are 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 essentially 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.

Current composition of the Board of Directors

The Board of Directors is composed of the following members: 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 Degriecq; 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.

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

Name		Non-executive director	Independent director	Audit Committee	Nomination Committee	Remuneration Committee
Mr 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 Degriecq	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

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 Degriecq, 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 Degriecq, 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 10 May 2023 confirmed the independence of Fovea BV, represented by its permanent representative Mrs Katya Degriecq, 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 Degriecq, and Mrs Alexandra Leunen, the composition of the Board of Directors complies with the

composition, structure and organisation are described in detail in the Corporate Governance Charter of smartphoto group NV.

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

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 following directors are appointed for a period of 3 years, starting as of 10 May 2023, and ending after the General Meeting of Shareholders of 2026: Mr Philippe Vlerick; Acortis BV, represented by its permanent representative Mr Stef De corte; Mr Hans Van Rijckeghem; Alychlo NV, represented by its permanent representative Mr Marc Coucke; and Mrs Alexandra Leunen.

Fovea BV, represented by its permanent representative Mrs Katya Degriecq; and Pallanza Invest BV, represented by its permanent representative Mr Geert Vanderstappen were appointed for a period of 2 years, starting as of 10 May 2023, and ending after the General Meeting of Shareholders of 2025.5.

Directorships at other companies

The brief biography of the members of the Board of Directors (see pages 36 until 42 of this document) also include their main directorships at other companies.

Internal measures to promote proper Corporate Governance practices

Based on the indicative publication schedules related to the 2024 financial year, the closed periods are the following:

- from 22 July 2024 until 22 August, 2024, and
- from 4 February 2025 until 4 March 2025.

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

The persons 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 2023

In 2023, 7 meetings took place under the chairmanship of Mr Philippe Vlerick. One meeting dealt mainly with the budget for 2023, two meetings dealt mainly with the approval of the financial statements as at 31 December 2022 and the half-yearly financial statements as at 30 June 2023. One meeting dealt mainly with (i) the agenda of the Annual General Meeting of Shareholders of 10 May 2023, including the proposal to approve the variable remuneration of the executive director in accordance with the proposal of the Remuneration Committee; (ii) the discussion and approval regarding the candidate Statutory Auditor; and (iii) the proposal of dividend distribution over the 2022 financial year. One meeting dealt mainly with the reappointments of the managing director, the Chairman of the Board of Directors and the composition of the committees, including the related fees, 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, the ESG reporting and the recommendations from the Board of Directors' committees, such as the annual evaluation of the executive director.

The Board of Directors deliberates, among others, on the management structure, the strategy concerning ERM (Enterprise Risk Management), and proposals for acquisitions or divestments. More specifically, the share repurchase programme with start date 6 March 2023, which was fully completed on 5 October 2023, and the share repurchase programme with start date 19 October 2023, which was fully completed on 14 March 2024, were discussed in the 2023 meetings.

The individual attendance rate of the directors regarding the meetings of the Board of Directors in 2023 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	86%
Fovea BV, represented by its permanent representative Mrs Katya Degrieck	86%
Mr Hans Van Rijckeghem	100%
Alychlo NV, represented by its permanent representative Mr Marc Coucke	71%
Mrs Alexandra Leunen	100%

The Articles of Association state that the decisions must be made by a majority of votes. In 2023 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 2023, the Board of Directors complied with the procedure in accordance with Article 7:96 of the Belgian Companies and Associations Code, in the meetings of the Board of Directors on 24 March 2023 and 10 May 2023. The relevant parts of the minutes of these meetings of the Board of Directors are listed below:

The relevant parts of the minutes of this meeting of the Board of Directors of 24 March 2023:

"Article 7:96 of the Belgian Companies and Associations Code - declaration of the director

Mr Stef De corte declares that he is affected by a conflict of interest, with regard to agenda item IV, as a decision has to be taken on the remuneration of Acortis BV, permanently represented by Mr De corte.

Consequently, the procedure included in Article 7:96 of the Belgian Companies and Associations Code must be complied with. Mr De corte abstains from the discussion and decision-making of agenda item IV.

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

DELIBERATIONS AND DECISIONS

IV. Discussion and approval remuneration Acortis BV

The Board of Directors refers 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 (variable remuneration component). 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.

Taking into account the actual performance over the 2022 financial year, compared to the objectives over 2022, and the fact that the members of the Remuneration Committee agree that, partly due to the effort of the CEO, the 2022 financial year has been a successful year with strong increase in EBITDA, the Remuneration Committee proposes to award the total variable remuneration of 125K euro to the CEO.

The Remuneration Committee proposed the following remuneration package for Acortis BV over 2022:

- a fixed remuneration component of 405K euro,
- a variable remuneration component of 125K euro, and
- other remuneration components for an amount of 4K euro.

The Board of Directors believes that the amount of compensation is in line with the market, and approves this proposal.

The Board of Directors determines that the variable remuneration is one quarter or less of the total annual remuneration. Over the 2022 financial year, the currently proposed variable remuneration component amounts to 23%, and the fixed remuneration component amounts to 76% of the total remuneration.

Therefore, attributing the non-recurring remuneration is in accordance with article 7:91, al. 3 of the Belgian Companies and Associations Code, and does not need to be submitted to the General Meeting for approval.

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

The relevant parts of the minutes of this meeting of the Board of Directors of 10 May 2023:

“Article 7:96 of the Belgian Companies and Associations Code - declaration of the directors

Some directors declare they are affected by a conflict of interest, with regard to a number of agenda items according to Article 7:96 of the Belgian Companies and Associations Code.

Mr Stef De corte declares that he is affected by a conflict of interest, with regard to agenda item I, as a decision has to be taken on the reappointment of Acortis BV, permanently represented by Mr De corte, as managing director of smartphoto group NV, as well as on the corresponding remuneration.

Mr Geert Vanderstappen (as fixed representative and controlling shareholder of Pallanza Invest BV), Mr Hans Van Rijckeghem and Mrs Katya Degrieck (as fixed representative and controlling shareholder of Fovea BV) declared that they are also affected by a conflict of interest with regard to agenda item V, as there should be decided on their reappointment and corresponding remuneration as member of the Audit Committee.

Mr Philippe Vlerick has also declared that he is affected by a conflict of interest with regard to agenda item II, as a decision has to be made on his reappointment and associated remuneration as Chairman of the Board of Directors.

The directors involved, cannot participate in the decision-making related to the mentioned items on the agenda.

However, since the decisions are taken unanimously and in writing, the aforementioned directors emphasise that, with respect to the items on the agenda concerning themselves, they are signing these minutes for information purposes only, without any participation in the decision-making and/or approval thereof.

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

DELIBERATIONS AND DECISIONS

I. Reappointment of Acortis BV, of which Mr Stef De corte is permanent representative, as managing director

The members of the Board of Directors (with the exception of Acortis BV), unanimously decide to reappoint Acortis BV as managing director for the term of his current mandate. The remuneration of his mandate as managing director is also approved, as proposed by the Remuneration Committee. Acortis BV, permanently represented by Mr Stef De corte, accepts the mandate of managing director.

Considering that the remuneration is in line with the remuneration policy applied to date and the remuneration policy approved at the General Meeting of 11 May 2022, the Board of Directors is of the opinion that there are no negative financial consequences for the company. The appointment and remuneration is in line with the market and economically justified, and was proposed by the Remuneration Committee.

II. Reappointment of Mr Philippe Vlerick as Chairman, and determination of the remuneration

The members of the Board of Directors (with exception of Mr Philippe Vlerick) have decided unanimously, to reappoint Mr Philippe Vlerick as Chairman of the Board of Directors for the term of his current mandate.

The remuneration for his mandate as Chairman of the Board of Directors is determined at 12 500 euro per year (in addition to the normal remuneration as a director). This fee is economically justified and in line with the market. There are no negative financial consequences for the company, as this is a continuation of the remuneration policy used to date, and this is in line with the remuneration policy approved at the General Meeting of Shareholders of 11 May 2022. Moreover, the remuneration was proposed by the Remuneration Committee itself.

V. Reappointment and remuneration of the members of the Audit Committee

The members of the Board of Directors (with exception of Mr Geert Vanderstappen, Mr Hans Van Rijckeghem and Mrs Katya Degriecq) have decided unanimously to reappoint the following members of the Audit Committee, for the duration of their current mandate as director:

- Pallanza Invest BV, permanently represented by Mr Geert Vanderstappen, Chairman;
- Mr Hans Van Rijckeghem;
- Fovea BV, permanently represented by Mrs Katya Degriecq.

The mandate of a member of the Audit Committee is remunerated in accordance with the decision of the Remuneration Committee (2 500 euro per year). This fee is economically justified and in line with the market. There are no negative financial consequences for the company, as this is a continuation of the remuneration policy used to date, and in line with the remuneration policy approved at the General Meeting of Shareholders of 11 May 2022. Moreover, the remuneration was proposed by the Remuneration Committee itself."

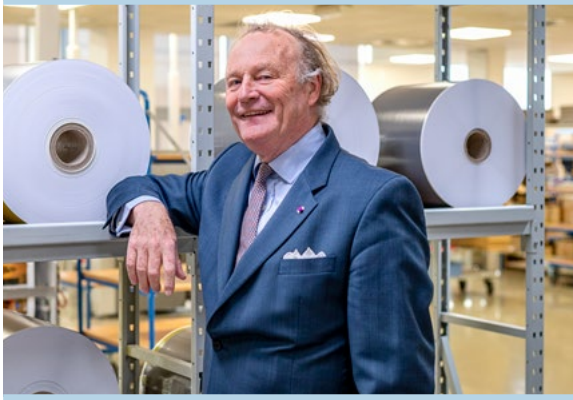
Relationships with affiliated companies

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 2023 financial year, there were no situations as referred to in Article 7:97 of the Belgian Companies and Associations Code.



BRIEF BIOGRAPHY OF THE MEMBERS OF THE BOARD OF DIRECTORS



PHILIPPE VLERICK

**Chairman,
non-executive director**

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

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 28 November 2005 to 2017. Chairman since 10 May 2017, also Chairman of the Nomination Committee and the Remuneration Committee.

His current mandate as director of the company runs until the Annual General Meeting of Shareholders of 13 May 2026.

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),
- Europalia (chairman),
- 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 789 970 shares (20.04%) of smartphoto group NV, of which 3 607 shares are held by Mr Philippe Vlerick personally.

The shares smartphoto group NV, held by the companies united in the Consortium Midelco NV and Mr Philippe Vlerick, are partly dematerialised (16 276), and partly registered shares, registered in the company's shareholders' register (773 694). Neither the companies united in the Consortium Midelco NV, nor Mr Philippe Vlerick hold any stock options of smartphoto group NV, nor do they have any business links with the group.

Mr Philippe Vlerick 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 12 May 2010, Mr Stef De corte was appointed as director, and on 7 June 2012 as managing director of smartphoto group NV. As of 14 November 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 runs until the Annual General Meeting of Shareholders on 13 May 2026.

Current directorships at other companies:

- Roxette Photo NV (director),
- Nano Capital NV (director).

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 Pallanza 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 28 November 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 runs until the Annual General Meeting of Shareholders on 14 May 2025.

Current directorships at other companies:

- Kinapolis NV,
- Garden Center Holding (Oh'green) NV,
- Pentahold NV,
- Optimum Sorting Groep,
- Yuma 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.

Non-executive, independent director since 8 May 2013. Member of the Remuneration Committee and the Audit Committee since 10 May 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, runs until the Annual General Meeting of Shareholders on 14 May 2025.

Current directorships at other companies:

- Non-executive, independent director at Lannoo Group, one of the biggest book publishers of the Benelux.
- Non-executive, independent director at UPG (Unified Post Group) as from 8 September 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.

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).

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 10 May 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 runs until the Annual General Meeting of Shareholders on 13 May 2026.

Mr Hans Van Rijckeghem has no family ties with other members of the company's executive, management or supervisory bodies.

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.

Non-executive director and member of the Nomination Committee at the company since 10 May 2017.

His current mandate as director of the company runs until the Annual General Meeting of Shareholders on 13 May 2026.

Current most important directorships at other companies:

- Animalcare Group Plc. (director).

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 628 901 shares (15.95%) 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 and Mr Marc Coucke personally, are partially dematerialised shares, partially 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:
Kasteelstraat 1
1560 Hoeilaart, 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.

Non-executive, independent director and member of the Remuneration Committee since 10 May 2017. Mrs Alexandra Leunen fulfils 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, runs until the Annual General Meeting of Shareholders on 13 May 2026.

Current directorships at other companies:

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

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

Within the Board of Directors there are 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

- Pallanza Invest BV, represented by its permanent representative Mr Geert Vanderstappen, director and chairman of the Committee, appointed until the 2025 Annual General Meeting of Shareholders;
- Fovea BV, represented by its permanent representative Mrs Katya Degriek, independent director, appointed until the 2025 Annual General Meeting of Shareholders;
- Mr Hans Van Rijckeghem, director, appointed until the 2026 Annual General Meeting of Shareholders.

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 Degriek, 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, the CFO and the internal auditor attend the meetings of the Audit Committee.

Audit Committee's report on its activities in 2023

The Audit Committee met 5 times in 2023. Two meetings were mainly devoted to the review of the consolidated financial statements as at 31 December 2022 and the half-yearly consolidated figures as at 30 June 2023. One meeting was devoted to the annual impairment tests in accordance with IAS 36, concerning the identified cash-generating units smartphoto and naYan, in order to examine whether an impairment loss should be recognised. One meeting was devoted to the proposal regarding the candidate Statutory Auditor to the Board of Directors. 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 non-audit services of the Statutory Auditor and its network, and the findings and recommendations of the Statutory Auditor as well as his independence. Further topics discussed during the meetings in 2023 included the update of the quarterly reporting, the

status of the integration of naYan within the smartphoto group, GDPR matters and the preparation of the ESG reporting.

Of 15 possible attendances (5 meetings x 3 members) there were two apologies for absence, Fovea BV, represented by its permanent representative Mrs Katya Degriek, apologised twice.

Nomination Committee

Composition of the Nomination Committee

The following members of the Nomination Committee have been appointed until the Annual General Meeting of Shareholders that will take place on 13 May 2026:

- 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 2023

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 2023, the Nomination Committee met once regarding the reappointment of the directors, the managing director, the Chairman of the Board of Directors and the members of the committees.

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

- Mr Philippe Vlerick, chairman of the Committee, non-executive director, appointed until the 2026 Annual General Meeting of Shareholders,
- Fovea BV, represented by its permanent representative Mrs Katya Degrieck, independent non-executive director, appointed until the 2025 Annual General Meeting of Shareholders; and
- Mrs Alexandra Leunen, independent non-executive director, appointed until the 2026 Annual General Meeting of Shareholders.

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 2023

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 2023 and dealt with issues including the individual remuneration for the executive director, more specifically, the approval of the variable remuneration over 2022, 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 12 May 2021. This remuneration policy will be submitted for approval to the General Meeting of Shareholders of the company, for every material change and at least every four years.

All members attended the meetings.

Information regarding diversity

Given smartphoto group's corporate culture, which does not differentiate on the basis of age, gender, orientation, disability, ethnic origin or nationality, everyone is given equal opportunities, which leads to a diverse workforce as such.

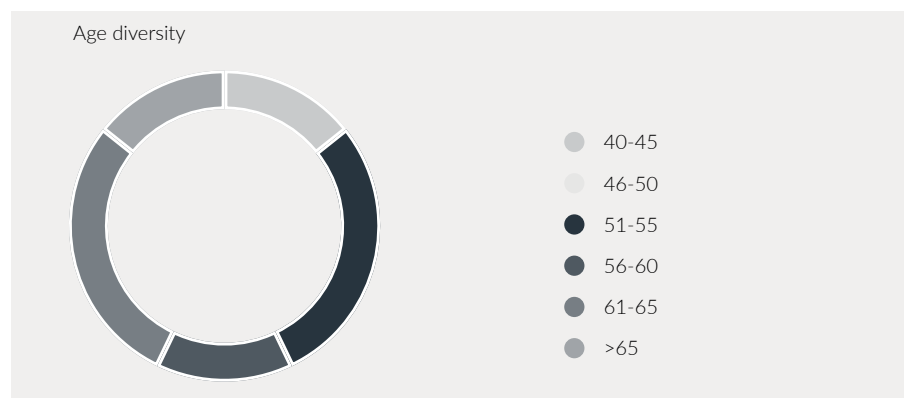
This diversity policy is also applied with regard to the composition of the Board of Directors, which strives for a Board of Directors composed of directors with a broad professional background, in order to achieve in its composition the best possible diversity and complementarity of experience, competences and education, regardless of their personal characteristics.

The nominations of the members of the Board of Directors, endorsed by the General Meeting of Shareholders on 10 May 2023, met the criteria of diversity in gender and age, as well as in competences, experience and knowledge. Thus, 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.

In the brief biography of the members of the Board of Directors, more information can be found.

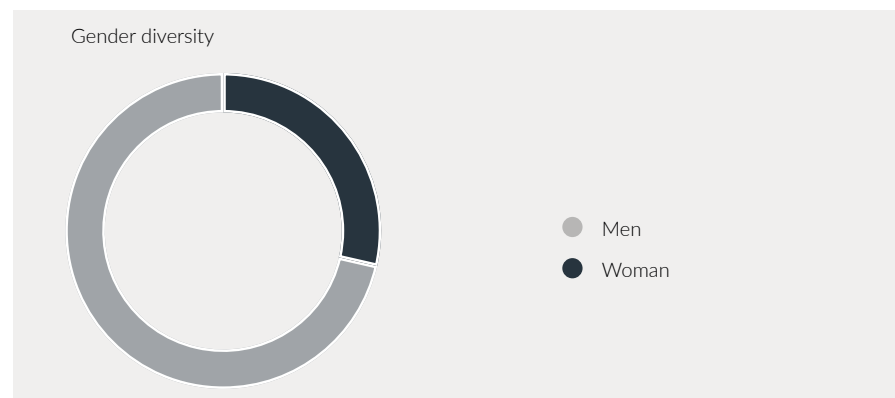
Age diversity within the current Board of Directors

Age	40-45	46-50	51-55	56-60	61-65	>65	Total
Number of directors	1		2	1	2	1	7
In % of total	14.3%	0.0%	28.6%	14.3%	28.6%	14.3%	100.0%



Gender diversity within the current Board of Directors

Gender	Woman	Men	Total
Number of directors	2	5	7
Breakdown	1/3	2/3	



Statutory Auditor

The General Meeting of Shareholders of 10 May 2023 has appointed Deloitte Bedrijfsrevisoren BV, with registered office at Brussels National Airport 1J, 1930 Zaventem, Belgium, IBR nr 025, RPR BE 0429.053.863, represented by Mrs Charlotte Vanrobaeys, as Statutory Auditor of the company. The mandate of Deloitte Bedrijfsrevisoren BV runs for a period of three years, and expires after the Annual General Meeting of Shareholders of 2026.

Day-to-day management

Managing director

In accordance with Article 20 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 company in a legal and de facto capacity.

Acortis BV, represented by its permanent representative Mr Stef De corte, is acting as managing director of the company since 14 November 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 2023. 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 12 May 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 2023

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 2023 financial year amount to 95 000 euro; for 2022, 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.

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 51 of this document.

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

Remuneration of the executive director in 2023

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 retention 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 takes on the daily management.

In 2023, the fixed remuneration amounts to 425K euro. The variable remuneration consists of a cash bonus which depends on the realised performance of the company against the predefined targets, as determined by the Remuneration Committee. These predefined targets are linked for 65% to consolidated group results on operating income and EBITDA, 35% to KPIs of the smartphoto and naYan segments, respectively, and 5% to other targets. Taking into account the actual performance for the 2023 financial year against the predetermined targets for 2023, and the fact that partially thanks to the commitment of the CEO, the year 2023 turned out to be a successful year with a strong increase in net result, a variable remuneration of 120K

euro is granted to the CEO. The other remuneration components amount to 4K euro. The total remuneration for the executive director for the 2023 financial year thus amounts to 549K 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 ⁽¹⁾	Variable remuneration component ^{(1) (2)}	Other remuneration components ⁽³⁾
Stef De corte ⁽⁴⁾	-425	-120	-4

⁽¹⁾ Cost to the company, i.e. gross amount including social security contributions.

⁽²⁾ 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.

⁽³⁾ 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.

⁽⁴⁾ 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 essentially 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 2023 financial year, the variable remuneration component amounts to 120K euro, which is 22% of the total remuneration, and the fixed remuneration amounts to 77% of the total remuneration.

Severance payments

There is an agreement between Acortis BV, represented by its permanent representative, 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	2019	2020	2021	2022	2023
Yearly remuneration non-executive directors ⁽¹⁾	0%	0%	0%	0%	0%
Executive director ⁽²⁾	2.2%	12.0%	-3.8%	4.3%	2.8%
Changes in the performance of the company ⁽³⁾	27.2%	34.9%	-14.1%	27.3%	1.2%
Changes in the average remuneration of the other employees ⁽⁴⁾	4.7%	-3.1%	5.0%	4.8%	14.0%
Ratio between the highest and lowest remuneration ⁽⁵⁾	10.3%	10.2%	10.2%	10.0%	10.6%

⁽¹⁾ 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.

⁽²⁾ 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.

⁽³⁾ 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.

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

⁽⁵⁾ 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 fact that the smartphoto website is hosted on the Google Cloud platform has further contributed to the increased optimisation of our websites' speed and accessibility, and increases the security of our platform. This also facilitates capturing the peaks during the year.

Cyber risks are mitigated through, among others, cybersecurity awareness training for employees, combining automated phishing simulations with interactive training on cybersecurity. Furthermore, these risks are covered through insurance policies with external insurers.

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.

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. Since for the e-commerce activities the majority of orders are paid directly through online payments, where the order is only confirmed after approval by the payment organisation, this risk is very limited. Due to the partnership with Klarna, the customer is still offered the possibility of post-payment, but the group also minimises risks through the risk management services, including fraud prevention and credit checks. For the part where payments are collected by bank transfer, adequate debtor management is in place.

For other trade receivables, credit limits and payment deadlines are defined for each customer. When these deadlines are exceeded, dunning procedures are initiated, and deliveries to customers are blocked.

There was no significant concentration of risk as at 31 December 2022, nor as at 31 December 2023.

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.

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 34. Risk factors.

Liquidity risk

The net cash evolved from a cash surplus of 18 407K euro at the end of 2022 to a cash surplus of 19 683K euro at the end of 2023.

Based on the prognoses of the cash flow liquidity forecast, the subsidiaries of the group will be able to meet their financial obligations in 2024. The group holds undrawn credit lines for an amount of 5 852K euro in the 2023 financial year, compared to 5 837K euro in 2022.

In 2022, the exchange rate fluctuations in the Swiss franc were covered by forward contracts. There are no derivative contracts in 2023.

Because the credit agreements with KBC Bank and BNP Paribas Fortis Bank (see 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 31 December 2022 and 2023 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 34. Risk factors.

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 Swiss franc, the Norwegian krone, the Danish krone, the British pound and the US dollar.

For the 2023 financial year, 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.

Sensitivity analysis for exchange rate risk

An increase/decrease of the euro/non-euro currencies by +10% or -10% (reference rate= average rate for 2022) would have an impact on the profit/loss (-) before tax of -157K euro or 192K euro respectively as at 31 December 2022. An increase/decrease by +10% or -10% (reference rate= closing rate for 2022) would have an impact on the carrying value of -15K euro or 101K euro respectively as at 31 December 2022.

An increase/decrease of the euro/non-euro currencies by +10% or -10% (reference rate= average rate for 2023) would have an impact on the profit/loss (-) before tax of -165K euro or 202K euro respectively as at 31 December 2023. An increase/decrease by +10% or -10% (reference rate= closing rate for 2023) would have an impact on the carrying value of 45K euro or -55K euro respectively as at 31 December 2023.

Equity structure

The group optimises its equity structure, the combination of liabilities and equity. The most important objective of the equity structure is to obtain the best possible shareholder

value, while simultaneously retaining the requisite financial flexibility to implement strategic projects. Maintaining a fundamentally healthy financial structure is essential.

When analysing the equity structure, the IFRS classification for the distinction between equity and liabilities is used.

Fair value

For financial assets and liabilities not recognised at fair value, the carrying amount approximates the fair value.

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

Impact of the ongoing war in Ukraine

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, the Russian invasion of Ukraine had little direct impact on the commercial activities of smartphoto group.

Impact of the return of the war in the Middle East

Smartphoto group analysed the risks of the consequences of the conflict in the Middle East, 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 in the Middle East, the conflict in the Middle East had little direct impact on the commercial activities of smartphoto group. .

Impact of the macro economic environment

On the contrary, the higher energy and raw material prices, higher shipping costs and the automatic wage indexations, caused by inflation, impacted costs from smartphoto group's business activities. By implementing strict cost control and smart price increases, margins in 2023 could still be increased, compared to 2022, and profitability could be preserved.

Developments regarding the Ukraine crisis, the conflict in the Middle East and the impact of possible further inflation, are closely monitored, enabling smartphoto group to take the necessary measures in time.

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 scenarios have been elaborated. The adverse consequences are also covered by insurance policies.

Information pursuant to Article 14, §4 of the Act of 2 May 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 notification in 2023:

Notification received on 29 June 2023

The companies Midelco NV, Cecan Invest NV and Isarick NV, as well as Mr Philippe Vlerick, Doorniksewijk 49, B - 8500 Kortrijk, have informed the Financial Services and Markets Authority (FSMA) and smartphoto group NV that the aggregate percentage of the number of acquired voting securities or voting rights on 20 June 2023 has exceeded the 20% threshold through the acquisition of 30 000 shares by Cecan Invest NV. The total number of voting rights held by the persons acting in concert following this transaction is 789 970 or 20.04%.

Details of the notification received are shown below.

Notification by persons acting in concert

Holders of voting rights	Previous notification # voting rights	After the transaction # voting rights	% voting rights
STAK Professor Vlerick	0	0	
Cecan Invest NV	217 364	269 864	
Subtotal	217 364	269 864	
Philippe Vlerick	3 607	3 607	
Midelco NV	467 555	503 830	
Subtotal	471 162	507 437	
Isabelle Vlerick	0	0	
Isarick NV	12 669	12 669	
Subtotal	12 669	12 669	
TOTAL	701 195	789 970	20.04%

Total number of voting rights (the denominator) at the time of the transaction, i.e. 20 June 2023: 3 941 950.

Chain of controlled undertakings through which the holding is effectively held:
The shares are held directly by the companies Midelco NV, Cecan Invest NV, Isarick NV, and by Mr Philippe Vlerick. Cecan Invest NV is a direct subsidiary of Cecan NV whose majority shareholder is STAK Professor Vlerick. Midelco NV is controlled by Philippe Vlerick. Isarick NV is a direct subsidiary of Isphan NV, which is controlled by Isabelle Vlerick.

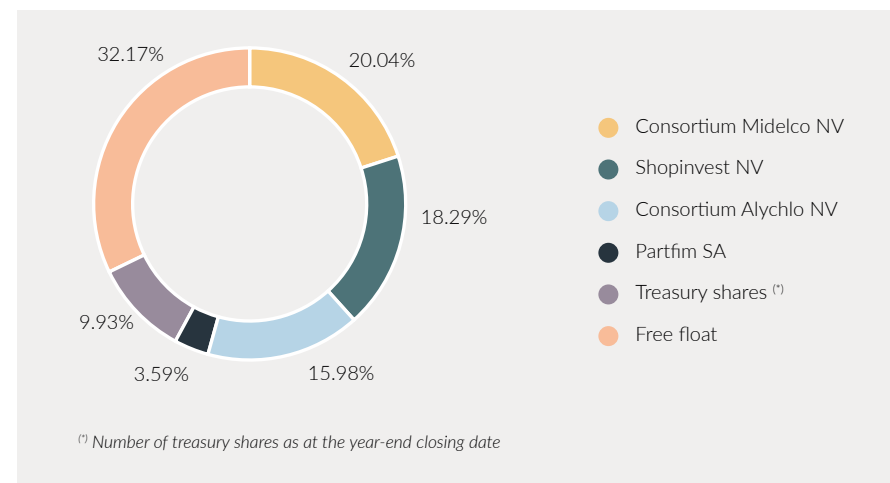
Shareholder structure as at the year-end closing date

Shareholders with a percentage $\geq 3\%$ of the total number of shares

	Most recent notification	% of total ⁽¹⁾ (number of shares)	Number of shares	% of total ⁽²⁾
CONSORTIUM MIDELCO NV, CECAN INVEST NV, ISARICK NV and Philippe Vlerick c/o Doorniksewijk 49, B-8500 Kortrijk	29/06/2023	20.04% (789 970)	789 970	20.04%
- MIDELCO NV		12.78%	503 830	12.78%
- CECAN INVEST NV		6.85%	269 864	6.85%
- 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	16.05% (570 000)	720 945	18.29%
- SHOPINVEST NV			719 000	18.24%
- Etienne Kaesteker			1 945	0.05%
ALYCHLO NV and controlling person Lembergsesteenweg 19, B-9820 Merelbeke	27/05/2020	15.01% (591 551)	629 801	15.98%
- ALYCHLO NV		14.98%	628 901	15.95%
- Marc Coucke		0.02%	900	0.02%
SMARTPHOTO GROUP NV Kwatrechtsteenweg 160, B-9230 Wetteren	31/01/2022	5.04% (198 641)	391 543	9.93%
PARTFIM SA Avenue Montjoie 167 bus 9, B-1180 Brussels	02/06/2020	3.59% (141 500)	141 500	3.59%

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

⁽²⁾ Current % of shares held of the current total number of issued shares, being 3 941 950 shares.



Treasury shares

The total number of treasury shares evolved from 300 210 shares per 31 December 2022 to 391 543 shares per 31 December 2023, or 9.93% of the total number of issued shares (3 941 950). This increase of 91 333 treasury shares is the result of:

- The purchase of 51 629 treasury shares in the period from 6 March 2023 to 5 October 2023, following the execution of the share purchase programme with start date 6 March 2023;
- The purchase of 39 704 treasury shares in the period from 20 October 2023 to 29 December 2023, following the execution of the share purchase programme with start date 19 October 2023.

For the execution of the share repurchase programmes, 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.

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, 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 8 May 2024 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 of 24 April 2024 at 24H00, 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 of 24 April 2024 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 2 May 2024 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 2 May 2024, as follows:

- by letter, addressed to smartphoto group NV, attn. Marjan Janssens, Kwatrechtsteenweg 160, 9230 Wetteren (to be received no later than 2 May 2024).
- by e-mail, sent to the e-mail address corporate@smartphoto.com. This e-mail must reach the indicated e-mail address no later than 2 May 2024, 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 8.1. 2° of the Belgian Civil Code, in which notice is provided by letter or e-mail (or any other means specified in Article 1.5 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.

The proxies must be deposited at the registered office of the company, no later than 2 May 2024. 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.

- 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 16 April 2024. They can be sent to the company by electronic means, to the following address: corporate@smartphoto.com. The company confirms the receipt of the request within a period of 48 hours from its receipt. No later than 23 April 2024, an updated agenda will be published.

- 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, no later than 2 May 2024.

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, as from 5 April 2024. 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 and investors.

To this end, smartphoto group uses various means of communications, such as:

- Publication of half-yearly results and yearly results (see agenda for the shareholder).
- A separate Investor Relations section on the website www.smartphotogroup.com.
- The organisation of investor days.
- Free subscription to the press release service for investors via the above mentioned website.

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 14 November 2007

1° Capital structure

Issued capital

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

Change in capital

The General Meeting, deliberating under the conditions required to amend the Articles of Association, can increase or decrease the 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 11 May 2022 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 2 June 2025. In accordance with Article 7:215, §1 of the Belgian Companies and Associations Code, this authorisation can be renewed.

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 11 May 2022 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 2 June 2027), and can be renewed pursuant to Article 7:215, §1 of the Belgian Companies and Associations Code.

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.

Information pursuant to Article 74, §7 of the Act of 1 April 2007

The company has not received any notification in terms of Article 74, §7 of the Law of 1 April 2007 on Takeover Bids.

Statement of non-financial information

The statement of non-financial information is included in a separate section of the 2023 Annual Report: refer to the Statement of non-financial information - Sustainability Report (ESG), included on pages 61 to 80 of this document.

General information concerning smartphoto group

1. General information about the company

1.1. Identity

The company's name is 'smartphoto group NV'. Its registered office is in Belgium, 9230 Wetteren, Kwatrechtsteenweg 160. Its LEI code is 529900EKGNL8HWTMTO81.

1.2. Foundation and duration

Smartphoto group NV was founded for an indefinite period on December 23, 1964 under the name 'DBM-Color NV' by deed executed in the presence of Civil-law notary Luc Verstraeten at Assenede, Belgium, published in the Annexes to the Belgian Official Gazette of 15 January 1965. The Articles of Association were last updated by deed executed in the presence of Benjamin Van Hauwermeiren, Civil-law notary in Oordegem, on 11 May 2022, published in the Annexes to the Belgian Official Gazette of 2 June 2022, on the occasion of, among others, the amendment of the Articles of Association to the new Belgian Companies and Associations Code, the inclusion of the company's website and e-mail address in the Articles of Association, and submission, perusal and discussion of the report prepared in accordance with Article 7:199, in conjunction with 7:202, of the Belgian Companies and Associations Code concerning the proposal to renew the authorisation of the Board of Directors to increase the capital within the framework of the authorised capital, including the possibility of a capital increase, following a notification from the Financial Services and Markets Authority regarding a public takeover bid.

1.3. Legal form

Smartphoto group NV was founded as a limited company under Belgian law.

1.4. Company objective

The objective of the company is defined in Article 3 of the Articles of Association as follows:

- the production, import, purchase, sale, supply, renting out, leasing and storage of all products, materials, and equipment for recording and reproduction of pictures, signals and sound, and in the field of electronic equipment, IT, multimedia, sound and picture media, telecommunications, office equipment, photography, photo engraving, film and software, as well as their accessories and the associated services and related products;
- the acquisition, production, use and development of every brand image, trade name and patent that may or may not be related to the operations identified above, and provision of licences;

- the purchase, sale, reconstruction, letting, subletting, finance leasing, leasing, concession and operation, in any form whatsoever, of all movable and immovable property and machines, plants, equipment, commercial vehicles and passenger cars, which are relevant to the company's operations;
- the investing, managing and exploiting capital assets;
- establishing of, and cooperation with enterprises and companies, the purchase and management of participating interests or shares in companies or enterprises of which the objective is similar or related to the objective defined above, or is of a nature to promote achieving it, and in financial companies; the financing of such companies or enterprises by loans, guarantees or any other similar form whatsoever; the participation as member of the Board of Directors or of any other similar body for the management and the observation of the position of liquidator for the companies identified above;
- the performance of all operations, studies and management services of administrative, technical, commercial and financial nature, chargeable to companies of which it is a shareholder or chargeable to third parties.

The company may carry out any industrial, trade or financial transactions on their own behalf or for third parties, in Belgium and abroad, which may directly or indirectly expand or improve its enterprise.

1.5. Register

Smartphoto group NV is registered in the Trade Register of Ghent, Dendermonde department, RPR 0405.706.755. Its number for Value Added Tax (VAT) is BE 0405.706.755.

2. General information about the capital

2.1. Capital

Smartphoto group NV's capital as at 31 December 2023 amounts to 41 381 403.63 euro and is represented by 3 941 950 registered shares with no nominal value, entirely paid-up. The par value amounts to 10.50 euro.

2.2. Authorised capital, convertible bonds

Article 36 of the Articles of Association provides that the Board of Directors is authorised for a term of five years starting from the publication of the resolution of the General Meeting of 11 May 2022 in the Annexes to the Belgian Official Gazette (i.e. 2 June 2022), to increase the issued authorised capital on one or more occasions, within the statutory limitations, and this for a maximum global amount of forty-one million three hundred and eighty-one thousand four hundred and three euro sixty-three cents (41 381 403.63 euro). This authorisation of the Board of Directors applies also to contributions in kind as well as by means of the incorporation of reserves or other company resources such as issue premiums, revaluation surpluses, accumulated profits and - to the extent permitted by the prevailing legislation - statutory not available and legal reserves or other company resources, by issuing shares

without voting rights and shares with preferential dividend and liquidation rights. The Board of Directors is authorised to limit or suspend the pre-emptive rights to the benefit of one or more specified persons, even if they are not employees of the company or its subsidiaries. This authority to issue convertible bonds or subscription rights, bonds with subscription rights, shares without voting rights and shares with preferential dividend and liquidation privileges, is also explicitly granted to the Board of Directors. This maximum amount of 41 381 403.63 euro (forty-one million three hundred and eighty-one thousand four hundred and three euro sixty-three cents) applies, with regard to the issue of bonds convertible into shares, bonds with subscription rights or subscription rights attached to another security or not, to the amount of capital increases that could result from the conversion of those bonds or from the exercise of those subscription rights.

The Board of Directors is hereby authorised by the General Meeting to require an issue premium in the event of a capital increase within the framework of the authorised capital. If the Board of Directors decides so, this share premium should be recorded to a non-distributable account called 'share premiums', which can only be disposed of under the conditions required for the capital reduction.

The Board of Directors determine the dates and the conditions of the capital increases that it has resolved to implement pursuant to the previous paragraphs, including the possible payment of the share premiums. It determines the conditions of the bond loans it has resolved pursuant to the previous paragraphs. The Board of Directors is authorised to use the authorised capital when the amount of capital appears to be insufficient, or in the circumstances defined in the law on the alarm bell procedure, in order to absorb losses in case of insufficiency of its net assets.

The Board of Directors is explicitly authorised to increase the issued capital of the company on one or more occasions, as from the date of the communication by the Financial Services and Markets Authority (FSMA) to the company that it has been notified of a public takeover bid for the securities of that company, by cash contribution with removal or limitation of the pre-emptive right of the existing shareholders, or by contributions in kind in accordance with the relevant provisions. This authority is granted for a period of 3 years from the date of the Extraordinary General Meeting of 11 May 2022 and is renewable, and is granted within the legal conditions.

2.3. Profit sharing certificates

None.

2.4. Conditions concerning changes in the capital

Legal conditions.

2.5. Transactions

- a) 8 November 1991 (publication Belgian Official Gazette of 29 November 1991): Capital increase in the context of the share option plan, by cash contribution worth BEF 2 872 620 and creation of 23 609 new shares. Accordingly, the authorised capital amounted to BEF 1 016 633 457, represented by 1 425 510 shares of which 205 140 were AFV shares.
- b) 5 June 1992 (publication Belgian Official Gazette of 27 June 1992): Capital increase by cash contribution worth BEF 117 166 543, by creation of 68 921 new shares. Accordingly, the capital amounted to BEF 1 133 800,000, represented by 1 494 431 shares of which 205 140 were AFV shares.
- c) 29 December 1992 (publication Belgian Official Gazette of 23 January 1993): Capital increase in the context of the share option plan, by cash contribution worth BEF 3 569 693 by creation of 29 907 new shares. Accordingly, the capital amounted to BEF 1 137 369 693, represented by 1 524 338 shares of which 205 140 were AFV shares.
- d) 9 June 1993 (publication Belgian Official Gazette of 3 July 1993): Capital increase in the context of the share option plan, by cash contribution worth BEF 1 497 581, by creation of 6 809 new shares. As a result the authorised capital was BEF 1 138 867 274, represented by 1 531 147 shares of which 205 140 AFV shares.
- e) Conversion of shares (publication Belgian Official Gazette of 2 October 1993): In view of the planned merger with Prominvest on 29 October 1993, the Extraordinary General Meeting of 7 September 1993 decided to proceed with the conversion of all 1 531 147 existing Spector shares into 2 703 317 new shares, with each existing share giving right to 1.76555 new shares. As a result of this, the authorised capital would be represented by 2 703 317 new shares, of which 362 185 were AFV shares. This conversion was performed in order to create an exchange ratio of one Spector share to one Prominvest share. After this operation, Prominvest held 96% of the Spector shares.
- f) 29 October 1993 (publication Belgian Official Gazette of 23 November 1993): Merger due to acquisition by Prominvest NV: in the merger, the capital of Prominvest was added to Spector's capital. This increased Spector's authorised capital to BEF 2 265 805 017 by the creation of 2 675 000 new shares, so that 5 378 317 shares represented the capital. After this, the capital was increased by BEF 341 690 111 and BEF 1 406 194 933 for the revaluation gains and share premiums respectively, each without issuing new shares, to an amount of BEF 4 013 690 061. Immediately after this transaction, the capital was reduced by BEF 3 050 082 500 and 2 596 810 Spector treasury shares were destroyed, including all AFV shares. After the merger, Spector's capital therefore amounted to BEF 963 607 561, represented by 2 781 507 shares.
- g) 15 February 1994 (publication Belgian Official Gazette of 15 March 1994): Capital increase by exercising of warrants: due to the exercising of the warrants, the capital was increased to BEF 1 488 390 561, represented by 3 306 290 shares, of which 524 783 were VVPR shares.
- h) 10 May 1995 (publication Belgian Official Gazette of 3 June 1995): Capital increase under suspensive condition amounting to the number of shares subscribed to by means of warrants, multiplied by the accounting parity of the existing authorised shares at the moment

of exercising the warrants. The maximum number of shares to be created was 826 572 VVPR shares.

i) 4 October 1996: Bringing into line ordinary and VVPR shares by granting of the VVPR strip coupon sheet. As a result of this, 524 783 VVPR strips were created and the capital was represented by 3 306 290 ordinary shares.

j) 5 October 1996 (publication Belgian Official Gazette of 29 October 1996): Capital increase due to exercising of 14 658 warrants, subscription at par of BEF 450 per share, supplemented with the payment of a share premium of BEF 1 125 per share, as a result of which 14 658 new ordinary shares with the same number of VVPR strips were created. As a result of this, the capital was increased by BEF 6 596 100 to BEF 1 496 986 661, represented by 3 320 948 ordinary shares, with 539 441 VVPR strips in circulation.

k) 8 November 1996 (publication Belgian Official Gazette of 3 December 1996): Capital increase in the context of the authorised capital by a cash contribution of BEF 2 159 176 311, which is BEF 664 189 650 as capital supplemented by a share premium of BEF 2 088 507 455, by creation of 1 475 977 new ordinary shares and the same number of VVPR strips. As result of this, the capital amounted to BEF 2 159 176 311, represented by 4 796 925 shares, with 2 015 418 VVPR strips in circulation.

l) 13 May 1998 (publication Belgian Official Gazette of 6 June 1998): (i) Capital increase by incorporation of BEF 2 104 997 705 of share premiums, without creation of new shares. As a result of this, the capital amounted to BEF 4 264 174 016, represented by 4 796 925 shares, with 2 015 418 VVPR strips in circulation; (ii) Issuing 600 000 transferable registered warrants, with suspension of the pre-emptive rights to the benefit of Fotoinvest CVBA or its legal successors. Each warrant gives the right to subscribe to 1 new share of the company at a price per share equal to the average of the closing prices of Spector shares during the 60 trading days that precede the exercising, with a minimum equal to the average of the stock exchange price during 30 days prior to the date of issue. The warrant can be exercised at every moment, individually or jointly, during a period of five years counting from the date of emission, (a) with effect from the notification by the Belgian Financial Services and Markets Authority of a public takeover bid on the shares of the company, or (b) with effect from the moment that an audit announcement is sent to the Belgian Financial Services and Markets Authority and/or the company receives knowledge of the purchase by one or more persons who, by mutual agreement, act with 20% or more of the voting-right securities of the company, or (c) as soon as the price of the company's shares on the Brussels Stock Exchange's First Market becomes identifiably and substantially affected by systematic buying orders or by constant rumours concerning a take-over bid on the shares of the company, subject to approval of the capital increase on condition and to the extent that the warrants identified above amounting to the maximum amount equal to the number of subscription rights represented by the warrants, multiplied by the fraction unit value of the share at the moment of subscription.

m) 23 June 1998 (publication Belgian Official Gazette of 21 July 1998): Capital increase due to exercising of 115 warrants, subscription at parity of BEF 889 per share, supplemented with the payment of a share premium of BEF 651 per share, as a result of which 115 new shares with the same number of VVPR strips were created. As result of this, the capital

amounted to BEF 4 264 351 116, represented by 4 797 040 shares, with 2 015 533 VVPR strips in circulation.

n) 14 June 2000 (publication Belgian Official Gazette of 6 July 2000): Capital increase due to exercising of 812 warrants, subscription at parity of BEF 889 per share, supplemented with the payment of a share premium of BEF 651 per share, as a result of which 812 new shares with the same number of VVPR strips were created. As a result of this, the capital amounted to BEF 4 265 601 596, represented by 4 797 852 shares, with 2 016 345 VVPR strips in circulation.

o) 30 March 2001 (publication Belgian Official Gazette of 20 April 2001): (i) Capital reduction of BEF 3 850 394 314, reducing the authorised capital from BEF 4 265 601 596 to BEF 415 207 282 by absorption of the losses incurred on actually fully paid fiscal capital without cancellation of shares, with reduction of the fractional value of the shares, and approval to amend Article 5 of the Articles of Association accordingly in regards the amount of the authorised capital; (ii) Capital increase, with suspension of the pre-emptive rights, by a contribution of capital in the amount of BEF 300 000 000, and by issuing 783 046 registered shares without indicating their nominal value; (iii) Incorporation of issue premiums in the amount of BEF 232 235 199 in the capital increasing the issued authorised capital by an amount of BEF 232 235 199, taking it from BEF 482 972 083 to BEF 715 207 282 without creating new shares; (iv) Conversion of the issued authorised capital in the amount of BEF 715 207 282 to the rounded up amount of 17 729 525.41 euro, so the issued authorised capital after conversion is 17 729 525.41 euro.

p) 19 July 2002 (publication Belgian Official Gazette of 15 August 2002): (i) Capital increase by an amount of 3 749 778.97 euro, taking it from 17 729 525.41 euro to 21 479 304.38 euro by contribution in the context of the merger by acquisition of Photo Hall Multimedia NV, in which the entire capital of Photo Hall NV without exception or qualification was transferred under universal title to Spector Photo Group NV, by issuing 1 180 355 new shares, coupon number 11 and following attached, without indication of nominal value, of the same nature and providing the same rights and benefits as the existing shares; (ii) Incorporation of a share premium amounting to 913 057.14 euro, taking it from 21 479 304.38 euro to 22 392 361.52 euro without issuing new shares.

q) 14 December 2005 (publication Belgian Official Gazette of 5 January 2006): (i) Capital increase by an amount of 39 999 999.20 euro, taking it from 22 392 361.52 euro to 62 392 360.72 euro by the issue at 1.40 euro per newly created share of 28 571 428 newly created VVPR bearer shares without indication of their nominal value, offering the same rights and benefits as the Company's existing shares with reduced withholding taxes (the VVPR shares); (ii) Capital increase by 1 801 555.00 euro, taking it from 62 392 360.72 euro to 64 193 915.72 euro, by contribution in kind of a receivable belonging to De Bommels NV, and of a receivable belonging to R.N.A. NV, and of a receivable belonging to Olca NV, by issuing 1 286 824 new company bearer shares at an issue price of 1.40 euro per share, without indicating their nominal value with the same rights and benefits as the company's existing shares with reduced withholding taxes (so-called VVPR shares); (iii) Determining the issue of a total of 600 000 warrants which, when exercised against their exercise price of 3.36 euro per warrant, give right to one share, with the same rights and benefits as the

company's existing shares with reduced withholding taxes (so-called VVPR shares); (iv) Determining the amount of the authorised capital on 64 193 915.72 euro.

r) 6 November 2007 (publication Belgian Official Gazette of 21 November 2007): (i) Approval of the resolution to amend the Articles of Association as a result of a change in the law with regard to the abolition of bearer securities and dematerialisation of securities; (ii) Amendment of Article 35 of the Articles of Association regarding acquisition or disposal of treasury shares.

s) 14 June 2011 (publication Belgian Official Gazette of 8 July 2011): (i) Authorisation to the Board of Directors to increase the capital within the restrictions of the authorised capital; (ii) Amendment of Article 34 of the Articles of Association regarding the authorisation for a capital increase in the amount of the maximum authorised capital; (iii) Amendment of Article 35 of the Articles of Association regarding acquisition or disposal of treasury shares.

t) 27 June 2016 (publication Belgian Official Gazette of 18 July 2016): (i) Capital increase by contribution in kind of the claim by Infestos Holding D BV of 2 100 000 euro, taking it from 64 193 915.72 euro to 66 293 915.72 euro by issuing 2 800 000 new ordinary shares, each issued at an issue price of 0.75 euro, taking the total number of shares to 39 419 505; (ii) Capital reduction of 46 584 163.22 euro, reducing it to 19 709 752.50 euro to reduce the fractional value of the outstanding shares to 0.50 euro, i.e lower than the current stock price; (iii) Authorisation for the Board of Directors to increase the capital within the restrictions of the authorised capital; (iv) Amendment of Article 34 of the Articles of Association regarding the authorisation for a capital increase in the amount of the maximum authorised capital; (v) Amendment of Article 5 of the Articles of Association regarding issued capital; (vi) Amendment of Article 8 of the Articles of Association regarding the nature of the shares; (vii) Amendment of Article 10 of the Articles of Association regarding obligations and warrants; (viii) Amendment of Article 35 of the Articles of Association regarding acquisition or disposal of treasury shares.

u) 14 November 2017 (publication Belgian Official Gazette of 6 December 2017): (i) Regrouping of all outstanding Company shares by means of a 1:10 regrouping of shares; (ii) Purchase of the shares resulting from the consolidation of fractions by the Company; (iii) Destruction of the shares that existed before the regrouping of shares; (iv) Amendment of Article 5 of the Articles of Association to the following: "The authorised capital is 19 709 752.50 euro. This is represented by 3 941 950 shares."

v) 9 May 2018 (publication Belgian Official Gazette of 31 May 2018): (i) Capital increase of 46 584 163.22 euro, taking it from 19 709 752.50 euro to 66 293 915.72 euro without issuing any new shares by incorporating the existing non-distributable reserve; (ii) Absorption of the losses as a result of a capital reduction of 24 912 512.09 euro, taking it from 66 293 915.72 euro to 41 381 403.63 euro without cancellation of shares; (iii) Amendment of Article 5 of the Articles of Association to the following: "The authorised capital is 41 381 403.63 euro. It is represented by 3 941 950 shares."; (iv) Renewal of the authorisation regarding authorised capital: (a) Authorisation to the Board of Directors for a capital increase within the restrictions of the authorised capital; (b) Amendment of Article 34 of the Articles of Association regarding the authorisation for a capital increase in the amount of the maximum authorised capital; (v) Renewal of the authorisations to acquire and dispose of treasury shares: (a) Renewal of the authorisation to acquire and dispose of treasury shares to

avoid the threat of a severe disadvantage to the Company; (b) Renewal of the authorisation to dispose of shares; (c) Renewal of the authorisation to acquire and dispose of treasury shares; (d) Amendment of Article 35 of the Articles of Association regarding the acquisition or disposal of treasury shares.

w) 11 May 2022 (publication Belgian Official Gazette of 2 June 2022): (i) Inclusion of the company's website and email address in the Articles of Association, and amendment of Article 1 of the Articles of Association; (ii) Renewal of the authorisation regarding: a) the authority of the Board of Directors to increase the capital in one or more times within the framework of the authorised capital by an amount equal to the capital of the company on the date of renewal of this authorisation or 41 381 403.63 euro; and (b) the authority of the Board of Directors to increase the capital following notification by the FSMA of a takeover bid; and c) the replacement of the text of the relevant temporary provision (being the current Article 34) in the Articles of Association of the company with the text of the newly proposed Article 36 of the Articles of Association; (iii) Renewal of the authorisations regarding the authority of the Board of Directors concerning the acquisition, pledge or disposal of treasury shares or profit-sharing certificates, or certificates relating thereto, and consequently replacing the text of the relevant temporary provision (being the current Article 35) in the company's Articles of Association with the text of the newly proposed Article 37 of the Articles of Association including transitional provisions; (iv) Adoption of an amended text of Articles of Association to bring them in line with: a) the decisions mentioned above, and b) the Belgian Companies and Associations Code, opting for a monistic board model, and c) replacement of the text in the company's Articles of Association accordingly.

Year	Number of shares	Capital
1964	200	1 000 000 BEF
1966	400	2 000 000 BEF
1970	800	4 000 000 BEF
1976	1 124	8 000 000 BEF
1983	1 904	13 550 480 BEF
1987	500 752	50 864 428 BEF
1988	699 500	180 000 000 BEF
1989	791 402	383 000 000 BEF
1990	1 401 901	1 013 760 837 BEF
1991	1 425 510	1 016 633 457 BEF
1992	1 524 338	1 137 369 693 BEF
1993	2 781 507	963 607 561 BEF
1994	3 306 290	1 488 390 561 BEF
1996	4 796 925	2 159 176 311 BEF
1998	4 797 040	4 264 351 116 BEF
2000	4 797 852	4 265 601 596 BEF
2001	5 580 898	17 729 525.41 euro
2002	6 761 253	22 392 361.52 euro
2005	36 619 505	64 193 915.72 euro
2016	39 419 505	19 709 752.50 euro
2017	3 941 950	19 709 752.50 euro
2018	3 941 950	41 381 403.63 euro

Discharge of directors and Statutory Auditor

Pursuant to the statutory provisions and the Articles of Association, it is requested that the directors and the Statutory Auditor be granted discharge for the performance of their mandate during the financial year ending 31 December 2023.

Wetteren, 25 March 2024



On behalf of the Board of Directors
Stef De corte
Permanent representative of Acortis BV, CEO



Elise
Thank you!

Elise
Thank you!

Elise
Thank you!

Elise
Thank you!

Elise
Thank you!



Lauren & Luke
27.05.2028





STATEMENT OF NON-FINANCIAL
INFORMATION
SUSTAINABILITY REPORT (ESG)



STATEMENT OF NON-FINANCIAL INFORMATION - SUSTAINABILITY REPORT (ESG)

A statement according to article 3:6 §4 of the Belgian Companies and Associations Code is not applicable to smartphoto group since the threshold of an average workforce of 500 employees was not exceeded during the fiscal year.

As of 2025, with reporting in 2026, smartphoto group, as a large listed company with less than 500 employees, will be subject to the CSRD Directive (Corporate Sustainability Reporting Directive, published in the Official Journal of the European Union on 14 December 2022) for the 2025 financial year, and has to report in accordance with the ESRS standards (European Sustainability Reporting Standards).

In 2024, smartphoto group will further analyse and align its non-financial information with this new directive. In this respect, the focus will be on the so-called 'double materiality' (the company's impact on people and the environment (impact materiality), and the impact of sustainability themes on the company's cash flow and value (financial materiality)). Based on a survey of all our stakeholders, the materiality matrix can then be drawn up, and the applicable KPIs can be formulated.

Apart from this, smartphoto group is voluntarily compiling this sustainability report because we are convinced that by doing so we are already contributing to increasing collective commitment to sustainability.

About smartphoto group

Smartphoto group is, under the brand name smartphoto™, active in B2C e-commerce, offering affordable, high quality personalised products such as gifts, cards, photo books, photo calendars, prints and wall decoration. Our mission is to help socially active young mums and families create and give affordable, high-quality personalised products using smart and simple apps and websites. We only deem our mission successful when you can transform your pictures into unique personal products without too much effort.

This also means that our products have to be of high quality, but also need to be affordable. The products of smartphoto should not only be fun to make, they should also be fun to receive and share.

Furthermore, smartphoto group is, through naYan, active in B2B e-commerce, 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.

At naYan, an international team of omnichannel specialists is dedicated to help brands with their e-commerce growth, based on three pillars (Full e-commerce, Customer 360 and Marketplaces).

An entrepreneurial and ambitious team uses its knowledge and experience to generate data-driven, sustainable and profitable growth for the brands with whom they work. In addition to this 'E-commerce as a Service', naYan also offers, through Gift.be and GiftsforEurope.com, additional services to companies, such as individual or grouped delivery of large quantities of gifts, personalised packages and gifts, and complete loyalty programmes for customers or employees, and all of this with delivery in Belgium or across Europe.

More information about the activities and the markets on which the smartphoto group is active, can be found on pages 11 to 23 of this annual report. The general risk factors related to the Company's business activities are described in the report of the Board of Directors under the Corporate Governance Statement, under the heading 'Risks and internal control' on pages 47 to 50 of this annual report.

Our sustainability vision: Building a more sustainable world together



At smartphoto, we embrace our role in creating meaningful moments for our customers with our slogan 'smart.simple.smile'. This mission extends beyond providing smart and simple solutions; it is a promise to create positive change for our community and the planet. Sustainability is at the heart of everything we do, reflected by our unwavering commitment to corporate social responsibility.

Our three sustainability pillars:

1. People and well-being

We believe in creating an enjoyable and motivating workplace where our employees feel valued and respected. Our commitment to a balanced corporate culture goes hand in hand with supporting the communities in which we operate, always striving to make a positive impact on people's lives.

2. Environment

Our planet is our most precious asset. We are committed to reducing our environmental footprint by focusing on sustainable practices, from the sourcing of materials, to production processes and packaging. Minimising waste, promoting recycling and using sustainable raw materials are key aspects of our environmental strategy.



3. Waste and resource management

Recognising that every action counts, we are constantly working to optimise our supply chain to be more resource efficient and reduce waste generation. This includes finding innovative ways to reuse and recycle our products and packaging.

Sustainable Development Goals of the United Nations

In order to build up a clear reference frame around our sustainability policy, smartphoto opted in 2021 to develop an action plan within the Voka Charter for Sustainable Entrepreneurship ('VCDO'). The basis of this plan is the model of the United Nations Sustainable Development Goals (SDGs).

Within the three pillars 'People and well-being', 'Environment' and 'Waste and resource management', our focus goes to the following six SDG goals:

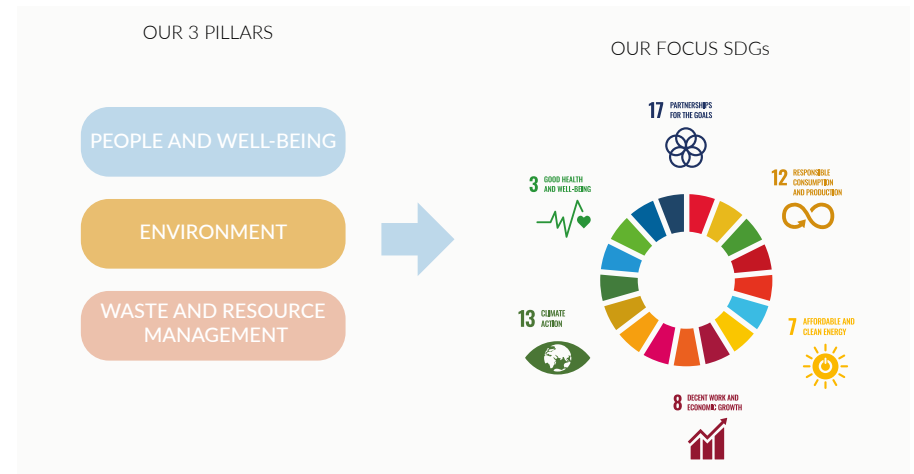


Together with the Sustainability team, smartphoto group managed to implement the planned actions according to the 2023 action plan.



In 2023, the evaluation committee of the Voka Charter for Sustainable Entrepreneurship ('VCDO') awarded smartphoto the certificate of 'Sustainability Laureate', for the second time, in recognition of our sustainable business operations.

This evaluation committee conducted its audit and completed it positively, allowing smartphoto to claim the certificate of 'Pioneer Sustainable Entrepreneurship'.



Collaborating with stakeholders

We acknowledge the crucial role of our internal and external stakeholders - from employees to customers, suppliers, and our local communities. By being transparent in our efforts and active engaging in dialogue, we strive to push sustainability forward together. Our Sustainability team, reporting directly to the CEO, closely collaborates with all departments and partners to achieve our sustainability goals.

Our future

With the launch of our sustainability roadmap in 2021, we have set clear objectives to create not only economic, but also social and environmental value. We are committed to continuous improvement and innovation, aiming to be a leading company contributing to a more sustainable future. Our journey is a testimonial of our dedication to the mission, corporate values, and the core of our business activities, focusing with every step we take, on bringing a smile, not only to the faces of our customers, but also to our environment and our community.

2023 achievements

People & well-being

- Improving infrastructure of the dining area for employees in Kwatrecht (Belgium)
- Encouraging to cycle to work
- Sharing a common library in the workplace
- Promoting gender equality
- Supporting local projects/work for people with a disability
- Offering the possibility to donate to charity
- Organising collective blood donations
- Organising workshops on physical and mental health
- Collaboration with social employment company for the production of wood blocks



- 3 Ensuring healthy lives and promote well-being at all ages
- 8 Promoting decent work for all, also for people with a disability
- 8 Taking action to eliminate forced labour and to end child labour
- 17 Encouraging and promoting effective public, public-private and civil society partnerships

Environment

- Drafting a roadmap for the HVAC installation (heating, ventilation and air conditioning) for the Kwatrecht buildings
- Organising actions to collect litter
- Offering more sustainable food



- 7 Increasing the share of renewable energy
- 8 Improving global resource efficiency in consumption and production
- 12 Achieving sustainable governance and efficient use of natural resources
- 12 Promoting sustainable consumption and production patterns
- 13 Improving awareness relating to climate change
- 13 Reducing the impact of agriculture on the climate change

Waste and resource management

- Drafting a CO₂ footprint roadmap
- Shipping CO₂ neutral for 95% of our packages
- Offering sustainable shipping options and consolidating orders
- Consolidating shipments between production sites
- Reducing the use of bubble wrap by 50%
- Reducing the paper consumption
- Sourcing more basic supplies made in Europe



- 8 Improving global resource efficiency in consumption and production
- 12 Reducing emissions to air, water and soil
- 12 Realising sustainable management and efficient use of natural resources
- 12 Reducing waste generation through prevention, reduction, recycling and reuse
- 13 Reducing emissions of greenhouse gases
- 13 Reducing fossil fuel consumption



People and well-being



Our employees

Well-being at work

A lot of employees spend a large part of the day at work, together with their colleagues. Smartphoto ensures that this working time is as safe and healthy as possible.

Safe working conditions

The following measures are some examples for health and safety within the group:

- In the production department, operating and safety instructions have been developed for all machines.
- Employees are obliged to use all personal protective equipment (e.g. safety goggles, safety shoes, etc.) as required during the job, in accordance with the instructions provided.
- Smartphoto is offering all of its employees the opportunity for a free flu vaccine in the fall.
- Continuous efforts are made through preventive and corrective measures to monitor and improve ergonomics, such as investing in custom-made ergonomic packaging tables and conducting information sessions on ergonomics at the desk, both in the office and at the home workspace. Good ergonomics prevents and remedies health issues. To give employees additional support in this, smartphoto group also offered the possibility of ordering the right materials so that the workplace in the office and at home can be ergonomically equipped.
- We raise awareness among our employees about work-related stress and burn-out.
- Across the two plants in Wetteren, there are 20 employees with the certificate of First Aid Industrial Helper. They receive regular refreshment training so that they can provide first aid in cases of emergency.
- A policy was developed regarding the use of dangerous chemicals at the workplace. The company responsible for cleaning the offices and production buildings in Wetteren uses environmentally friendly products, both for daily interior cleaning and for cleaning the sanitary facilities.

Workshops on physical and mental health

On a regular basis, workshops are organised aimed at improving the physical and mental health of our employees. In 2023, among others, a workshop on (sexual) transgressive behaviour was provided by Punt. vzw, an organisation dedicated to better supporting victims who have come into contact with, or are still experiencing, sexual transgressive behaviour (in all its forms and degrees). Such workshops also contribute to promoting gender equality.

Furthermore, workshops were also held on the following topics: the key to a healthy balance between work and personal life, a balanced diet, and physical recovery and sleep.

Business infrastructure

Modernisation of offices, dining area and adjacent spaces in Kwatrecht (Belgium)

Part of the offices at Kwatrecht (Wetteren) was modernised in 2021 to improve the working environment for employees and to utilise unused infrastructure. In the process, plenty of natural light was brought into the offices.

In 2022, it was decided to renovate the dining area and adjacent areas for employees in Kwatrecht, Belgium. In 2023, the renovation project was carried out with the aim of creating an attractive, sustainable, and healthy environment for qualitative lunch breaks, where cosiness and tranquillity ensure greater well-being. The adjacent spaces were designed to include a multipurpose area equipped with all the facilities needed to organise receptions, staff parties, or meetings for large groups; a sanitary block with showers for employees coming to work by bicycle; and meeting rooms equipped with the latest communication technologies.

Additionally, a shared library was set up in this space for free lending of books, which all employees can enjoy, also contributing to personal growth and a sense of community within our organisation.

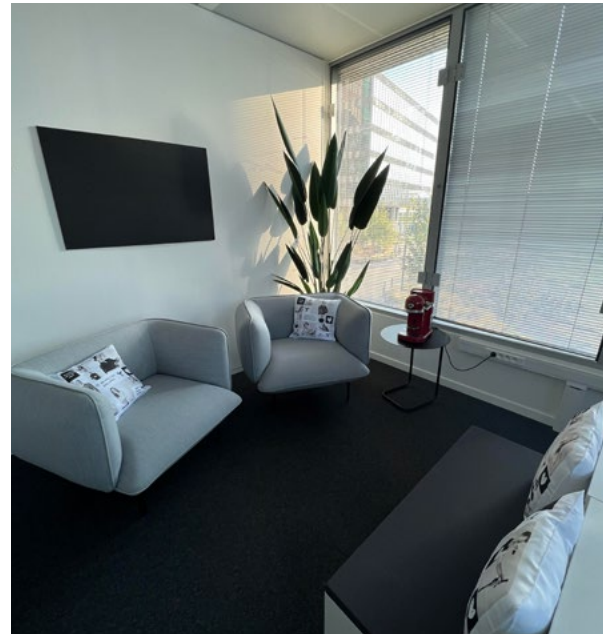
Opening of a hub in Ghent

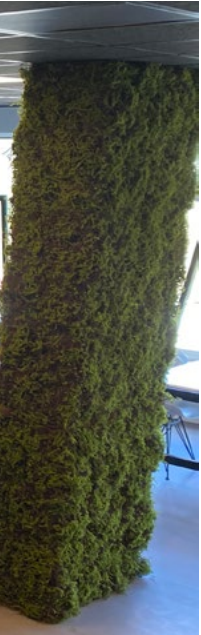
In 2023, naYan opened a hub in Ghent. This not only expands the recruitment circle and increases diversity within the workforce, but also spreads home-work travelling across two locations. This leads to a reduction in time spent on travelling and provides the opportunity, for those living closer to the office in Ghent, to travel by bike. Additionally, the location is easily accessible by public transportation; an electric bus drives from Ghent Sint-Pieters station to the office and back.

Work-life balance

Because a good atmosphere at work is only possible if everything is also fine at home, smartphoto guarantees an optimal work-life balance. Most of our employees have flexible working hours: an employee can choose when to start and stop working. He/she can decide to work more hours on certain days and less on others. With the help of a time registration system, everything can be measured objectively.

Homework is also allowed for those departments where it is possible, with a maximum of 50% per week. Agreements are made per team to schedule certain days on which the majority of people come to the office, in order to keep the group spirit high.

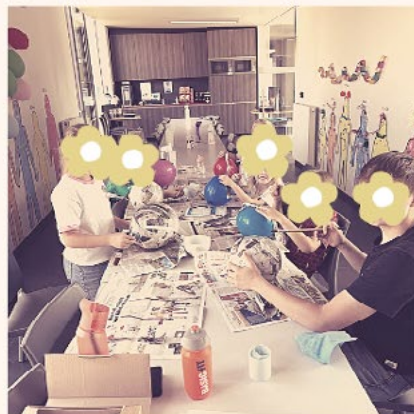






**Playing cannot
be taken
seriously
enough ...**

naYan.



At naYan, a pilot project was launched during the Easter holidays of 2023, organising vacation camps for the children and grandchildren of colleagues. It brought a lively atmosphere to the cafeteria with the many artworks, and the garden was also utilised for frolicking and playing. This initiative is being continued and will now take place every school holiday (subject to sufficient registrations).

Career development and employee training

Smartphoto group supports the career development of its employees and offers them a training package. A career path is mapped out for both white-collar and production employees. This consists of various components such as salary structure, transparency, objective parameters, growth opportunities and the provision of internal and/or external training. For non-Dutch speakers, for example, Dutch lessons are also offered at work.

Biannual employee survey

In September 2022, for the second time, an employee survey was organised for all our colleagues within smartphoto group, including naYan and the foreign teams, in collaboration with Great Place to Work®. This survey focuses on the five values of the universal Great Place to Work® model: respect, pride, camaraderie, fairness, and credibility. Thanks to the results of this survey, which show that we meet the high standards for what distinguishes a good workplace, smartphoto group was once again recognised as a Great Place to Work®!

Our employees clearly appreciate the many actions related to sustainable entrepreneurship and the climate, our commitment to maintain and increase the connection between colleagues, and the informal and dynamic work environment where attention is also paid to an optimal work-life balance.

Flexible compensation plan

The implementation of a flexible compensation plan, also known as a 'Cafeteria Plan' in Belgium, allows employees to make alternative choices to convert their current salary elements into other benefits, and personalise their compensation package.

Employees can choose benefits from categories such as mobility, multimedia, personal life and health. For example, it is possible to request additional vacation days or reimbursement for individual health insurance premiums.

Diversity of employees

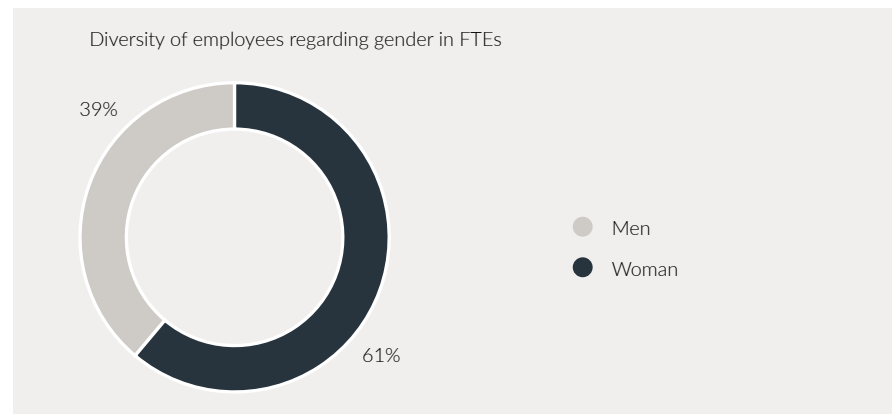
The focus on diversity is part of the HR policy of smartphoto as a group. Offering equal opportunities and fair remuneration leads to a higher level of employee commitment.

Smartphoto values a dynamic work environment in which, in addition to the qualities and motivation of the employees, there is also sufficient diversity in terms of age, gender, orientation, disability, ethnic origin or nationality.

At group level, women represent 61% of the employees, compared to 39% men. At smartphoto, we have employees ranging in age from 20 to 70. 62% of the employees are younger than 45 years. Smartphoto employs different nationalities. However, the fact that the production activities and a number of supporting services are centralised in Wetteren (Belgium), and the naYan activities are carried out in Ardoole (Belgium), results in about 81% of the employees having the Belgian nationality. Our employees generally have long employment records. About one fifth of all employees are employed part-time.

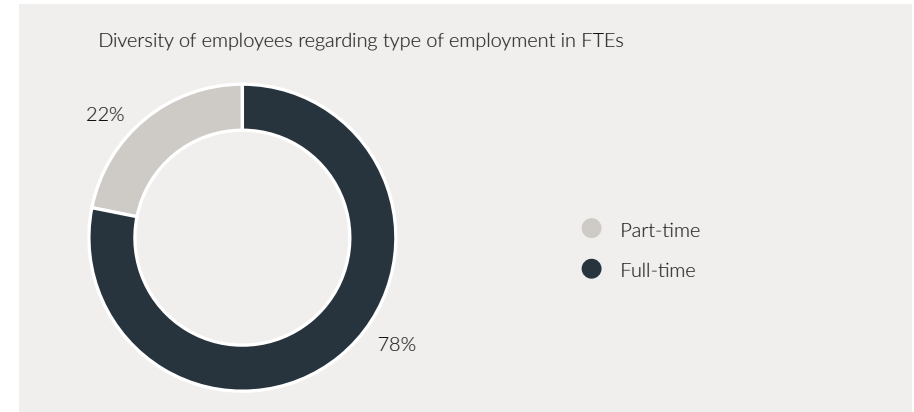
Diversity of employees regarding gender in FTEs

Gender	Woman	Men	Total
Number of employees	187	119	306
In % of total	61%	39%	100%



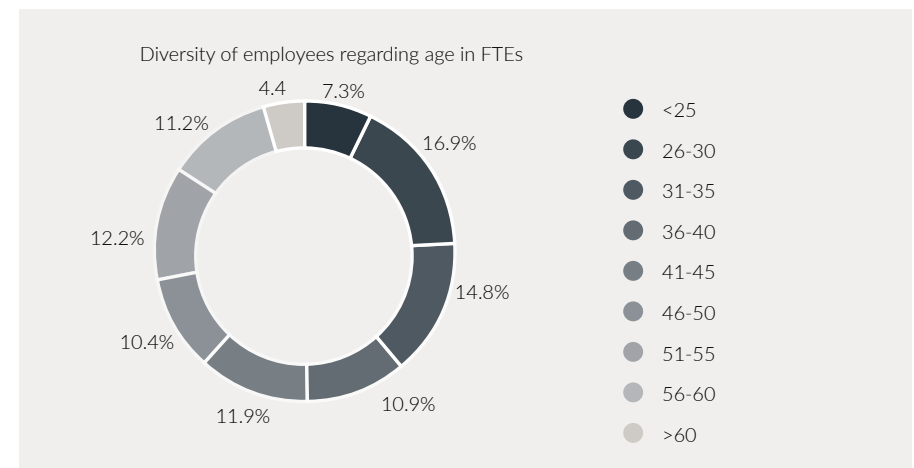
Diversity of employees regarding type of employment in FTEs

Type of employment	Full-time	Part-time	Total
Number of employees	239	67	306
In % of total	78%	22%	100%



Diversity of employees regarding age in FTEs

Age	<25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	>60	Total
Number of employees	22	52	45	33	36	32	37	34	14	306
In % of total	7.3%	16.9%	14.8%	10.9%	11.9%	10.4%	12.2%	11.2%	4.4%	100.0%





Diversity within the Board of Directors

The information regarding diversity in the Board of Directors is included in the Corporate Governance Statement on page 30 of this annual report.

Communication

Internal communication

Good communication is essential for things to run smoothly. At smartphoto, we want to provide our employees with more and better information about what is going on in our company.

Using Google Chat, communicating with employees on certain topics, common interests or projects is encouraged. This can be done one-on-one or in a group. Such accessible communication has a number of benefits, for example, increased employee engagement, more interaction between different departments, improved collaboration, good flow of information from management to employees and back, faster integration of new people into the organisation, and more information available when working at home.

Not only attention is paid to communicating with each other digitally, but also to personal contact. Four times a year, a 'smartbreak' is organised where all employees are invited to a lunch that alternately takes place in both locations in Wetteren. This gives employees a chance to get in touch or catch up with colleagues from the other departments. During the 'smartlunches', which take place about three times a year, our CEO, Stef De corte, has lunch with nine randomly selected employees. A perfect time to have a good chat in a small group about the ins and outs of the company, but also about any issues that arise.

Consultation with social partners

On a monthly basis, there are formal consultations with the Committee for Prevention and Protection at Work (CPBW) and with the Works Council. During these meetings, employees give feedback on the company's management. Thoughts are exchanged, leading to solutions for problems. The reports of the Works Council and the Committee for Prevention and Protection at Work are always accessible to the smartphoto employees.

Whistleblower policy

Through the company's whistleblower policy, all smartphoto group employees are encouraged to report their sincere suspicion of possible wrongdoing with respect to our business operations, and this both in the area of financial reporting and other serious irregularities, such as fraud, corruption, criminal violations, failure to comply with legal or regulatory obligations, endangering the health or safety of an individual, damage to the environment or concealment of any of the above.

The whistleblower policy pursues the following objectives: (i) to assure employees that they can report suspected wrongdoing without fear of punishment, and (ii) to provide a transparent and confidential process for dealing with such reports. In so doing, our values under the principles of fairness, honesty, integrity and respect are relied upon.

Cyber security

Our internal IT team monitors cyber security risks daily. Quarterly meetings are held with the finance team to discuss the measures taken, possible issues, as well as the reporting to the Audit Committee. Furthermore, our employees are trained to notice such risks through employee awareness initiatives, combining automated phishing simulations in combination with interactive training on cyber security. Additionally, guidelines on safe internet use are passed on at regular intervals.

Protection of personal data

Smartphoto group attaches great importance to the adequate protection of the security and confidentiality of all personal data of its current, former and possible future employees, as well as those of other persons, such as customers and suppliers.

Therefore, smartphoto is fully committed to comply with the requirements of the applicable data protection legislation. The purpose of the data protection policy, according to the European Regulation 2016/679 of 27 April 2016, hereinafter referred to as the General Data Protection Regulation or GDPR, is to further explain our general practices regarding the lawful processing of personal data, including the types of information we collect, how we use this information and how you can correct it. On the one hand, there is the internal policy on the processing of personal HR data that is available to our employees, and on the other hand, there is our General Privacy Statement to third parties, in particular to our customers. This is included on the smartphoto website. This General Privacy Statement also contains the rights and obligations of customers with respect to smartphoto. This statement is revised or updated periodically, and whenever necessary.

Our hardware and software are secured to prevent outside parties from accessing confidential data

Our customers

Through our motto 'smart.simple.smile' we help our customers to make affordable personalised products of high quality. The customer's needs are always our main focus. We regularly survey the satisfaction of our customers. Via the Net Promoter Score (NPS) we measure what

our customers really want, and on the basis of their comments, we can make adjustments and incorporate improvements that will further increase our customers' satisfaction. Through the social media channels (Facebook, X, Instagram, Pinterest, LinkedIn) we can also actively engage in a dialogue with our customers, which allows us to further improve our services.

Both smartphoto and naYan customers can ask questions, make suggestions or formulate complaints about a product, a service or the website to the customer service teams who are ready to help. The teams can be reached via e-mail, telephone or letter. Customers might already be able to find an answer on the websites in the list of frequently asked questions.

Our suppliers

Within smartphoto group, we do business in an ethical manner; we therefore expect the same from all our direct and indirect suppliers or business partners. To stipulate this, we have asked our key suppliers to sign our ethical code of conduct to ensure that the values and standards set out, are applied as effectively as possible throughout the supply chain. Our code of conduct includes, among others, the following principles: no form of forced labour, slavery or non-voluntary labour, safe and hygienic working conditions, no child labour, a fair remuneration, no discrimination, no harsh or inhumane treatment, protection of the environment, and ethical entrepreneurship.

Smartphoto group counts on the support of its suppliers to achieve the goal of ethical business.

Corporate Governance

The main aspects of the corporate governance policy of smartphoto group NV are set out in the Corporate Governance Charter which can be consulted on the website www.smartphotogroup.com. The Corporate Governance Charter is updated regularly.

The actual applications of the Corporate Governance Charter are disclosed in this annual report.

Smartphoto group NV complies with all provisions of the Corporate Governance Code 2020, except for those provisions that are deviated from for the reasons explained in the Corporate Governance Statement, as included in this annual report starting as of page 31.

Communication with shareholders and investors

As a listed company, smartphoto group attaches importance to open and simultaneous communication with shareholders and investors, such as the publication of the annual report and the Half-yearly financial report, the publication of the press releases and the separate Investors section on the website www.smartphotogroup.com. Investors or interested parties can subscribe to the press release service for free. This can be done via the above mentioned website.

On a regular basis, investor days are organised for investors, analysts and financial media.

Social commitment

Supporting local projects and/or employment for people with disabilities

The wood blocks for calendar and photo stands, as well as the candle holders, which were previously sourced from Europe, shipped to Asia for processing, and then returned to Belgium, are now processed directly in Belgium. For this purpose, smartphoto collaborates with the social employment company Zonnehoeve Production, a sheltered workplace that provides paid employment in an adapted, protected work environment for individuals with mild to moderate disabilities.

Supporting initiatives contributing to charities and community initiatives

This support is realised in various ways: through financial contributions and collections by the employees, as well as in the form of products or offering services as a way of support.

- Support to Bring A Smile vzw

Bring A Smile is a non-profit organisation dedicated to supporting seriously ill children. Its goal is to bring smiles on the faces of as many sick children as possible by fulfilling their wishes and supporting hospitals. We got in touch with Bring A Smile in 2023 because of our shared vision. At smartphoto, we embrace the motto 'Smile by Smile,' and it has been our goal for years to bring smiles to our customers and their loved ones.

Bring A Smile provides bright spots during a long battle and allows families to forget their daily worries for a moment. This is achieved by fulfilling wishes of the sick children and supporting hospitals and Child Care and Family Support Centers (CKGs) through initiatives such as breakfasts, St. Nicholas gifts, bouncy castles, holidays, refurbishments of paediatric departments, ... Because every child deserves a smile!

Smartphoto contributed by supporting this heartwarming project in various ways. Not only did we offer Bring A Smile all our assistance and expertise in its communication with future families, but we also organised both internal actions for our employees and external actions for our customers to raise funds for this wonderful cause.

As an external action, the campaign '1 euro donation to Bring A Smile per product sold by smartphoto.be' was organised in the month of December. We selected four photo gifts that perfectly align with Bring A Smile's mission. On the one hand, we chose teddy bears and playing cards as a reference to the smiles we aim to bring to the sick children with this campaign. On the other hand, we selected the candle holder and the glitter photo block as symbols of the bright spots and sparks of hope we wish for the families of the children.



Internally, our employees also made efforts to support Bring A Smile. We organised a quiz where a total of 19 teams competed - in a collegial manner - for victory. Additionally, all employees had the opportunity to make their own contributions via donation boxes distributed across all departments of the organisation. Through these efforts, we collected a significant amount altogether.

- Support to 'SamenBergOp'

Smartphoto supports 'SamenBergOp', a project fighting against underprivileged poverty and social exclusion. With the help of the municipal council of Wetteren, Rotary Wetteren, the non-profit organisation 'ArmenTeKort', and a number of supporting local companies, including smartphoto, 30 underprivileged residents are supported for a certain period of time to break out of the poverty trap (permanently), and to restore their self-esteem and resilience.

During the training programme, the 'opportunity-offering buddy' is formed to provide the necessary support during the buddy process. The training is provided by the organisation 'ArmenTeKort', with a focus on gaining insight into the social map and living environment of someone in underprivileged poverty, making a connection with the buddy and (re)discovering and reinforcing strengths through practical sessions.

A study of such projects, which have already been, and are still being, developed in several places in Belgium, indicates that the daily life of opportunity-seeking buddies in poverty is made more comfortable by human interaction, friendship and recognition.



Smartphoto supports this project by, among others: (i) helping in the search for 'opportunity-offering buddies' who will be matched with help-seeking buddies, and who will accompany these buddies for a certain period of time in order to gradually pick up their lives again; (ii) helping to support the project financially by donating a fixed annual amount; and (iii) supporting the project practically by offering promotional material and designing logo and flyers.

Other charities smartphoto group supported in 2023 included the following:

- Beyond the Moon

Beyond the Moon accomplishes two complementary projects to brighten and make the lives of families with a seriously ill child more enjoyable. Through the main project 'Offer a Vacation', the organisation offers families with a sick child an unforgettable holiday experience, before or after medical treatment, far away from the hospital. And through the side project 'Paint a Smile', the organisation brings a colourful and vibrant holiday experience of an animal family to the often dull, chilly hospital rooms through interactive 3D murals, offering a sick child something beautiful to look at, during a hospitalisation or consultation at the children's hospital.

- Make-A-Wish®

The organisation Make-A-Wish® fulfils the heart's desire of children aged between 3 and 18 with a life-threatening medical condition, giving them strength to continue the fight against their illness. Because if a child can believe its wish will come true, it can also believe it will get better.

- Villa Samson (UZ Brussel Foundation)

Villa Samson is a warm house next to the UZ Brussels where hospitalised patients can meet their pet, or enjoy the healing effect of contact with a therapy animal. These encounters with animals have a beneficial effect on people's mental well-being and on their healing process. Besides meeting moments and therapy, Villa Samson also wants to focus more on scientific research concerning therapy with animals and its effect on the mindset and the healing process of a patient.

- UZ Brussel Foundation

UZ Brussel Foundation engages in efforts to raise funds for UZ Brussels and its patients. These funds support projects that provide a warm, humane caring environment and create added value for patients and their families. In addition, through the funds raised, pioneering clinical scientific research is made possible.

- Samana vzw

Samana vzw is an association of and for people with a chronic illness or care need, their informal caregivers and volunteers.

- Sport against Cancer - UHasselt

On 14 March 2023, the association 'Sporten tegen Kanker' organised, in cooperation with UHasselt, a day full of sports activities, a walk and a tombola. All proceeds went entirely to 'Het Likaf' (Limburg Cancer Fund).

- Boas vzw

Boas (Belgian Organization for Adapted Swimming) vzw is a social-sportive operation that uses swimming to optimise the quality of life of people with disabilities.

- Rainbow4Kids vzw

Rainbow4Kids vzw has built a kindergarten and elementary school in Maweni (Ukunda), a small village 30 km south of Mombasa. At the moment this school has 1 nursery class, 3 kindergarten classes and 8 classes. The school also has a boarding school where the final year students can prepare for their final exams.

Environment



ESG awareness

Increasing sustainability awareness is achieved through various initiatives by the Sustainability team, in collaboration with the Communications team. For instance, as of 2022 onwards bi-monthly workshops are organised, such as, for example: 'Sustainable deforestation' (workshop through our Swedish partner Holmen/Iggesund, supplier of cardboard for the production of the 'Cards', explaining how they produce cardboard in a truly sustainable way); 'Well-being@work', 'Plant-based nutrition', or 'Packaging myths dismantled'. For 2023, the workshops mainly covered topics around the physical and mental health of our employees.

We have also started sustainability awareness campaigns, highlighting one sustainability theme per month. For the month of March, for example, this is sorting & recycling GFT, glass, paper & cardboard, and PMD.

Energy efficiency in the company

Reducing power consumption

Both in the production and office areas, a systematic switch to LED lighting with motion sensors is being made, resulting in a significant reduction in power consumption.

Reducing fossil fuel consumption

Energy consumption is reduced by, among others, lowering the desired temperature in both the production, offices, and server rooms in winter and increasing it in summer, the installation of so-called 'smart' thermostat heads, and the installation of a high-speed gateway in the production department home decoration.

Use of energy from renewable sources

Installation of photovoltaic panels

Smartphoto aims to reduce its CO₂ emissions by investing in renewable energy. On the roof of our Vantegem production site, photovoltaic panels for electricity production were installed. For this site, the main production hours are between 6 am and 6 pm. These have been operational since December 2022. Over 2023, this installation generated 455.85 megawatt hours of energy, or avoided 241 tons of CO₂ emissions.



MARCH

SORTING & RECYCLING GFT

WHAT BELONGS IN THE GFT-CONTAINER?

- Peelings and remains of fruit, vegetables & potatoes
- Animal & vegetable kitchen waste & food scraps
- Bread scraps
- Meat & fish remains and crustacean remains (but not shells)
- Eggs & eggshells
- Solid dairy products (cheese)
- Nuts & kernels
- Coffee grounds & paper coffee filters
- Tea leaves
- Manure from small pets (guinea pig, rabbit)
- House & garden plants (with potting soil)
- Sawdust & shavings from untreated wood
- Shredded prunings
- Bio bags (compostable bags with OK Compost logo)
- Paper from kitchen rolls (when the paper is unprinted and was used to mop up food leftovers)
- Fine garden & pruning waste (leaves, grass, weeds, hedge trimmings)



Depending on the waste intercommunal, you can use compostable or biodegradable bags for organic waste. Please consult your waste intercommunal. See www.recupel.net

WHAT DOES NOT BELONG IN IT?

- Liquids (milk, soup, coffee, etc.)
- Liquid sauces, fats and oils
- Tea bags & coffee pods*
- Treated wood
- Bones, animal waste & offal
- Mussel or oyster shells
- Cat litter & birdcage shell sand*
- Manure from larger pets
- Dust from Hoover
- Disposable nappies & other hygiene waste
- Soil & sand
- Cork
- Ash residues & charcoal
- Coarse prunings, thick branches & tree roots
- Japanese knotweed (→ combustible or residual waste)



Unwanted guests in your container (maggots, fruit flies, ...)?

- Put some newspaper or straw on the bottom of your GFT container. The moisture from your waste will be better absorbed that way!
- What also helps against pests is to twist mothballs into a bag or pantyhose. Hang these on the lid of your GFT bin, along the inside.
- A few sprigs of fresh lavender in your GFT container also helps, or a few drops of essential oil.

* Does the packaging say 'OK Compost', '100% compostable' or '100% recyclable'? Then this does not belong in your GFT container!

MARCH

SORTING & RECYCLING GLASS



Glass jars for food, glass bottles for drinks (beer, wine, sparkling wine, fruit juice, etc.) and culinary oil or vinegar belong to glass, although without lids or caps.

Empty glass bottles for perfume, lotion, serum, aftershave or other care products, as well as glass medicine bottles may also be sorted as glass, provided they are empty, are made of transparent glass and the nozzles and caps have been removed.



Flat glass such as broken windows and mirrors should not be sorted with the glass. This glass, like drinking glasses and wine glasses, has a very different composition to the glass of bottles or jars, and can seriously disrupt the recycling process. This glass should be taken to the recycling park.

! Do remember to pack broken drinking glasses properly first, for the sake of the safety of the recyclers.

Also not allowed in the bottle bank: Crystal glass, glass from heat-resistant oven dishes, lamps and earthenware or porcelain.



Proper sorting: Anyone can do it!!

MARCH

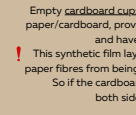
SORTING & RECYCLING PAPER & CARDBOARD

Some doubtful cases

Photos & photo paper, wallpaper and baking paper (used and unused) cannot simply be recycled as ordinary paper, and belong in residual waste.



Envelopes can be sorted with the paper/cardboard, even if they have a window. Any bubble wrap in envelopes must be removed and thrown in the PMD.



Empty cardboard cups (without lids) should be sorted as paper/cardboard, provided they are free of food residues and have a shiny edge on one side at most.

! This synthetic film layer blocks moisture, preventing the paper fibres from being turned into pulp during recycling. So if the cardboard cup has a synthetic film layer on both sides, it belongs in the residual waste!



- Cardboard boxes of frozen food may be sorted as paper/cardboard if they are clean and contain no food remains. Even if the boxes only have a thin layer of plastic on one side they can go with paper/cardboard.
- Nowadays, chips tubes are made entirely of cardboard and can therefore go with paper/cardboard. Older tubes with a metal bottom belong with the residual waste.

✗ Paper bags with an aluminium interior (e.g. powdered soup) belong in the residual waste!

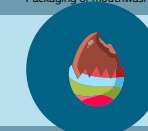
Nature thanks you!!

MARCH

SORTING & RECYCLING PMD (PLASTICS, METAL, DRINK CARTONS)

Small hazardous waste does not belong with PMD

Do you have packaging with a child-resistant push-twist button, or is there a 'toxic' or 'harmful to health' logo on the packaging? Then it belongs with KGA, and not with PMD. Packaging of mouthwash or descaler does belong in PMD.



What about aluminium foil?

Soon we will be eating chocolate eggs en masse again. The aluminium foil around the eggs, stuffed in a ball, may also be added to the PMD so that it can be more easily sorted out in the drum sieve, just like crown corks and coffee capsules.

And what about:

- White or black foam dishes for meat or fish? These can go in the PMD!
- Styrofoam (isomo)? This material cannot go in the PMD or residual waste, and must be brought in separately to the recycling park.

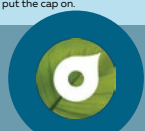


How do you fill the PMD bag?

- Pour or scrape bottles or containers well, and do not stack them together (e.g. yoghurt jars).
- Remove the plastic film from dishes or bottles and throw them separately into the bag.
- Push plastic bottles flat, and put the cap on.

Sorting doubts?

Take a look at:
 • www.betersorteren.be
 • www.fostplus.be





Car policy

In 2021, the car policy was adjusted to give hybrid or electric company cars preference over diesel or gasoline cars. Of the company cars ordered in 2021, 85% were fully electric or hybrid, resulting in more than 40% of our fleet becoming fully electric or hybrid in 1 year. The company cars ordered from 2022 onwards are all hybrid or fully electric. Over 2023, this yielded a 40% decrease in gasoline consumption and 88% decrease in diesel consumption, compared to 2022, resulting in savings of 163 tons of CO₂ emissions.

Smartphoto also offers the possibility of charging electric cars. Smartphoto has 10 double charging stations (a total of 20 spots). Some of these charging points are also made available to third parties.

Bicycle lease plans

To ensure that we all cycle to work more, it is obviously important to be able to use a well-equipped bicycle. Getting to work by bike therefore has only advantages, such as: reduction of CO₂ emissions, and faster arrival at work, if the home-work distance is less than 10 kms. Moreover, cycling is an ideal outlet to clear one's mind after a busy working day, and one gets a free work-out on top of it. These are just a few reasons why smartphoto makes it possible to lease a bike of one's choice for 3 years, on favourable terms.

Smartphoto makes further efforts to encourage employees to cycle to work. Investments were made to improve accommodation for cyclists, including the construction of a new bike shed, a dressing area with lockers, and charging points for e-bikes. In 2023, an 'I bike to work day' was organised, and employees who came to work by bike on that day, were rewarded with a tasty breakfast and a goodie bag.

Offering more sustainable food

Considerable effort is made within the smartphoto group to promote the importance of healthy food. This is achieved, among others, by organising vegan workshops, providing vegetarian and vegan alternatives during all company events, and regularly providing fruit and fresh soup for employees.

In 2023, a 'smart' refrigerator with always fresh, healthy and locally cultivated food was also introduced, and soft drink vending machines were removed.

By offering fair trade tea and coffee, our employees are also made aware of sustainable consumption, and smartphoto contributes to improving the living conditions and welfare of farmers and workers in developing countries.

Actions to collect litter

In spring 2023, an action was organised for the collection of waste or litter. About 25 employees of smartphoto joined forces during the lunch break to clear litter in some streets of Wetteren.



The material (grabbers, litter bags, vests, etc.) was provided by 'Mooimakers' a Flemish initiative against litter and fly-tipping by OVAM, Fost Plus and the 'Vereniging van Vlaamse Steden en Gemeenten' (VVSG).

Such an action will be organised yearly.



Our products

Our extensive product range makes it easy to make eco-friendly choices when selecting a gift. Several of our personalised products are made from natural materials. In 2023, personalised products made of wood were further expanded with new products, such as, for example, a personalised wooden bottle opener, or a personalised candy necklace with edible beads and a label made of multiplex.

The Blossoms flower bombs with personalisable sleeve is an eco-friendly gift for many occasions. This is because it is a product made from biodegradable material, and contains a variety of wildflower seeds that you can simply throw on the ground or plant. Over time, a veritable floral display will grow, attracting beneficial insects such as bees and butterflies.

Our range also includes several reusable products that are a better alternative to the disposable versions. A nice example of this is the personalised drinking bottle, where a choice of three variants can be made (stainless steel sports bottle, bottle with stainless steel cap, or bottle with bamboo cap).

At smartphoto, we are doing our best to be more environmentally friendly in the future, in as many areas as possible. Through small adjustments, we are also doing our bit for a more sustainable society in our product selection.

Waste and resource management



Sustainable water consumption

Water consumption is very low since we hardly use any water in our production process. Nevertheless, attention is also paid to this, for example, by placing drinking fountains that are connected to the tap water.

Rainwater is used for sanitary purposes in the building at Kwatrecht and Vantegem (Belgium).

Our CO₂ footprint

In 2022, investments were made to increase knowledge of CO₂ calculations so that the CO₂ footprint of smartphoto group's operations can be measured more accurately. This includes the following emissions: domestic fuel oil and natural gas for heating; petrol, diesel and electricity for the leased cars; leakage of cooling gases for the HP cooling machines; nuclear, fossil and green electricity.

Reducing the CO₂ footprint of shipping

The shipment of parcels is based on 2 parts:

- Linehaul= transport from the Wetteren production site to the distribution centre, and
- Last mile= transport from the distribution centre to the final consumer.

In 2021, 16% of our parcels were shipped CO₂ neutral, and 45% had at least a CO₂ neutral last mile. In 2022, 68% of our parcels were already shipped CO₂ neutral, and at least 32% had a CO₂ neutral last mile. Over 2023, the target to ship 95% of our packages completely CO₂ neutral ('Linehaul' and 'Last mile') was exceeded with already 97% CO₂ neutral shipping. For 2024, the goal is to achieve 100% CO₂ neutral shipping.

Offering sustainable shipping options and consolidating orders

Whereas previously, customers received different products from the same order on different dates, customers currently receive (almost) all products from the same order on the same date. If the customer still wants faster delivery for a particular product, the customer is given the option to do so by paying extra. This already resulted in a 2.61% decrease in the number of deliveries (shipments) per order in the fourth quarter of 2023.



On an annual basis, this gives an estimated decrease between 40K and 55K shipments. Furthermore, shipments between the two production sites are also being consolidated.

Consolidating shipments between production sites and towards customers has a positive impact on the environment through, among other things:

- fewer individual packages, and thus less packaging material and waste; and
- larger shipments reducing the number of transport movements, and thus fuel consumption, resulting in reduced CO₂ emissions.

Sustainable product development

Use of inks during the production process

Only latex ink and UV ink are used to print products made from hard materials, such as canvas and plate metal; these are less harmful inks than the solvent inks previously used.

Local production

Local production is promoted as much as possible. As of 2022, cushions, which were previously imported from Poland, are now also manufactured centrally at the production sites in Wetteren. A modification that not only contributes to more work for local people, but also ensures less transport, and thus lower CO₂ emissions.

In 2023, production of wood blocks was moved from Asia to Belgium. Whereas previously, the wood blocks for calendar and photo stands were sourced from Europe, shipped to Asia for processing, and then returned to Belgium, they are now processed directly in Belgium.



In the coming years, we will continue to look at ways to import as many basic materials as possible from within Europe.

Analysis of silver recovery

The silver halide processes were analysed. This confirmed that silver recovery and handling of related chemical waste from the process is under control.

Sustainable packaging

At our site in Vantegem, we ship 900 000 parcels a year, all in solid boxes and envelopes. Because we are only allowed to use a limited number of packaging types, the packaging was often inefficient, and a lot of air was sent. In 2021, smartphoto invested in a packaging line that allows us to pack items in boxes with variable dimensions in height. To further reduce packaging waste, we additionally invested in 2 types of boxes with the same footprint. Through the low or high boxes, we can ship packages that vary in height from 3 cm to 25 cm. This drastically reduces the amount of air shipped.

On an annual basis, we ship 2.5 million parcels. All packaging is made of FSC-certified cardboard. Our paper used is also 'FSC'-certified. The FSC label guarantees responsible origin from sustainably managed forests and/or recycling.

We have also taken further steps to minimise the use of plastic in our packaging by systematically replacing certain packaging materials with more sustainable variants. Recycled materials are used for packaging some fragile products. In 2023, we already reduced the use of bubble wrap by half. This results in significant reductions in plastic packaging, mainly for products in the wall decoration category, for glitter photo blocks, and all glass products.





Waste reduction/processing

For the two plants in Wetteren, the various waste streams (PMD, cardboard, white paper, paint, etc.) are separated. The remaining waste is collected as general industrial waste. Residual waste, excluding construction and demolition waste resulting from renovation projects, was 110 tons in 2021. In 2022, this residual waste amounted to 106 tons, or a decrease of 4% compared to 2021. In 2023, this was 96 tons, or a 9% decrease compared to 2022. Since a 13% reduction was already achieved after two years, we are on track to reduce this by 5% per year, or 15%, over a three-year period.

Reducing paper consumption

The following modifications help reduce paper waste in the production of books, cards and calendars:

- Improving the positioning of cards on a sheet of paper. This resulted in a structural saving of 168K sheets of SRA3 paper format.
- The adjustment of calendars from 14 pages to 13 pages. This resulted in savings of 246K sheets of paper in the last quarter of 2023.

Creating awareness among employees around waste sorting

Employees are regularly informed about waste sorting and collection. Within the company, PMD, paper and cardboard, organic waste and residual waste are collected separately. To achieve this, personal waste baskets at desks or workplaces were removed. These were replaced by centrally placed waste containers in which paper and cardboard, PMD, GFT, and residual waste can be deposited separately. This measure does not only improve recycling of waste, but also reduces the consumption of plastic bags and reduces the work of the cleaning personnel. In addition, it also encourages more physical exercise from employees occupying a seated job.

Digital corporate housekeeping and communication with stakeholders

The aim to reduce paper consumption is also reflected in the endeavour to have all communication between the company and its shareholders and/or directors take place electronically, in application of Article 2:32 of the Belgian Companies and Associations Code. To this end, a specific e-mail address was created, corporate@smartphoto.com, which was included in Article 1 of the Articles of Association in accordance with Article 3:31 of the Belgian Companies and Associations Code.

Shareholders are thus encouraged to refrain from making company law documents available by ordinary mail.

2024 action plan

People & well-being

- Offering a cafetariaplan for all employees
- Introducing more vegetable, local and healthy food
- Supporting our own team to participate in 'Expeditie Natuurpunt'
- Offering more sustainable mobile phones
- Supporting local initiative for people in need



- 3 Promoting decent work for all people
- 3 Improving mental health and well-being
- 3 Ensuring healthy lives and promote well-being at all ages
- 12 Guarantee that people are aware about lifestyles that are in harmony with nature
- 8 Taking action to eliminate forced labour and to end child labour
- 7 Encouraging and promoting effective public, public-private and civil society partnerships

Environment

- Implementing sustainability reporting according to the CSRD Directive
- Conducting stakeholder analysis and preparing materiality matrix
- Improving energy efficiency of the building in Kwatrecht (Belgium)
- Offering the option of second-hand lease of electric company car
- Increasing awareness regarding sustainability by means of workshops
- Encouraging to cycle to work
- Communicating on a regular basis to our employees on sustainability topics (inspired by calendar activities of Green Planet vzw)



- 12 Integration of sustainability information into the reporting cycle
- 12 Reducing emissions to air, water and soil
- 12 Encouraging adoption of sustainable practices and integration of sustainability information
- 3 Ensuring healthy lives and promote well-being at all ages
- 8 Improving global efficiency in resource production and consumption
- 7 Increasing the share of renewable energy
- 13 Improving awareness regarding climate change
- 17 Promoting collaboration and employee engagement
- 13 Reducing fossil fuel consumption

Waste and resource management

- 100% CO₂ neutral shipping of our packages
- Drafting a CO₂ footprint roadmap
- Collaborating with suppliers to reduce or replace the packaging of goods by more sustainable variants
- Analysing new packaging based on starch instead of glue
- Replacing packaging material with more sustainable variants



- 12 Reducing emissions to air, water and soil
- 12 Integration of sustainability information into the reporting cycle
- 12 Reducing waste generation through prevention, reduction, recycling and reuse
- 8 Improving global resource efficiency in consumption and production
- 12 Achieving environmentally friendly management of chemicals and of all types of waste during their life cycle
- 17 Sharing knowledge, expertise, technology and financial resources around sustainable development
- 13 Reducing emissions of greenhouse gases
- 13 Reducing fossil fuel consumption



Will you be my Valentine?
Yours truly, Sara



Anna

Anna




MANAGEMENT RESPONSIBILITY STATEMENT

MANAGEMENT RESPONSIBILITY STATEMENT

Mr Stef De corte, permanent representative of Acortis BV, CEO, declares in the name of, and on behalf of smartphoto group NV and its subsidiaries, that, to the best of his knowledge:

- the audited financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, the liabilities, the financial situation and the results of smartphoto group NV and the companies included in the consolidation;
- the annual report gives a true and fair view of the development, the results and the position of smartphoto group NV and the companies included in the consolidation, as well as a description of the risks and uncertainties with which they are confronted.



Stef De corte
Permanent representative of Acortis BV, CEO





- Stay salty -

- Spice it up -



*I would share my
last cookie with you*
Yours truly, Tom

The image shows a green rectangular cookie tin with a silver metal rim. The lid is decorated with white line-art hearts and a handwritten message in a cursive font. The tin is placed on a light-colored wooden table. Surrounding the tin are various items: a white saucer with a silver spoon, a pink mug with coffee, a white plate with a cookie, and a wooden cutting board. The overall scene is a cozy, domestic setting.



STATUTORY AUDITOR'S
REPORT

Statutory auditor’s report to the shareholders’ meeting of Smartphoto Group NV for the year ended 31 December 2023 - Consolidated financial statements

In the context of the statutory audit of the consolidated financial statements of Smartphoto Group NV (“the company”) and its subsidiaries (jointly “the group”), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders’ meeting of 10 May 2023, in accordance with the proposal of the board of directors (“bestuursorgaan” / “organe d’administration”). Our mandate will expire on the date of the shareholders’ meeting deliberating on the financial statements for the year ending 31 December 2025. We have audited the consolidated financial statements of Smartphoto Group NV for the first time during the financial year referred to in this report.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the group, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated statement of financial position shows total assets of 81 383 (000) EUR and the consolidated statement of comprehensive income shows a profit for the year then ended of 6 928 (000) EUR.

In our opinion, the consolidated financial statements give a true and fair view of the group’s net equity and financial position as of 31 December 2023 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the “Responsibilities of the statutory auditor for the audit of the consolidated financial statements” section of

our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company’s officials the explanations and information necessary for performing our audit.

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

Key audit matters

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

Key audit matters	How our audit addressed the key audit matters
<p>Revenue recognition</p> <p>Realised operating income is one of the most important factors that can affect the group’s results, which is why we refer to revenue recognition as a key point of our audit.</p> <p>Revenue is recognised in accordance with International Financial Reporting Standards (IFRS 15). The majority of operating income consists of internet sales, more precisely ordering on the various websites by individuals. These orders initiate further processing and ultimately revenue recognition within the accounting software. This process is highly automated and there is little manual intervention. Regular reconciliations between the various systems ensure the completeness and accuracy of the data.</p>	<p>Our audit work on corporate revenue mainly consists of:</p> <ul style="list-style-type: none"> • Descriptions of procedures related to the sales process and revenue recognition with a focus on internal control measures; • Reconciliations verifying that the input of website sales in the operational system matches the revenue in the accounting software; • Data analysis on the relationship between revenue and the number of packages shipped; • Age analysis of open customers at year-end; • Analytical review of revenue and gross margins.

Valuation of goodwill	
<p>Considerable intangible assets are presented in the balance sheet in relation to goodwill from business combinations by Smartphoto Group NV in the past.</p> <p>Per 31 December 2023, the value of the goodwill represent a total of 17,2 MEUR.</p> <p>We intend to refer to this matter in our audit report because of:</p> <ul style="list-style-type: none"> the fact that intangible assets represent 21,2% of the consolidated balance sheet total; the assumptions used in the goodwill impairment exercise are an accounting estimate which include a degree of judgement and are based on assumptions that are affected by expected future market or economic conditions. 	<p>Our audit work included obtaining an understanding of the valuation rules and procedures used by the company for the identification of any impairment in relation to the intangible assets.</p> <p>To identify potential impairments, we critically reviewed the impairment test as performed by Smartphoto Group NV management. This involved comparing the recoverable amount as estimated by the company with the net book value as at 31 December 2023.</p> <p>We identified and assessed the budgets, assumptions and methodology used by the company, for example by reviewing the forward-looking budgets used compared to past performance and benchmarking certain assumptions.</p> <p>Finally, we evaluated the appropriateness of the disclosures related to goodwill in accordance with IAS 36.</p>

Valuation of deferred tax assets	
<p>Deferred tax assets are expressed in the balance sheet of Smartphoto Group NV for an amount of EUR 5.9 million, related to tax losses carried forward.</p> <p>We refer to this key point in our auditor's report because the valuation of deferred tax assets relating to tax-deductible losses in Belgium, Sweden and the Netherlands is based on offsetting expected future tax results for the next five years. We identified the valuation of deferred tax assets as a key audit issue due to the degree of estimation uncertainty about future tax outcomes within the maximum offset period and the significance of the amount.</p>	<p>Our audit work included understanding the valuation rules and procedures used by the company to recognise deferred tax assets.</p> <p>We determined and assessed the budgets, assumptions and methodology used by the company by, for example, assessing the forward-looking budgets used in comparison with past performance and benchmarking certain assumptions.</p> <p>Finally, we evaluated the appropriateness of the disclosures related to deferred taxes in accordance with IAS 12.</p>

Other matters

The consolidated financial statements for the previous financial year were audited by another statutory auditor who has issued an unqualified opinion.

Responsibilities of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group or to cease operations, or has no other realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes any public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements, as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 3:32 of the Code of companies and associations.

In the context of our statutory audit of the consolidated financial statements we are also responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements is free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement.

Statements regarding independence

Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the group during the performance of our mandate.

Single European Electronic Format (ESEF)

In accordance with the draft standard on the audit of the compliance of the financial statements with the Single European Electronic Format ("ESEF"), we have also performed the audit of the compliance of the ESEF format and of the tagging with the technical regulatory standards as defined by the European Delegated Regulation No. 2019/815 of 17 December 2018 ("Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format ("digital consolidated financial statements") included in the annual financial report.

Our responsibility is to obtain sufficient and appropriate evidence to conclude that the format and the tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements as stipulated by the Delegated Regulation.

Based on our work, in our opinion, the format and the tagging of information in the digital consolidated financial statements included in the annual financial report of Smartphoto Group NV as of 31 December 2023 are, in all material respects, prepared in accordance with the ESEF requirements as stipulated by the Delegated Regulation.

Due to the technical limitations inherent in the block-tagging of consolidated accounts in the ESEF format, it is possible that the contents of some tags in the notes may not be returned in the same manner as the consolidated accounts attached to this report.

Other statements

- This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Signed at Ghent.

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Charlotte Vanrobaeys





PART 2 smartphoto group
2023 ANNUAL REPORT

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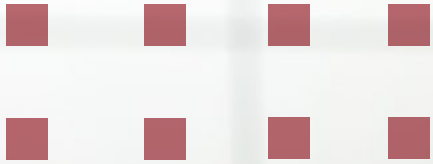
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2023 CONSOLIDATED
FINANCIAL STATEMENTS

Statement of profit or loss for the period

(in K euro)	Note	2022	2023
Revenue	2	76 295	77 346
Other operating income	3	1 313	871
Changes in inventory of finished goods and work in progress	4	6	-6
Capitalisation of internally generated intangible assets	5	1 271	1 619
Trade goods, raw materials and consumables	6	-22 984	-20 710
Employee benefits	7	-17 073	-19 196
Depreciation, amortisation, write-downs, impairment and provisions	8	-3 125	-3 960
Other operating expenses	9	-25 852	-26 758
Profit/loss (-) from operating activities	10	9 850	9 207
Financial income		449	424
Financial expenses		-1 865	-807
Financial result	11	-1 416	-383
Profit/loss (-) before taxes		8 434	8 824
Income taxes expense (-)/ income	12	-2 944	-1 896
Profit/loss (-) for the period		5 490	6 928
Profit/loss (-) for the period attributable to equity holders of the parent company		5 490	6 928
	Note	2022	2023
Profit/loss (-) for the period per share based on the weighted average number of shares with dividend rights	25	1.4852	1.9232
Profit/loss (-) for the period per share attributable to equity holders of the parent company based on the weighted average number of shares with dividend rights	25	1.4852	1.9232

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

(in K euro)	Note	2022	2023
Profit/loss (-) for the period		5 490	6 928
<u>Other comprehensive income:</u>			
Items which will not be reclassified to profit or loss			
Remeasurement of the net defined benefit liability (asset)			-137
Taxes on remeasurement of the net defined benefit liability (asset)			25
Total of items which will not be reclassified to profit or loss			-111
Items which possibly will be reclassified to profit or loss			
Translation differences		-120	103
Taxes on translation differences		22	-14
Total of items which possibly will be reclassified to profit or loss		-98	89
Other comprehensive income, net of taxes	13	-98	-23
Total of profit or loss and other comprehensive income	13	5 392	6 905
Total of profit or loss and other comprehensive income for the period attributable to equity holders of the parent company		5 392	6 905



Statement of financial position as at the end of the period

ASSETS (in K euro)	Note	2022	2023
<u>Non-current assets</u>			
Property, plant and equipment	14	16 789	15 967
Right-of-use assets	15	3 350	3 555
Goodwill	16	17 220	17 220
Intangible assets	17	3 194	3 614
Other financial assets	18		
Trade and other receivables	19	96	111
Deferred tax assets	20	7 995	5 858
Total non-current assets		48 643	46 325
<u>Current assets</u>			
Inventories	21	3 956	3 748
Trade and other receivables	22	6 052	5 918
Other financial assets		3	3
Cash and cash equivalents	23	24 143	25 179
Current tax assets	24	88	211
Total current assets		34 243	35 058
TOTAL ASSETS		82 886	81 383

EQUITY AND LIABILITIES (in K euro)	Note	2022	2023
<u>Total equity</u>			
Capital	25	41 381	41 381
Reserves and retained earnings/accumulated loss (-)	25	4 684	8 003
Revaluation surplus	14	6 956	6 956
Remeasurement of the net defined benefit liability (asset)	28		-111
Treasury shares (-)	25	-6 663	-9 292
Currency translation adjustments	25	2 268	2 357
Shareholder's equity	25	48 627	49 294
Total equity		48 627	49 294
<u>Non-current liabilities</u>			
Interest-bearing financial liabilities	26	1 888	1 409
Lease liabilities	27	2 690	2 809
Employee benefit liabilities	28	594	716
Provisions	29	118	93
Deferred tax liabilities	30	2 183	831
Total non-current liabilities		7 473	5 858
<u>Current liabilities</u>			
Interest-bearing financial liabilities	26	476	478
Lease liabilities	27	682	798
Trade and other payables	31	22 208	21 499
Employee benefit liabilities	28	3 099	3 179
Current tax liabilities	32	322	276
Total current liabilities		26 786	26 231
TOTAL EQUITY AND LIABILITIES		82 886	81 383



Statement of changes in equity for the period

(in K euro)	Capital	Reserves and retained earnings/ accumulated loss (-)	Revaluation surplus	Remeasurement of the net defined benefit liability (asset)	Treasury shares (-)	Currency translation adjustments	Shareholder's equity
Balance as at 31.12.2021	41 381	1 615	6 956		-3 379	2 366	48 939
Profit/loss (-) for the period		5 490					5 490
<u>Other comprehensive income:</u>							
Items which possibly will be reclassified to profit or loss							
Translation differences						-120	-120
Taxes on translation differences						22	22
Total of items which possibly will be reclassified to profit or loss						-98	-98
Other comprehensive income, net of taxes						-98	-98
Total of profit or loss and other comprehensive income		5 490				-98	5 392
Total of profit or loss and other comprehensive income for the period attributable to equity holders of the parent company		5 490				-98	5 392
Dividend distributed to shareholders		-2 421					-2 421
Transactions relating to treasury shares					-3 284		-3 284
Balance as at 31.12.2022	41 381	4 684	6 956		-6 663	2 268	48 627



(in K euro)	Capital	Reserves and retained earnings/ accumulated loss (-)	Revaluation surplus	Remeasurement of the net defined benefit liability (asset)	Treasury shares (-)	Currency translation adjustments	Shareholder's equity
Balance as at 31.12.2022	41 381	4 684	6 956		-6 663	2 268	48 627
Profit/loss (-) for the period		6 928					6 928
<u>Other comprehensive income:</u>							
Items which will not be reclassified to profit or loss							
Remeasurement of the net defined benefit liability (asset)				-137			-137
Taxes on remeasurement of the net defined benefit liability (asset)				25			25
Total of items which will not be reclassified to profit or loss				-111			-111
Items which possibly will be reclassified to profit or loss							
Translation differences						103	103
Taxes on translation differences						-14	-14
Total of items which possibly will be reclassified to profit or loss						89	89
Other comprehensive income, net of taxes				-111		89	-23
Total of profit or loss and other comprehensive income		6 928		-111		89	6 905
Total of profit or loss and other comprehensive income for the period attributable to equity holders of the parent company		6 928		-111		89	6 905
Dividend distributed to shareholders		-3 609					-3 609
Transactions relating to treasury shares					-2 628		-2 628
Balance as at 31.12.2023	41 381	8 003	6 956	-111	-9 292	2 357	49 294

Statement of cash flows for the period

(in K euro)	Note	Explanation	2022	2023
<u>Operating activities</u>				
Profit/loss (-) for the period			5 490	6 928
Depreciation, write-downs, impairment of property, plant and equipment	8-14		1 659	1 703
Depreciation, write-downs, impairment of right-of-use assets	8-15		759	832
Depreciation, amortisation, write-offs, impairment of intangible assets	8-17		1 242	1 357
Write-downs, impairment on current and non-current assets	8-21-22		1 155	109
Provisions	7-8		-851	-36
Net interest income (-)/expense	11		187	111
Loss/gain (-) on sale of property, plant and equipment			-29	
Income taxes expense	12		2 944	1 896
<i>Operating cash flow before changes in working capital</i>		(1)	12 555	12 899
Decrease/increase (-) in trade and other receivables and current income tax assets			2 234	211
Decrease/increase (-) in inventories			95	145
Increase/decrease (-) in trade and other payables			-314	-893
Decrease/increase (-) in working capital		(2)	2 016	-538
<i>Operating cash flow after changes in working capital</i>			14 571	12 361
Interest paid (-)			-141	-82
Interest paid (-) on lease liabilities			-32	-97
Interest received				63
Income tax paid (-)			-586	-1 085
Cash flow from operating activities		(1)	13 812	11 162

	Note	Explanation	2022	2023
<u>Investing activities</u>				
Proceeds from sale of property, plant and equipment			48	
Acquisition of property, plant and equipment	14		-1 434	-871
Acquisition of other intangible assets	17		-1 300	-1 777
Cash flow from investing activities		(3)	-2 687	-2 649
<u>Financing activities</u>				
Acquisition of treasury shares	25		-3 284	-2 628
Repayment of financial liabilities	26		-473	-476
Repayment of financial lease liabilities	27		-746	-808
Dividends paid	25		-2 421	-3 609
Cash flow from financing activities		(4)	-6 923	-7 521
Increase/decrease (-) in cash and cash equivalents			4 202	992
Effect of exchange rate fluctuations			-53	44
Net increase/decrease (-) in cash and cash equivalents			4 149	1 035
Cash and cash equivalents at the beginning of the year			19 994	24 143
Cash and cash equivalents at the end of the period			24 143	25 179
Total cash and cash equivalents	23	(5)	24 143	25 179



Note to the statement of cash flows

(1) Cash flow from operating activities

In the 2023 financial year, the depreciation, write-downs and impairment losses on property, plant and equipment amount to 1 703K euro, compared to 1 659K euro in the 2022 financial year.

The depreciation, write-downs and impairment losses on right-of-use assets amount to 832K euro in the 2023 financial year, compared to 759K euro in the 2022 financial year.

The depreciation, amortisation, write-offs and impairment losses on intangible assets amount to 1 357K euro in the 2023 financial year, compared to 1 242K euro in the 2022 financial year.

In the 2022 financial year, the write-downs and impairment losses on current and non-current assets amount to 1 155K euro, of which write-downs recorded on trade receivables in the amount of 331K euro, write-downs on other receivables of 845K euro, and a reversal of write-downs on inventories in the amount of -22K euro.

In the 2023 financial year, the write-downs and impairment losses on current and non-current assets amount to 109K euro, of which write-downs recorded on trade receivables in the amount of 4K euro, write-downs recorded on other receivables of 41K euro, and write-downs on inventories in the amount of 64K euro.

In the 2022 financial year, the decrease in provisions amount to 851K euro, being a reversal of -4K euro relating to provisions concerning schemes of unemployment with corporate allowance in various underlying entities, a reversal of -2K euro of the provision as part of the pension plans held, and a reversal of the provision related to the VAT regularisations concerning naYan NV for the period prior to acquisition of -845K euro.

In the 2023 financial year, the decrease in provisions amount to 36K euro, being a reversal of -1K euro relating to provisions concerning schemes of unemployment with corporate allowance in various underlying entities and a reversal of -36K euro of the provision as part of the pension plans held.

The net interest expenses amount to 111K euro in 2023, compared to 187K euro in 2022, of which 179K euro paid interest in 2023, compared to 173K euro in 2022, and 63K euro received interest in 2023.

In 2022, the loss/gain (-) on the realisation of property, plant and equipment amounts to -29K euro. In 2023, there is no loss/gain (-) on the realisation of property, plant and equipment.

The income taxes expense amounts to 1 896K euro for the 2023 financial year, compared to 2 944K euro for the 2022 financial year. The Income taxes expense of 2 944K euro in 2022 consists, on the one hand, of the net decrease in deferred tax assets of 2 301K euro, and, on the other hand, of current income taxes expense of 642K euro. The income taxes expense of 1 896K euro in 2023 consists, on the one hand, of the net decrease in deferred tax assets of 797K euro, and, on the other hand, of the current taxes expense on income of 1 099K euro. The income taxes paid amount to 1 085K euro in 2023, compared to 586K euro in the 2022 financial year.

(2) Decrease/increase (-) in working capital

In 2022, at group level, the trade receivables, other receivables, and current income tax assets decreased by 2 234K euro, of which -75K euro related to the impact of the conversion at year-end closing rates of subsidiaries outside the eurozone. The inventories decreased by 95K euro. The trade and other payables decreased by 314K euro, of which -2K euro related to the impact of the conversion at year-end closing rates of subsidiaries outside the eurozone.

In 2023, at group level, the trade receivables, other receivables, and current income tax assets decreased by 211K euro, of which 42K euro related to the impact of the conversion at year-end closing rates of subsidiaries outside the eurozone. The inventories decreased by 145K euro. The trade and other payables decreased by 893K euro, of which 185K euro related to the impact of the conversion at year-end closing rates of subsidiaries outside the eurozone.

(3) Cash flow from investing activities

Cash flow from investing activities related to the 2022 financial year

In the 2022 financial year, proceeds from the sale of property, plant and equipment mainly relate to the sale of machinery in the amount of 48K euro.

The investments in property, plant and equipment amount to 1 434K euro and are mainly related to the investments in production machinery, renovations relating to the building in Kwatrecht (Wetteren), and the installation of solar panels on the building at Vantegem (Wetteren).

Investments in intangible assets amount to 1 300K euro, of which 1 271K euro was internally generated. These investments mainly relate to investments in mobile applications, such as the further migration of our web platform to 'mobile first' and the cloud, the modernisation of underlying control tools and the upgrade of the customer service software.

Cash flow from investing activities related to the 2023 financial year
The investments in property, plant and equipment amount to 871K euro, and are mainly related to the investments in production machinery and renovations relating to the building in Kwatrecht (Wetteren).

Investments in intangible assets amount to 1 777K euro, of which 1 619K euro was internally generated. These investments mainly relate to investments to improve the web platform and underlying control tools.

(4) Cash flow from financing activities

The cash flow from financing activities in 2022 consists of:

- the acquisition of treasury shares for 3 284K euro;
- the repayment of the interest-bearing financial liabilities amounting to 473K euro;
- the payments in terms of the lease liabilities by applying IFRS 16, amounting to 746K euro;
- the payment of the dividend for the 2021 financial year of 2 421K euro.

The cash flow from financing activities in 2023 consists of:

- the acquisition of treasury shares for 2 628K euro;
- the repayment of the interest-bearing financial liabilities amounting to 476K euro;
- the payments in terms of the lease liabilities by applying IFRS 16, amounting to 808K euro;
- the payment of the dividend for the 2022 financial year of 3 609K euro.

(5) Total cash and cash equivalents

In 2022, the cash and cash equivalents increased by 4 149K euro to 24 143K euro at the financial year-end.

In 2023, the cash and cash equivalents increased by 1 035K euro to 25 178K euro at the financial year-end.



Material policies for financial reporting

Smartphoto group NV, Kwatrechtsteenweg 160, 9230 Wetteren, is a company established in Belgium. Smartphoto group's financial statements for the year ended 31 December 2023 include the company and its subsidiaries (jointly called 'smartphoto group' or 'group').

These financial statements were released for publication by the Board of Directors on 25 March 2024.

Statement of compliance

The financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), the standards for financial reporting and the interpretations issued by the International Accounting Standards Board (IASB), as approved by the European Union, and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

Application of IFRS standards and interpretations

During the current financial year, the company applied all published new and revised standards and interpretations that are relevant to its activities and which are in force for the accounting period that started on 1 January 2023, as issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

Amendments to IAS 12: Income taxes: International tax reform - Pillar Two Model Rules: applicable for annual periods beginning on or after 1 January 2023.

Amendments to IFRS 17: Insurance contracts: Initial application of IFRS 17 and IFRS 9 - Comparative information: applicable for annual periods beginning on or after 1 January 2023.

Amendments to IAS 12: Income taxes: Deferred tax related to assets and liabilities arising from a single transaction: applicable for annual periods beginning on or after 1 January 2023.

Amendments to IAS 1: Presentation of financial statements and IFRS Practice statement 2: Disclosure of accounting policies: applicable for annual periods beginning on or after 1 January 2023.

Amendments to IAS 8: Accounting policies, Changes in accounting estimates and errors: Definition of accounting estimates: applicable for annual periods beginning on or after 1 January 2023.

IFRS 17: Insurance contracts, including amendments to IFRS 17: applicable for annual periods beginning on or after 1 January 2023.

These new standards, interpretations and changes have not resulted in any important changes to the group's principles for financial reporting.

The group has not yet proceeded with the early application of the new standards and amendments to existing standards and interpretations that had already been endorsed by the EU on the date of the financial statements' approval, but which were not compulsorily applicable for the period beginning on 1 January 2023:

Amendments to IAS 1: Presentation of financial statements: Classification of liabilities as current or non-current and non-current liabilities with covenants: applicable for annual periods beginning on or after 1 January 2024.

Amendments to IFRS 16: Leases: Lease liability in a sale and leaseback: applicable for annual periods beginning on or after 1 January 2024.

The amendments to IAS 1 and IFRS 16 will not result in any important changes to the group's principles for financial reporting.

The group did not carry out an early application of the new standards and changes to existing standards and interpretations that were not yet endorsed by the European Union:

Amendments to IAS 7: Statement of cash flows and IFRS 7 Financial instruments: Disclosures: Suppliers finance arrangements: applicable for annual periods beginning on or after 1 January 2024.

Amendments to IAS 21: The effects of changes in foreign exchange rates: Lack of exchangeability: applicable for annual periods beginning on or after 1 January 2025.

Key changes in the consolidation scope

There were no changes in the consolidation scope in 2023.

Basis of presentation

The consolidated financial statements' presentation currency is the euro, rounded to the nearest thousand.

The consolidated financial statements are prepared before the appropriation of the profit of the parent company as proposed to the General Meeting of Shareholders.

Consolidation principles

The financial statements of the subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases.

A list of the group's key subsidiaries is included in note 36. Related parties.

Significant accounting estimates and assumptions

In the application of accounting policies and determination of the result, estimates and assumptions are used that might affect the amounts, disclosures and other information included in the financial statements. The actual results can deviate from these estimates and assumptions. The estimates and underlying assumptions are reviewed on an annual basis and adjusted when necessary. When the estimates and assumptions are revised, these adjustments are recognised in the period in which the revision occurs. If the adjustments affect both the period in which the revision occurs and future periods, the changes are recognised for the period in which the revision occurs and for all future periods.

After performing sensitivity analyses, no significant sources of estimation uncertainties and assumptions were identified that are expected to have a material impact on the financial results or forecasts for the coming financial year.

Other sources of estimation uncertainties and assumptions

Other sources of estimation uncertainties and assumptions without risk of material adjustments in the next financial year are:

Fair value of land and buildings

Land and building is recognised at its depreciated replacement value, where the starting point is an estimate of the cost for rebuilding the property. Subsequently, depreciation factors are applied for, amongst others, commercial and physical age of the buildings, the cyclic economic conditions, and the losses in value associated with any sale. The land and buildings are measured at least once every 5 years, unless the market conditions require a faster valuation. The last revaluations were performed on 30 September 2020 by the accredited assessor Valorem Expertises. More information on this is included in note 14. Property, plant and equipment.

Impairment of goodwill

The carrying amount of non-current assets is tested against the recoverable amount at least once a year, and whenever there is any indication that an asset may be impaired.

To enable the determination of whether an impairment is required or a reverse is needed, the recoverable amount is determined. This involves the use of estimates and assumptions for determining the cash-generating unit, the future cash flows, and the discount rate. The underlying assessments can differ from year to year due to economic or market conditions, changes in the business environment or in the laws and regulations, and other factors beyond the company's control. If recoverable amount assumptions need to be adjusted, this may result in impairment losses. More information on this is included in note 16. Goodwill.

Deferred tax assets/liabilities

Deferred tax assets are recognised if it is probable that sufficient taxable profits will be available against which losses can be offset. The assessment thereof uses estimates and assumptions that also affect the measurement of the receivable. The carrying amount of the deferred tax assets is reviewed at each financial year-end, based on estimates of future profits for the next 5 years, taking into account local corporate tax laws applicable at the reporting date. Changes in the local legislation of the underlying tax jurisdictions can result in adjustments to deferred tax assets/liabilities. More information on this is included in note 20. Deferred tax assets, and note 30. Deferred tax liabilities.

Useful life and residual value of assets for operating activities

The useful lives and residual values adopted on the basis of estimates and assumptions have an effect on the measurement and determination of the result of assets for operating activities. The useful life of assets used for operating activities is partly estimated on the basis of the technical life, experiences with similar assets, and the period over which economic benefits arising from the use of the assets will flow to the group. Each year-end, a test is performed to determine whether changes in estimates and assumptions have occurred to the extent that an adjustment to the useful life and/or residual value is required.

Recognition and measurement of internally generated intangible assets

Smartphoto group invests in in-house development of new or substantially improved products and processes, if the product or the process is technically and commercially feasible, and the group has sufficient resources available for its completion. Development costs are only capitalised if all requirements of IAS 38.57 have been met. An important condition for the recognition of intangible assets is that these assets will generate future economic benefits. These future economic benefits are based on estimates made by management and departmental managers, which are validated and discussed on a regular basis. More information on this is included in note 17. Intangible assets.

Defined benefit plans

The valuation of defined benefit plans is based on the calculation of the minimum guaranteed reserve or actuarial valuation, where various assumptions are made that may differ from the actual developments in the future. These include, amongst other, the determination of the discount rate, future salary increases, future inflation, employee turnover and mortality rates. All assumptions are reviewed annually at the reporting date.

Lease liabilities

The lease liabilities are recognised at the starting date at the present value of the lease payments. This includes discounting the lease payments at the current discount rates, depending on the lease term. The determination of the lease period acquires an assessment of the management. A reasonable estimate of the expected lease term is made based on a number of factors, such as the term of the agreement, renewal or termination options that are likely to be exercised, and any guarantees or provisions for future revisions to the lease payments.

For land and buildings, the Incremental Borrowing Rate (IBR) is used to value lease liabilities. The IBR is the interest rate that smartphoto group would have to pay to borrow, over a comparable period of time and with comparable assurance, the funds necessary to obtain an asset of comparable value to the right-of-use.

Other accounting policies

Statement of profit or loss

Revenue recognition

Revenue is recognised when the performance obligations are met.

The performance obligations for the smartphoto segment are fulfilled upon shipment of the products. Ordered products are paid in cash, either online via a secured payment system or by bank transfer, as also mentioned in the payment terms.

The performance obligations for the naYan segment are fulfilled as the services are provided, or, where appropriate, upon shipment of the products. Invoices for services rendered are payable within 30 days of the invoice date. Products ordered via websites are paid in cash, online via a secured payment system.

Interest and dividends

Interest is recognised in accordance with the effective interest rate method.

Dividends are recognised at the time the shareholder has obtained the right to receive the payment.

Financial expenses (-)/income

The financial expenses include interest on loans. Other non-operating expenses (-)/income include translation losses and gains related to non-operating activities. Borrowing costs are

recognised as an expense in the period in which they are incurred. Interest expenses of repayments on finance leases are recognised in the statement of profit or loss using the effective interest rate method. Operating lease payments are recognised as expenses in the statement of profit or loss on a straight-line basis over the term of the lease.

Foreign currency translation

The functional and presentation currency of smartphoto group NV and its subsidiaries in countries of the eurozone, is the euro.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or at the exchange rate prevailing at the end of the month preceding the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange closing rate at the end of the reporting period. Gains and losses arising from transactions in foreign currencies and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applicable at the end of the month preceding the date of the transaction.

Assets and liabilities of foreign subsidiaries are translated to euro at the exchange rates applicable at the end of the reporting period. Income, expenses, cash flows, and other mutations are translated at the average exchange rates for the period. The components of the shareholders' equity are translated at historical rates. Translation gains and losses arising from the conversion to euro of the equity at the rate at the end of the reporting period, are recognised in the 'Currency translation adjustments' under the section 'Equity'.

Statement of financial position

Property, plant and equipment

Land and buildings: revaluation model

Subsequent to initial recognition as an asset of 'Property, plant and equipment', that is reliably measurable at fair value, land and buildings are carried at a revalued amount, which is the fair value at the date of the revaluation less subsequent accumulated depreciation in accordance with the remaining useful life, and any subsequent accumulated impairment losses.

Depreciation

Buildings are depreciated using the straight-line method, pro rata on a monthly basis, and the estimated useful life is generally defined as follows:

- Administration..... 3%
- Production 5%

Other property, plant and equipment: cost model

All other items of property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation

All other items of property, plant and equipment are depreciated using the straight-line method, pro rata on a monthly basis. The general depreciation rates applied, are as follows:

- Plant10% - 20%
- Machinery14% - 33%
- Computer hardware20% - 33%
- Furniture and fixtures14%
- Vehicles20%

Right-of-use assets

After recognition, the right-of-use assets are measured at cost, reduced by any accumulated depreciation and impairment losses; and adjusted for possible revaluations of the lease liability to reflect a reassessment or modification of the lease.

Depreciation

The right-of-use assets are depreciated using the estimated useful life on a straight-line basis, and are consistent with the depreciation principles for depreciable assets owned.

Improvements to leased buildings are capitalised and depreciated over the residual term of the lease or the remaining useful life, whichever is shorter.

The payments for current leases and the payments for leases of low-value assets - and variable lease payments not included in the measurement of lease liabilities - are classified under the operating activities.

Goodwill

After initial recognition, the goodwill acquired in a business combination is measured at cost price, less any accumulated impairment losses.

Goodwill is tested for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying amount of the goodwill may have been impaired. An impairment loss recognised for goodwill cannot be reversed in a subsequent period.

Goodwill is allocated to the relevant cash-generating unit for the purpose of impairment testing.

Intangible assets

The cost is discounted if payment is deferred beyond normal credit terms.

Internally generated intangible assets

Research costs are recognised as an expense at the time they are incurred.

Expenditure on development activities, of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible, and the group has sufficient resources available to complete development of the asset.

Development costs are only capitalised if all requirements of IAS 38.57 have been met.

The capitalised costs include the cost of raw materials, direct labour costs and overhead costs if these can be directly attributed to bringing the asset ready for use.

Capitalised development expenditure is measured at cost, less any accumulated depreciation, amortisation and impairment losses.

Other development costs are recognised as expenses when incurred.

Other intangible assets

Other intangible assets acquired by the group are recognised at cost, less any accumulated depreciation, amortisation, and impairment losses.

Depreciation

Intangible assets are depreciated using the straight-line method, pro rata on a monthly basis.

The general depreciation rates applied, are as follows:

- Concessions, patents and licences20%
- Internally generated intangible assets20%
- Other intangible assets14% - 20%

Impairment of assets

At each reporting date, the group reviews whether there is any indication that assets may be impaired. If there is such an indication, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. A full impairment test is performed annually for assets that may or may not yet be available for use, by comparing their carrying amounts with their recoverable amounts.

Inventories

The cost of the inventories is allocated using the FIFO formula or by the weighted average cost formula. The group continuously reviews the inventories to identify damaged, obsolete or non marketable inventories. Such inventories are written down to their net realisable value, provided this is less than the cost price according to the methods stated above.

When the circumstances that previously required inventory to be written down no longer exist or, when there is clear evidence of an increase in net realisable value due to changed economic conditions, the amount of the write-downs is reversed. The reversal is limited to



the amount of the original write-down, so that the new carrying amount equals the lower of the cost or the revised net realisable value.

Trade and other receivables

Trade and other receivables are measured at nominal value less any accumulated impairment losses. At each reporting date, an estimate is made on doubtful debts if collectability of the receivables is uncertain. Doubtful debts are written down during the year in which they are identified as such.

Deferred tax liabilities and assets

Deferred tax liabilities and assets are calculated using the 'balance sheet liability' method, for all temporary differences arising between the tax base of assets and liabilities and their carrying amount in the consolidated financial statements.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, on-demand deposits with an original maturity of three months or less, and current, highly liquid investments that are readily convertible to cash whose value is known and which do not carry a material risk of change in value. The cash and cash equivalents include bank overdrafts that are payable on demand at the request of the bank.

Share capital

Purchase of treasury shares

When share capital recognised as equity is purchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Purchased treasury shares are considered as a reduction of equity.

Dividends

Dividends are recognised at the moment the General Meeting of Shareholders approves payment.

Interest-bearing financial liabilities

Interest-bearing financial liabilities at amortised cost are initially measured at fair value, plus transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are recognised at amortised cost, with any difference between the cost and the redemption value being recognised proportionately in the statement of profit or loss on the basis of the effective interest rate.

Lease liabilities

The lease liabilities are recognised at the start date at the present value of the lease payments. This includes discounting the lease payments at the current discount rates, depending on the term. The cash payments for the interest portion of the lease liabilities are recognised in profit or loss, in accordance with the requirements applicable to interest paid.

Trade and other payables

Trade and other payables are measured at nominal value.

Employee benefits

Employee benefits are recognised as an expense when the entity consumes the economic benefit arising from services provided by an employee in exchange for employee benefits, and as a liability when an employee has provided services in exchange for employee benefits payable in the future.

- **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the statement of profit or loss of the year to which they relate.

For any contributions already paid prior to the end of the reporting period, which are in excess of the payable contribution for services, the surplus is recognised as an asset under prepaid expenses and accruals. If contributions to a defined contribution plan are not fully due within 12 months after the end of the period in which the employees perform the related services, they are discounted to their present value.

- **Defined benefit plans**

For defined contribution plans with a legally guaranteed minimum return that are considered defined benefit plans, an additional contribution is taken into account if the minimum guaranteed reserves are not covered by the insurance company, for a material amount.

Other non-current employee benefits

The other non-current employee benefits, except pension plans, life insurance policies, and medical assistance, consist of future benefits that employees have earned in return for their services in current or prior periods. These benefits are rewarded throughout the employees' active employment, using similar accounting methods as for the defined benefit plans with the difference that actuarial gains and losses and all pension costs from past employment are recognised immediately.

Termination benefits

Termination benefits are recognised as a liability and as an expense when the group is demonstrably committed to either terminating the employment of an employee or group of employees before the normal retirement date, according to a detailed formal plan, without the possibility of withdrawal of this plan, or to pay termination benefits as a result of an offer made to employees to encourage voluntary termination. Termination benefits falling due

more than 12 months after the end of the reporting period are discounted to their present value.

Provisions

Provisions are recognised when the group has an existing legally enforceable or constructive obligation as a result of a past event, whenever it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when the amount of the obligation can be reliably estimated.

Operating segments

The group's internal organisational and managerial structure and its system of internal financial reporting, are based on the nature of the products and services or groups of interrelated products and services produced by the company and its subsidiaries.

The result of an operating segment comprises the revenue and expenses directly generated by the operating segment, including revenue and expenses from transactions with other operating segments of the group, as well as the relevant part of revenue and expenses which can be reasonably attributed to the operating segment. The performance of an operating segment is regularly reviewed by the chief operating decision maker who decides on the resources to be allocated to an operating segment and, who evaluates its financial performance.

The assets and liabilities of an operating segment include the assets and liabilities which are directly or reasonably attributable to the operating segment.

The result, and the assets and liabilities of an operating segment, do not include income taxes expense or income.

Transfer prices between operating segments are determined at arm's length, similar to transactions with third parties.

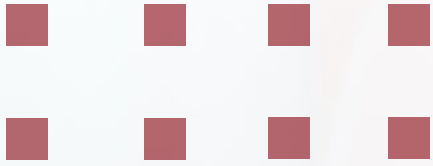






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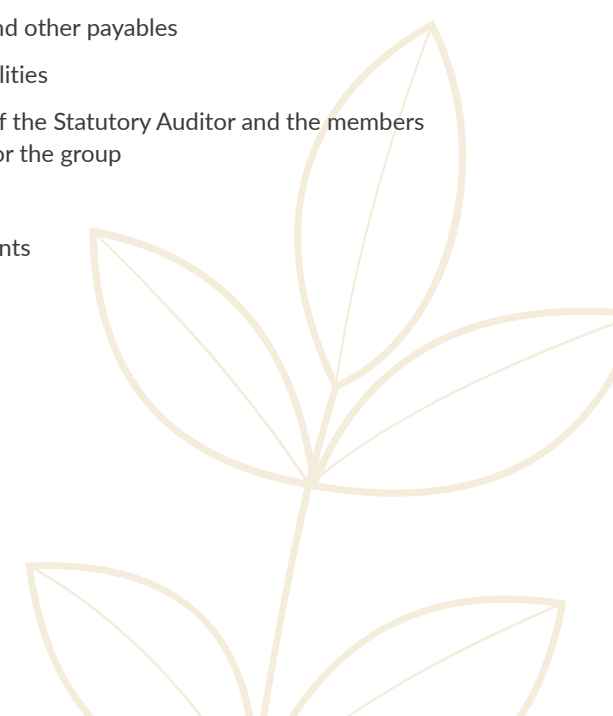




NOTES TO THE 2023
CONSOLIDATED
FINANCIAL STATEMENTS

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♡
Happy Mother's Day
mom, enjoy your day!
Love, Tom & Eve
♡

1. Operating segments

Taking into account the requirements of IFRS 8, the activities of the group are reported in two operating segments: the smartphoto segment and the naYan segment. The valuation of the result of the segments is handled in the same way as the valuation

of the result of the entity. This also applies to the valuation of the assets and liabilities. The accounting policy for transactions between reporting segments has been determined at arm's length.

2022 financial year segment reporting

(in K euro)	smartphoto	naYan	Not assigned	Intersegment	Consolidated
External revenue	60 823	15 472			76 295
Intersegment revenue	416	43			
Total revenue	61 239	15 515		-460	76 295
Net interest income (-)/expense	140	46			187
Profit/loss (-) before taxes	7 418	2 290	-1 274		8 434
Assets	65 563	16 891	8 277	-7 847	82 886
Liabilities	24 065	9 889	3 501	-3 197	34 259
Total investments in property, plant and equipment	1 352	82			1 434
Total investments in intangible assets	1 300				1 300
Total investments in right-of-use assets	908	2 216			3 123
Additions to the non-current part of trade and other receivables	-14	-277			-290
Depreciations and amortisation	3 374	286			3 660
Non-cash items other than depreciation and amortisation	308	-845	840		303
Number of full-time equivalent employees as of the end of the period	238	66			304

2023 financial year segment reporting

(in K euro)	smartphoto	naYan	Not assigned	Intersegment	Consolidated
External revenue	60 530	16 816			77 346
Intersegment revenue	499	14			
Total revenue	61 029	16 830		-514	77 346
Net interest income (-)/expense	150	-40			110
Profit/loss (-) before taxes	7 093	2 275	-544		8 824
Assets	63 964	16 080	6 162	-4 822	81 383
Liabilities	20 867	10 056	1 338	-172	32 089
Total investments in property, plant and equipment	860	11			871
Total investments in intangible assets	1 624	153			1 777
Total investments in right-of-use assets	832	6			838
Additions to the non-current part of trade and other receivables	1	14			15
Depreciations and amortisation	3 491	400			3 892
Non-cash items other than depreciation and amortisation	78	10	-15		73
Number of full-time equivalent employees as of the end of the period	232	74			306

Both segments are centrally structured under smartphoto group NV, and are centrally managed on operational level by the Chief Operating Decision Maker, i.e. Stef De corte, CEO. He is the most senior officer and assesses the results from operating activities and makes important operational decisions, in order to make decisions about the resources to be allocated to the segments, and to evaluate the financial performance of the segments. Therefore, there is no financial information available for the Chief Operating Decision Maker at a lower level than the operating segments smartphoto and naYan.

smartphoto segment

This segment comprises the operational activities of the legal entities smartphoto group NV, smartphoto AG, smartphoto Nordic AB, smartphoto Nederland BV, DBM-Color NV, Filmobel NV, Promo Concept Investment BV and Aultmore NV. The operational activities of this segment mainly consist of B2C (Business to Consumer) e-commerce activities of personalised products.

Within this segment, the nature of the products and services is similar. It mainly concerns products and services related to the creation of personalised printings of photos and texts, such as photo books, personalised gifts, cards, calendars, wall decoration and prints.

There is only one common web platform. All development for this platform, all product development and all other back office activities are organised centrally for all markets; with identical products, identical product formats and identical designs.

The production process photofinishing, is the common element throughout the entities: the processing of photo images into photo prints. These photo prints are processed centrally for the entire group in the production buildings in Wetteren (Belgium). Decisions are made in respect of the activities as a whole, and are not assessed per legal entity. Only one person is responsible for the general management, i.e. the Chief Executive Officer.

One of the main challenges is to significantly reduce the overhead costs. This goal can only be achieved within the constellation of this segment, and not within a smaller context. The ultimate customers of the products and services within this segment are always the consumers in the countries in which the entities of this segment are active. Although the distribution channels are tailored to the market characteristics, which are often determined on a national and cultural level, the differences between e-commerce and sales to the end consumer through the photographers' distribution channel, is levelled out in the digital market. A consumer uploading photo prints on the website, for example, will order home delivery by post one time and opt to pick up the prints from a nearby collection point the next time. It is therefore essential that the activities of both distribution channels are jointly reported to the Chief Executive Officer and the Board of Directors, so they make judicious decisions about awarding resources in the future, pursuant to IFRS 8.5.

naYan segment

This segment comprises the legal entities naYan NV and its 100% subsidiary Frucon International Inc. The operational activities of this segment mainly consist of B2B (Business to Business) e-commerce activities by offering E-commerce as a Service (EaaS) for brands looking for growth or online support.

Within this segment, the nature of the products and services is similar, i.e. e-commerce distribution to companies. The business process is similar for all customers, where the scope of the services rendered is determined by the need of the customers, varying from running a full e-commerce business, including the purchase and sale of products - such as the sale to companies of personalised gift packages with chocolate, alcohol, fruit or flowers through websites - to only offering services and managing a website.

The supporting teams, who help the brands sell directly to end consumers in a fully scalable way, by deploying the right people and technology as well as by combining operational processes, mainly operate from the central headquarter in Ardoois (Belgium). They provide solutions such as digital marketing, sales and customer service for consumer brands. There is only one person responsible for the general management, i.e. the Chief Executive Officer.

The customers of the products and services within this segment are companies.

The total external revenue reported by the identified operating segments constitutes more than 75% of the total revenue of the smartphoto group. Therefore, no additional operating segments need to be identified.

Information about products and services

(in K euro)	2022	2023
Revenue		
Prints	5 778	5 901
Books & stationery	26 394	28 084
Merchandising	33 657	30 240
E-commerce as a Service	10 466	13 122
Total	76 295	77 346

The revenue of Prints, Books & Stationery, as well as a part of Merchandising, belongs to the smartphoto segment. On the other hand, the revenue of E-commerce as a Service and a part of Merchandising is included in the naYan segment.

The revenue amounts to 77 346K euro in 2023, compared to 76 295K euro in 2022. The Books & stationery section includes the sale of books, paper and writing supplies. The Merchandising section mainly includes the sale of gifts and decorative items. The E-commerce as a Service section includes the consideration for services rendered to offer solutions for brands, such as digital marketing, sales or other online support services.

Information about geographic areas

(in K euro)	2022	2023
Revenue		
Belgium	31 892	31 549
Switzerland	15 052	15 527
Other countries	29 351	30 270
Total	76 295	77 346
Non-current assets other than financial instruments and deferred tax assets		
Belgium	39 695	39 454
Other countries	858	903
Total	40 553	40 356

The revenue from third-party sales is divided between Belgium, Switzerland and all third-party countries that generate revenue. Pursuant to IFRS 8.33, the revenue from third-party sales attributable to individual third-party countries is recognised separately if it is material. The revenue from third-party sales is attributed to individual countries based on the location of delivery of the goods or services.

Information about major customers

There is no revenue from transactions with a single external customer, which represent at least 10% of the total revenue. Given the nature of its business, smartphoto group does not rely on a limited number of customers.

2. Revenue

The revenue amounts to 77 346K euro in 2023, compared to 76 295K euro in 2022. This increase of 1.4% (or 1 051K euro) was achieved in a year that was characterised by very difficult economic conditions, due to, among other things, the continuation of the war in Ukraine, the return of the war in the Middle East, and the still high inflation that weighed on consumer behaviour.

Performance obligations

The performance obligations for the smartphoto segment are fulfilled upon shipment of the products. Ordered products are paid in cash, either online via a secured payment system or by bank transfer, as also mentioned in the payment terms.

The performance obligations for the naYan segment are fulfilled as the services are provided, or, where appropriate, upon shipment of the products. Invoices for services rendered are payable within 30 days of the invoice date. Products ordered via websites are paid in cash, online via a secured payment system.

3. Other operating income

The other operating income amounts to 871K euro in 2023, compared to 1 313K euro in 2022. The main components are: the sale of waste material from the production process to recycling companies for an amount of 160K euro in 2023, compared to 143K euro in 2022, the recovered overdue payments and unused credit notes of e-commerce customers for an amount of 412K euro in 2023, compared to 493K euro in 2022, and revenue from partnerships for an amount of 102K euro in 2023, compared to 233K euro in 2022. In 2022, other operating income also includes reimbursements received for an amount of 189K euro and realised gains on the sale of property, plant and equipment for an amount of 44K euro.

4. Changes in inventory of finished goods and work in progress

Changes in inventory of finished goods and work in progress amount to -6K euro for the 2023 financial year, compared to 6K euro in 2022.

5. Capitalisation of internally generated intangible assets

The capitalisation of internally generated intangible assets in 2023 amounts to 1 619K euro, compared to 1 271K euro in 2022. The expenses eligible for capitalisation mainly relate to investments to improve the web platform and underlying control tools. These expenses meet the recognition criteria for capitalisation in accordance with IAS 38.57. More information can be found under the intangible assets (see note 17).

6. Trade goods, raw materials and consumables

The costs of trade goods, raw materials and consumables decreased by 9.9% in 2023, compared to 2022. This decrease is mainly due to strict cost control.

7. Employee benefits

(in K euro)	2022	2023
Wages and salaries	-13 142	-14 766
Social security contributions	-3 043	-3 414
Other employee benefits	-674	-813
Contribution to defined contribution plans	-220	-240
Increase/decrease (-) in the other non-current employee benefit liabilities	6	36
Total	-17 073	-19 196

In 2023, the employee expenses increased by 12.4%, compared to 2022. This increase is mainly the result of, on the one hand, the indexation of the wages and salaries and, on the other hand, a net decrease in provisions related to the pension plans of 36K euro in 2023, compared to 6K euro in 2022. More information about this provision can be found under the current and non-current employee benefit liabilities (see note 28).

The total number of employees in the group, expressed in full-time equivalents, is 306 at the end of 2023, compared to 304 at the end of 2022, which is an increase of 0.7%.

In accordance with IAS 19.7, the remuneration for the performance of the executive director is shown here.

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

Executive director	Fixed remuneration component ⁽¹⁾	Variable remuneration component ⁽¹⁾⁽²⁾	Other remuneration components ⁽³⁾
Stef De corte ⁽⁴⁾	-425	-120	-4

⁽¹⁾ Cost to the company, i.e. gross amount including social security contributions.

⁽²⁾ 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.

⁽³⁾ 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.

⁽⁴⁾ Mr Stef De corte, fixed representative of Acortis BV.

8. Depreciation, amortisation, write-downs, impairment and provisions

(in K euro)	2022	2023
Depreciation of property, plant and equipment	-1 659	-1 703
Depreciation of right-of-use assets	-759	-832
Amortisation of intangible assets	-1 242	-1 357
Write-downs on inventories	22	-64
Write-downs on trade receivables	-331	-4
Reversal of provisions for other risks and charges	845	
Total	-3 125	-3 960

In 2023, the depreciation, write-downs, amortisation, impairment and provisions from operating activities amount to 3 960K euro, compared to 3 125K euro in 2022.

The depreciation and impairment of property, plant and equipment increased from 1 659K euro in 2022 to 1 703K euro in 2023, or an increase of 2.6%. This is mainly due to the higher investments in property, plant and equipment in recent years.

The depreciation and impairment on right-of-use assets increased from 759K euro in 2022 to 832K euro in 2023. This is due to new agreements for buildings and vehicles, compensated by the expiration of leases related to plant, machinery and equipment.

The amortisation and impairment on intangible assets increased to 1 357K euro, which is a 9.3% increase. This is the result of the higher investments in intangible assets in recent years.

In addition, the non-cash flows include an increase of write-downs recorded on inventories in the amount of 64K euro in 2023, compared to 22K euro in 2022, and write-downs on trade receivables in the amount of 4K euro in 2023, compared to 331K euro in 2022. In the 2022 financial year, a withdrawal of provisions for other risks and charges of -845K euro was recorded. This withdrawal of provisions was related to the settlement of VAT regularisations regarding naYan NV, with respect to the period prior to the acquisition date.

9. Other operating expenses

(in K euro)	2022	2023
Services	-25 290	-26 380
Business taxes	-336	-196
Loss on disposal of intangible assets, property, plant and equipment	-15	
Loss on disposal of trade receivables	-42	-1
Other operating charges	-169	-182
Total	-25 852	-26 758

In 2023, the other operating expenses increased by 3.5%. The services mainly include marketing costs, rental costs, overhead and interim costs. The increase in services compared to 2022 is among other things due to the increase in marketing costs and the increase in interim expenses due to indexations of wages and salaries.

10. Profit/loss (-) from operating activities

The smartphoto group achieved a positive result from operating activities of 9 207K euro, compared to 9 850K euro in 2022.

11. Financial result

(in K euro)	2022	2023
Financial income on investments		64
Exchange gains	409	327
Other financial income	40	34
Financial income	449	424
Financial expenses from interest-bearing financial liabilities	-91	-77
Financial expenses from lease liabilities	-79	-96
Loss on realisation of other receivables and non-current financial assets	-876	-70
Exchange losses	-709	-476
Other financial expenses	-110	-87
Financial expenses	-1 865	-807
Financial result	-1 416	-383

The financial result evolved positively from -1 416K euro in 2022 to -383K euro in 2023, an increase of 1 033K euro. This increase is mainly due to the decrease in foreign exchange gains/losses (-) from -300K euro to -150K euro in 2023, and the decrease in the loss on realisation of other receivables of 806K euro, regarding the amount receivable towards the seller of naYan NV.

In 2022, the exchange gains/losses (-) amount to -300K euro, compared to -150K euro in 2023. The exchange gains/losses (-) are attributable to various transactions between smartphoto group NV and its subsidiaries in countries outside the eurozone, and primarily relate to the Swiss franc, the Norwegian krone, the Swedish krona, the US dollar, the Danish krone and the pound sterling.

In 2022, forward contracts, measured at fair value, were entered into to hedge the Swiss franc exchange rate. As of 31 December 2022, the related change in value of 52K euro was recognised as an expense in profit or loss for the period. In 2023, the group did not rely on financial instruments to hedge currency and/or interest rate risks.

The financial statements are prepared using the following exchange rates:

Currency exchange rates	Closing rate		Average rate	
	2022	2023	2022	2023
Swiss franc	0.9847	0.9260	1.0017	0.9717
Norwegian krone	10.5138	11.2405	10.1122	11.4684
Swedish krona	11.1218	11.0960	10.6571	11.4842
US dollar	1.0666	1.1050	1.0500	1.0829
Danish krone	7.4365	7.4529	7.4396	7.4513
Pound sterling	0.8869	0.8691	0.8548	0.8688
Hungarian forint	400.8700	382.8000	393.1108	380.5742
Polish zloty	4.6808	4.3395	4.6868	4.5234
Czech koruna	24.1160	24.7240	24.5378	23.9709

12. Income taxes expense (-)/income

Amounts recognised in the statement of profit or loss

(in K euro)	2022	2023
Current taxes expense (-)/income		
Taxes on the result for the financial year	-653	-1 108
Adjustments to taxes for preceding periods	11	9
	-642	-1 099
Deferred taxes		
Originating and reversal of temporary differences	-2 301	-797
	-2 301	-797
Income taxes expense (-)/income recognised in the statement of profit or loss	-2 944	-1 896

The income taxes expense (-)/income amounts to -1 896K euro for the 2023 financial year and includes: (i) the change of deferred tax assets of -14K euro with regard to the reversal of provisions for the pension plans; (ii) the use of deferred tax assets of -824K euro, (iii) the use of deferred tax liabilities in the amount of 40K euro; and (iv) the current taxes on the result of -1 099K euro, of which 9K euro relates to previous financial years.

Reconciliation of the theoretical and effective tax rate for the 2022 financial year

(in K euro)	2022
Theoretical tax rate ⁽¹⁾	24.08%
Taxes calculated at the theoretical tax rate	-2 405
Impact of tax exempt revenue	1 117
Impact of non-deductible expenses	-513
Impact of utilised tax losses	1 014
Impact of tax incentives	312
Surplus/deficit (-) taxes previous financial years	-155
Other	-13
Current income taxes expense (-)/income	-642
Impact of deferred taxes	-2 301
Effective tax rate	34.91%
Income taxes expense (-)/income recognised in the income statement of profit or loss	-2 944

Reconciliation of the theoretical and effective tax rate for the 2023 financial year

(in K euro)	2023
Theoretical tax rate ⁽¹⁾	23.65%
Taxes calculated at the theoretical tax rate	-2 086
Impact of tax exempt revenue	6
Impact of non-deductible expenses	-47
Impact of utilised tax losses	-29
Impact of tax incentives	274
Surplus/deficit (-) taxes previous financial years	9
Other	-23
Current income taxes expense (-)/income	-1 896
Effective tax rate	-21.49%
Income taxes expense (-)/income recognised in the income statement of profit or loss	-1 896

⁽¹⁾ The 'Theoretical tax rate' is calculated by means of the weighted average of the national theoretical tax rates that apply to the profits of taxable entities in the relevant tax jurisdiction.



The minimum taxation of 15% for multinationals (Pillar II) is not applicable to smartphoto group.

The applicable tax rates in the Netherlands have changed, compared to the previous reporting period. In 2023, the corporate income tax rate for the portion of profits up to and including 200K euro is 19.0%; for the portion of profits above 200K euro, the corporate income tax rate is 25.8%. For the portion of profits starting at 395K euro, the rate is 25.8%. In 2022, the corporate income tax rate for the portion of profits up to and including 395K euro was 15.0%; for the portion of profits above 395K euro, the corporate income tax rate was 25.8%. This change does not affect the income taxes expense (-)/income for the 2023 financial year.

The applicable tax rates in Switzerland have also changed compared to the previous reporting period. In 2023, the corporate tax rate amounts to 18.58%, compared to 21.40% in the 2022 financial year. This change impacted the income taxes expenses (-)/income by -10K euro, and the other comprehensive income by -10K euro.

The deferred tax liabilities/assets recognised in the statement of profit or loss amounted to -797K euro in 2023, compared to -2 301K euro in 2022.

13. Profit or loss and other comprehensive income

The 2023 other comprehensive income/loss (-) amounts to -23K euro after tax, compared to -98K euro in 2022.

The 2022 other comprehensive income/loss (-), after tax, includes the following: (i) the result of the exchange gains/losses (-) arising from the translation in euro of the equity, compared to the rate at the end of the reporting period, with a negative effect on the other comprehensive income in the amount of 120K euro, and (ii) a positive effect of 22K euro as a result of the applicable income taxes expense on exchange gains/losses (-).

The 2023 other comprehensive income/loss (-), after tax, includes the following: (i) the result of the exchange gains/losses (-) arising from the translation in euro of the equity, compared to the rate at the end of the reporting period, with a positive effect on the other comprehensive income in the amount of 103K euro, and (ii) a negative effect of 14K euro as a result of the applicable income taxes expense on exchange gains/losses (-); (iii) a negative impact of 137K euro related to the remeasurement of the net defined benefit liability (asset); and (iv) a positive effect of 25K euro as a result of the applicable income taxes expense on the remeasurement of the net defined benefit liability (asset).

The total other comprehensive income amounts to 6 905K euro in 2023, compared to 5 392K euro in 2022.



14. Property, plant and equipment

Movements for the 2022 financial year

(in K euro)	Land & buildings	Plant, machinery & equipment	Furniture, fixtures & vehicles	Total
Acquisition value				
Balance at end of previous year	27 172	14 267	810	42 249
<u>Movements for the period</u>				
Acquisitions	43	1 251	140	1 434
Sales and disposals (-)		-276		-276
Translation differences		1	2	4
Balance at end of current period	27 215	15 244	952	43 411
Depreciation and impairment				
Balance at end of previous year	13 821	10 626	770	25 217
<u>Movements for the period</u>				
Depreciation and impairment	569	1 061	30	1 659
Sales and disposals (-)		-257		-257
Translation differences			2	3
Balance at end of current period	14 390	11 430	802	26 622
Carrying amount				
At end of previous year	13 351	3 641	39	17 031
At end of current period	12 825	3 814	149	16 789

Movements for the 2023 financial year

(in K euro)	Land & buildings	Plant, machinery & equipment	Furniture, fixtures & vehicles	Total
Acquisition value				
Balance at end of previous year	27 215	15 244	952	43 411
<u>Movements for the period</u>				
Acquisitions	380	407	84	871
Translation differences		6	4	10
Other changes		32		32
Balance at end of current period	27 596	15 690	1 040	44 325
Depreciation and impairment				
Balance at end of previous year	14 390	11 430	802	26 622
<u>Movements for the period</u>				
Depreciation and impairment	582	1 072	49	1 703
Translation differences		2	4	6
Other changes		27		27
Balance at end of current period	14 972	12 531	855	28 359
Carrying amount				
At end of previous year	12 825	3 814	149	16 789
At end of current period	12 624	3 158	185	15 967

The carrying amount of property, plant and equipment is 15 967K euro for the 2023 financial year, compared to 16 789K euro for the 2022 financial year.

2022 financial year

The investments in property, plant and equipment amount to 1 434K euro, of which 1 251K euro is invested in production machines and the furnishing of buildings, 43K euro in the renovation of buildings and 140K euro in office furniture. The depreciation and impairment losses amount to 1 659K euro, and the sales and disposals (-) amount to -19K euro.

2023 financial year

The investments in property, plant and equipment amount to 871K euro, of which 407K euro is invested in production machines and the furnishing of buildings, 380K euro in the renovation of buildings and 84K euro in office furniture. The depreciation and impairment losses amount to 1 703K euro. The other changes relate to the transfer of an asset with a carrying amount of 5K euro, due to the acquisition of a production machine which was previously leased.

Land and buildings

Recognition at fair value used as the deemed cost.

In accordance with IFRS 1, it was decided to measure land and buildings at the date of transition to IFRS at fair value and to use this fair value as the deemed cost at that date. As a result of this option in the transition to IFRS on 1 January 2004, an additional value of 1 715K euro was recognised for the land. This additional value concerned land of the subsidiary Promo Concept Investment BV.

The determination of the fair value of the land and buildings identified above was performed by the accredited assessor Valorem Expertises. In the measurement of the properties, they were valued as unencumbered by tenancy rights. The costs of the transaction, such as costs for registration, civil-law notary, any VAT, publicity and estate agent's fees, were not included. Since the assessor noted that there was no market data available, in view of the specialised category of the properties and the fact that these assets are seldom sold, except as premises in use by a company, these assets were recognised at their 'depreciated replacement value' in accordance with IAS 16.

This means that the starting point is an estimate of the cost for rebuilding the property, including the cost of deeds, the costs of preparing the site, the construction costs and all applicable taxes. This initial recognition value is then depreciated for expenses including the commercial and physical age of the buildings, the cyclic economic conditions, and losses in value associated with any sale.

In the 2020 financial year, a revaluation was carried out and the fair value was determined by the accredited assessor Expertises Galtier Valorem for the land and buildings located in Wetteren, Kwatrechtsteenweg 160 and Vantegemstraat 21. The determination of the fair value at the end of 2020 took place on the same basis as with the transition to IFRS and the previous revaluations in 2011 and 2015. In 2020, revaluation gains were recognised for the land and the buildings, amounting to 2 447K euro.

If not opted to recognise land and buildings at their fair value, the carrying amount for the revalued land and buildings at the 2022 financial year-end would amount to 4 737K euro instead of 11 825K euro. At the 2023 financial year-end, this would result in a carrying amount of 5 046K euro instead of 12 624K euro. The revaluation surplus, after the impact of deferred taxes, amounts to 6 956K euro and is not distributed to the shareholders.

The secured loans are guaranteed by mortgages on land and buildings, of which the registration amount is 12 109K euro.

Following information results from the application of IFRS 13:

Land and buildings are measured at fair value. IFRS 13 provides a fair value hierarchy with the valuations at fair value divided into different levels (level 1, 2 or 3). The fair value of the land and buildings is 12 825K euro as at 31 December 2022, compared to 12 624K euro as

at 31 December 2023. The movements in 2023 are related to investments for an amount of 380K euro, and depreciation, write-downs and impairment losses related to the 2023 financial year in the amount of 582K euro. The depreciation, write-downs and impairment losses are recognised in the statement of profit or loss for the period. To determine the fair value, level 3 data was used.

There are no transfers between level 3 and 2. Because smartphoto group only uses level 3 data, the entity currently has no policy to determine when transfers between levels are deemed to have taken place.

The valuation is carried out by an expert, based on the 'depreciated replacement value', starting from an estimation of the replacement cost price of the real estate, followed by depreciation, write-downs and impairment losses for expenses, including the commercial and physical age of the buildings.

The expert then makes an assessment of this valuation against a valuation based on the capitalisation of the potential rental income and based on depreciated replacement cost (DRC method).

Quantitative data used for the rental value capitalisation method for the building in Wetteren, Kwatrechtsteenweg 160:

- Rental value for offices, workplaces and warehouses: gross rental income, based on local market prices: 752K euro for a total of 15 639 m² of surface area.
- Rental charges for the owner: 8%.
- Net rental value per year: 692K euro.
- Return on net operating income of expert valuation: 7%.

Quantitative data based on the depreciated formation expenses (replacement value):

Formation expenses:

- Land (incl. purchasing costs) 2 257K euro, determined based on comparison with the usual sales prices for land with comparable physical, economic and legal characteristics.
- Buildings and outside infrastructure 15 372K euro, determined by means of the current cost price of materials and labour in addition to the usual taxes and fees associated with the initial formation.

Fair value - continuing activities:

Taking into account the economic loss in value, depending on:

- Supply and demand of buildings in this sector, and the specific equipment needed for the current activities.
- Acquiring a property, rather than forming a new entity, of which the location is crucial.
- The size of the investment and the inherent acquisition costs.
- The versatility of the buildings (in case the activities are terminated) and any expansion options.

Total fair value - continuing activities of the land, buildings and outside infrastructure: 9 085K euro.



Quantitative data used for the rental value capitalisation method for the building in Wetteren, Vantegemstraat 21:

- Rental value for offices, workplaces and warehouses: gross rental income, based on local market prices: 339K euro for a total of 7 218 m² of surface area.
- Rental charges for the owner: 6%.
- Net rental value per year: 318K euro.
- Return on net operating income of expert valuation: 6%.

Quantitative data based on the depreciated formation expenses (replacement value):

Formation expenses:

- Land (incl. purchasing costs) 1 364K euro, determined based on comparison with the usual sales prices for a land with comparable physical, economic and legal characteristics.
- Buildings and outside infrastructure 4 643K euro, determined by means of the current cost price of materials and labour in addition to the usual taxes and fees associated with the initial formation.

Fair value - continuing activities:

Taking into account the economic loss in value, depending on:

- Supply and demand of buildings in this sector, and the specific equipment needed for the current activities.
- Acquiring a property, rather than forming a new entity, of which the location is crucial.
- The size of the investment and the inherent acquisition costs.
- The versatility of the buildings (in case the activities are terminated) and any expansion options.

Total fair value - continuing activities of the land, buildings and outside infrastructure: 4 792K euro.

Comparative figures of the quantitative data for the land and buildings will be included in the annual report when the next revaluation takes place.

Movements for the 2022 financial year related to revalued property, plant and equipment, in accordance with IFRS 13.93 (e)

(in K euro)	Revalued land	Revalued buildings
Acquisition value		
Balance at end of previous year	1 231	16 148
<u>Movements for the period</u>		
Acquisitions		43
Balance at end of current period	1 231	16 191
Revaluation surplus		
Balance at end of previous year	1 670	8 123
Balance at end of current period	1 670	8 123
Depreciation and impairment		
Balance at end of previous year		13 821
<u>Movements for the period</u>		
Depreciation and impairment included in the statement of profit or loss		569
Balance at end of current period		14 390
Carrying amount		
At end of previous year	2 901	10 449
At end of current period	2 901	9 924

Movements for the 2023 financial year related to revalued property, plant and equipment, in accordance with IFRS 13.93 (e)

(in K euro)	Revalued land	Revalued buildings
Acquisition value		
Balance at end of previous year	1 231	16 191
<u>Movements for the period</u>		
Acquisitions		381
Balance at end of current period	1 231	16 572
Revaluation surplus		
Balance at end of previous year	1 670	8 123
Balance at end of current period	1 670	8 123
Depreciation and impairment		
Balance at end of previous year		14 390
<u>Movements for the period</u>		
Depreciation and impairment included in the statement of profit or loss		582
Balance at end of current period		14 972
Carrying amount		
At end of previous year	2 901	9 924
At end of current period	2 901	9 722

The fair value measurement processes used by the company, level 3:

The land and buildings will be measured at least once every 5 years, unless the market conditions require an earlier valuation. The revaluations were carried out on 31 December 2011, 31 December 2015 and 30 September 2020. The valuation is carried out by a third party assessor based on the data provided by the company.

These data are part of the internal control measures of the company.

The data used by the expert is verified by the CEO, and the valuation is submitted to the Audit Committee.

15. Right-of-use assets

Movements for the 2022 financial year

(in K euro)	Land & Buildings	Plant, machinery & equipment	Furniture, fixtures & vehicles	Total
Acquisition value				
Balance at end of previous year	777	702	798	2 278
<u>Movements for the period</u>				
Acquisitions	2 589		534	3 123
Sales and disposals (-)	-230	-670	-128	-1 027
Translation differences	-1			-1
Other changes			29	29
Balance at end of current period	3 135	32	1 234	4 402
Depreciation and impairment				
Balance at end of previous year	391	548	384	1 323
<u>Movements for the period</u>				
Depreciation and impairment	336	146	277	759
Sales and disposals (-)	-230	-670	-128	-1 027
Translation differences	-3			-3
Balance at end of current period	494	24	534	1 052
Carrying amount				
At end of previous year	386	154	414	954
At end of current period	2 641	8	701	3 350

Movements for the 2023 financial year

(in K euro)	Land & Buildings	Plant, machinery & equipment	Furniture, fixtures & vehicles	Total
Acquisition value				
Balance at end of previous year	3 135	32	1 234	4 402
<u>Movements for the period</u>				
Acquisitions	180		658	838
Sales and disposals (-)			-324	-324
Translation differences	42			42
Other changes	187	-32		154
Balance at end of current period	3 544		1 568	5 112
Depreciation and impairment				
Balance at end of previous year	494	24	534	1 052
<u>Movements for the period</u>				
Depreciation and impairment	453	3	375	832
Sales and disposals (-)			-313	-313
Translation differences	13			13
Other changes		-27		-27
Balance at end of current period	961		596	1 556
Carrying amount				
At end of previous year	2 641	8	701	3 350
At end of current period	2 583		972	3 555

The carrying amount of the right-of-use assets is 3 555K euro in 2023, compared to 3 350K euro in 2022.

2022 financial year

Investments in right-of-use assets amount to 3 123K euro and concern investments in buildings for an amount of 2 589K euro, mainly related to the new agreement on the building in Pratteln (Switzerland), and the renewed agreement on the building in Ardoois (Belgium) and to investments in vehicles for an amount of 534K euro. Depreciation and impairment

losses amount to 759K euro. The other changes are related to the renewal of existing agreements, previously already recognised as a right-of-use asset, of which the initial term expired during 2022.

Qualitative and quantitative information 2022: Maturity analysis IFRS 16.5

	Number of right-of-use assets	Remaining term varying between (in years)	Average residual maturity	Number of contracts with purchase options	Number of contracts with extension options	Number of contracts with termination options
Land and buildings	4	2-9	6		4	
Property, plant and equipment	1	1	1		1	
Furniture, fixtures and vehicles	87	1-5	2	2		85

2023 financial year

Investments in right-of-use assets amount to 838K euro and concern investments in a building in Malmö (Sweden) for an amount of 180K euro and investments in vehicles for an amount of 658K euro. Depreciation and impairment losses amount to 832K euro and sales

and disposals amount to -9K euro. The other changes are related to the indexation of existing agreements, and the transfer of a production machine with a carrying amount of 5K euro to property, plant and equipment, due to the acquisition of this asset.

Qualitative and quantitative information 2023: Maturity analysis IFRS 16.59

	Number of right-of-use assets	Remaining term varying between (in years)	Average residual maturity	Number of contracts with purchase options	Number of contracts with extension options	Number of contracts with termination options
Land and buildings	5	1-8	5		5	
Furniture, fixtures and vehicles	83	1-5	3	1		83



16. Goodwill

Movements for the 2022 financial year

(in K euro)	2022
Acquisition value	
Balance at end of previous year	39 608
Balance at end of current period	39 608
Impairment	
Balance at end of previous year	22 388
Balance at end of current period	22 388
Carrying amount	
At end of previous year	17 220
At end of current period	17 220

Movements for the 2023 financial year

(in K euro)	2023
Acquisition value	
Balance at end of previous year	39 608
Balance at end of current period	39 608
Impairment	
Balance at end of previous year	22 388
Balance at end of current period	22 388
Carrying amount	
At end of previous year	17 220
At end of current period	17 220

The goodwill in the amount of 17 220K euro can be attributed to the cash-generating unit smartphoto for an amount of 16 151K euro, and for 1 069K euro to naYan, and complies with the requirements of IFRS 8.

In accordance with IAS 36, the company performed impairment tests at the end of December in both 2022 and 2023, concerning the identified cash-generating units, to examine whether they had suffered any impairment loss. These tests demonstrated that the recoverable amount for the units is higher than the carrying amount. Consequently, no impairment losses should be recognised.

The cash-generating units, smartphoto and naYan, represent the total carrying amount of the goodwill. The cash-generating unit smartphoto includes all activities aimed at the end consumer and independent photographers concerning affordable personalised high-quality products, such as photo books, personalised gifts, cards, calendars, wall decoration and

prints. The cash-generating unit naYan includes the B2B activities of e-commerce distribution by offering a unique E-commerce as a Service (EaaS) for international brands looking for growth, and the sale of personalised gifts to companies.

smartphoto

The recoverable amount of the cash-generating unit smartphoto is higher than the carrying amount of all the operating assets and liabilities of this cash-generating unit, increased with the goodwill. The carrying amount of goodwill that is attributed to this unit amounts to 16 151K euro as at 31 December 2023.

The recoverable amount is calculated based on the value in use, which is the sum of the discounted free cash flow.

The main assumptions on which management builds its cash prognoses are:

- The calculations use projections of the future free cash flow for the five coming financial years, combined with a continuing annual growth (terminal growth) of 2%.
- The growth rates in the projections result from the evolutions of the customer database: (i) an increase in the number of customers according to the database model. This increase is the combination of, on the one hand, attracting new customers through the integration of various marketing strategies tailored to the specific target groups, and on the other hand, the dynamics in the composition of the customer database, where the proportion of new customers, compared to the total number of customers is decreasing year after year; (ii) an increase in the average operating income per customer. This increase is due to the increasing range of products, other than traditional photos (such as photo books, personalised gifts, cards, calendars and home decoration) with a higher price per order, and the implementation of price increases. This evolution in the market from traditional photos to new products is confirmed by various market studies.
- The marketing efforts needed to achieve the estimated growth.
- The continuing focus on the sale of products such as gifts, home decoration and books.
- The replacement investments, based on historical data.

The projections for 2024 correspond to the budgets retained by the Board of Directors. The projections for 2025, 2026, 2027 and 2028 are based on prudent extrapolations by the management.

The continuing annual growth (terminal growth) of 2% is justified by the permanent nature of the operations, being an increase in the overhead costs due to inflation, and a conservative evolution in the operating income that takes into account the changing market conditions.

The projections are made in the functional currency of the countries, and discounted at 8.63% before taxes for the next 5 years. In 2022, this discount rate before taxes amounted to 8.75%.

This discount rate reflects the normal market remuneration for equity and debt, the current balance between equity and debt for this cash-generating unit, and the estimation of additional risks and volatility for the possible evolutions in the market on which this unit operates. This discount rate is determined based on the theoretical parameters below.

	2022	2023
Risk free interest rate	3.12%	3.32%
Beta factor	0.57	0.59
Equity risk premium	4.50%	6.40%

The assumptions used for the impairment tests are the best estimates of future developments. No reasonably possible change in assumptions, or combinations of assumptions, will result in a carrying amount of the cash-generating unit smartphoto that would exceed its recoverable amount.

The impairment tests described above were also subject to sensitivity analyses with, on the one hand, a 10.0% decrease of the annual EBIT and, on the other hand, a 1.0% increase of the discount rate. When the EBIT decreases by 10.0%, the recoverable amount decreases by 8.6%. When the discount rate increases by 1.0%, the recoverable amount decreases by 12.7%. In both analyses the recoverable amount remains higher than the carrying amount.

The Board of Directors confirms the opinion of the Audit Committee that there is no reason for a sustainable impairment of goodwill relating to the smartphoto cash-generating unit.

naYan

The recoverable amount of the cash-generating unit naYan is higher than the carrying amount of all the operating assets and liabilities of this cash-generating unit, increased with the goodwill. The carrying amount of the goodwill that is attributed to this unit amounts to 1 069K euro as at 31 December 2023.

The recoverable amount is calculated based on the value in use, which is the sum of the discounted free cash flow.

The main assumptions on which management builds its cash prognoses are:

- The calculations use projections of the future free cash flow for the five coming financial years, combined with a continuing annual growth (terminal growth) of 2%.
- The growth rates in the projections result from: (i) an increase in the number of customers by entering into new agreements with brands seeking to rely on the EaaS-services (E-commerce as a Service) in order to generate data-driven, sustainable and profitable growth; and (ii) an increase in the average operating income per customer due to the increasing range of products related to the sale to businesses of personalised gift packages.

- The marketing efforts needed to achieve the estimated growth.
- The replacement investments.

The projections for 2024 correspond to the budgets retained by the Board of Directors. The projections for 2025, 2026, 2027 and 2028 are based on prudent extrapolations by the management.

The continuing annual growth (terminal growth) of 2% is justified by the permanent nature of the operations, being an increase in the overhead costs due to inflation and a conservative evolution in the operating income that takes into account the changing market conditions.

The projections are made in the functional currency of the countries, and discounted at 8.19% before taxes for the next 5 years. In 2022, this discount rate before taxes amounted to 6.65%.

This discount rate reflects the normal market remuneration for equity and debt, the current balance between equity and debt for this cash-generating unit, and the estimation of additional risks and volatility for the possible evolutions in the market on which this unit operates. This discount rate is determined based on the theoretical parameters below.

	2022	2023
Risk free interest rate	3.12%	3.32%
Beta factor	0.57	0.59
Equity risk premium	4.50%	6.40%

The assumptions used for the impairment tests are the best estimates of future developments. No reasonably possible change in assumptions, or combinations of assumptions, will result in a carrying amount of the cash-generating unit naYan that would exceed its recoverable amount.

The impairment tests described above were also subject to sensitivity analyses with, on the one hand, a 10.0% decrease of the annual EBIT and, on the other hand, a 1.0% increase of the discount rate. When the EBIT decreases by 10.0%, the recoverable amount decreases by 9.0%. When the discount rate increases by 1.0%, the recoverable amount decreases by 10.8%. In both analyses the recoverable amount remains higher than the carrying amount.

The Board of Directors confirms the opinion of the Audit Committee that there is no reason for a sustainable impairment of goodwill relating to the naYan cash-generating unit.



17. Intangible assets

Movements for the 2022 financial year

(in K euro)	Concessions, patents and licenses	Internally generated intangible assets	Other intangible assets	Total
Acquisition value				
Balance at end of previous year	9 019	2 680	3 531	15 230
<u>Movements for the period</u>				
Additions from internal development		1 271		1 271
Acquisitions	30			30
Translation differences			-146	-146
Balance at end of current period	9 049	3 951	3 384	16 384
Amortisation and impairment				
Balance at end of previous year	7 341	1 252	3 501	12 094
<u>Movements for the period</u>				
Amortisation and impairment	591	634	17	1 242
Translation differences			-146	-146
Balance at end of current period	7 932	1 886	3 372	13 190
Carrying amount				
At end of previous year	1 678	1 429	29	3 136
At end of current period	1 117	2 065	13	3 194

The carrying amount of the intangible assets is 3 614K euro in 2023, compared to 3 194K euro in 2022.

2022 financial year

Investments in intangible assets amount to 1 301K euro and mainly relate to investments in mobile applications, such as the further migration of our web platform to 'mobile first' and the cloud, the modernisation of underlying control tools, and the upgrade of the customer service software. An amount of 1 271K euro of those investments is generated internally. The amortisation and impairment losses amount to 1 242K euro, and mainly attribute to concessions, patents and licences for an amount of 591K euro, and to internally generated intangible assets for an amount of 634K euro (see also note 8).

Movements for the 2023 financial year

(in K euro)	Concessions, patents and licenses	Internally generated intangible assets	Other intangible assets	Total
Acquisition value				
Balance at end of previous year	9 049	3 951	3 384	16 384
<u>Movements for the period</u>				
Additions from internal development		1 619		1 619
Acquisitions	159			159
Translation differences			4	4
Balance at end of current period	9 207	5 570	3 388	18 165
Amortisation and impairment				
Balance at end of previous year	7 932	1 886	3 372	13 190
<u>Movements for the period</u>				
Amortisation and impairment	515	829	13	1 357
Translation differences			4	4
Balance at end of current period	8 447	2 715	3 388	14 551
Carrying amount				
At end of previous year	1 117	2 065	13	3 194
At end of current period	760	2 855		3 614

2023 financial year

Investments in intangible assets amount to 1 778K euro and mainly relate to investments to improve the web platform and underlying control tools. An amount of 1 619K euro of those investments is generated internally.

The amortisation and impairment losses amount to 1 357K euro, and mainly attribute to concessions, patents and licences for an amount of 515K euro, and to internally generated intangible assets for an amount of 829K euro (see also note 8).

18. Other financial assets

This heading refers to, on the one hand, participating interests and social rights in other companies, which represent less than 10% of the issued capital. For an amount of 50K euro, and, on the other hand on FLT s.r.l., the Italian lab, which operates in the photofinishing market, of which the group no longer has joint control as of the 4th quarter of 2008, for an amount of 1 689K euro. This company is already put into liquidation as per 30 December 2020, but has not been dissolved up to now.

These participating interests are fully written down.

19. Non-current trade and other receivables

(in K euro)	2022	2023
Cash guarantees	96	111
Carrying amount	96	111

The non-current trade and other receivables consist of the cash guarantees. These have increased by 15K euro in 2023.



20. Deferred tax assets

Movements for the 2022 financial year

(in K euro)	Balance at end of previous financial year	Recognised in the statement of profit or loss	Recognised in other comprehensive income	Effect of exchange rate changes	Other changes	Balance at the end of current period
Provisions	72	-1		4		74
Tax effect on translation adjustments	14		24	-2		36
Tax effect of tax losses carried forward	10 255	-2 322		-48		7 885
	10 341	-2 324	24	-47		7 995

In the 2022 financial year, the deferred tax assets consist of the following movements: (i) an amount of -72K euro is no longer retained because of the evolution of the figures and the fact that it has become unlikely that sufficient taxable profit will be available in the foreseeable future to benefit from the tax benefit; (ii) the utilisation of -2 606K euro as tax losses were gradually absorbed in the companies involved; (iii) 356K euro of new active deferrals

was recognised, based on the budgeted figures and the fiscal planning of the relevant tax jurisdictions; (iv) a decrease of -1K euro because of the decrease of the provisions related to pension liabilities; (v) 24K euro deferred tax assets on currency translation differences; and (vi) -47K euro effect of the exchange rate fluctuations.

Movements for the 2023 financial year

(in K euro)	Balance at end of previous financial year	Recognised in the statement of profit or loss	Recognised in other comprehensive income	Effect of exchange rate changes	Other changes	Balance at the end of current period
Property, plant and equipment		-32			-1 147	-1 179
Intangible assets		26			-112	-85
Provisions	74	-14	24	5		90
Tax effect on translation adjustments	36		-12	-3	-46	-25
Tax effect of tax losses carried forward	7 885	-824		-2		7 058
	7 995	-844	12	-1	-1 304	5 858

In the 2023 financial year, the deferred tax assets consist of the following movements: (i) a utilisation of -824K euro as tax losses were gradually absorbed in the companies involved; (ii) an increase of 10K euro because of the increase of the provisions related to pension liabilities, of which -14K euro is recognised in the statement of profit or loss, and 24K euro in other comprehensive income; (iii) the recognition of taxable temporary differences on property, plant and equipment and intangible assets for -6K euro; (iv) the decrease of -12K euro deferred tax assets on currency translation differences; (v) the recognition of -1 304K euro, related to the netting of deferred tax assets and liabilities; and (vi) the impact of -1K euro effect of the exchange rate fluctuations.

The deferred tax assets related to tax losses carried forward were subject to sensitivity analyses in accordance with IAS 1.129. If the tax rate increases by 1%, the tax assets related to tax losses carried forward would amount to 7 346K euro. If the tax rate decreases by 1%, the tax assets related to tax losses carried forward would amount to 6 770K euro.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the unallocated tax losses and tax assets can be utilised.

The below overview shows the deferred tax assets and the deferred tax liabilities, as well as the net effect.

(in K euro)	Deferred tax assets		Deferred tax liabilities		Net deferred taxes	
	2022	2023	2022	2023	2022	2023
Property, plant and equipment		-1 179	2 005	820	-2 005	-1 999
Intangible assets		-85	130	10	-130	-95
Provisions	74	90			74	90
Tax effect on translation adjustments	36	-25	48	1	-12	-26
Tax effect of tax losses carried forward	7 885	7 058			7 885	7 058
Total	7 995	5 858	2 183	831	5 811	5 027

The tax losses carried forward for which no deferred tax asset is recognised, amount to 56 765K euro in the 2023 financial year; these are not limited in time. The tax losses carried forward for which no deferred tax asset was recognised, amounted to 57 782K euro in the 2022 financial year.

No deferred tax asset was recognised for these losses, because the deferred tax assets were calculated based on the cash flow projections that were based on the 2023 budgets and the projections for the next four years, or because there is not enough reasonable assurance that there will be enough taxable profit to be able to benefit from.

The Board of Directors confirms the opinion of the Audit Committee that there is no reason for a sustainable impairment of the deferred tax assets.

For the entities that suffered a loss in 2022 and/or 2023, the recognised deferred tax assets amount to 520K euro in the 2023 financial year, compared to 78K euro in the 2022 financial year. For the 2023 financial year, these tax assets can mainly be attributed to smartphoto Nordic AB. This recognition is supported by the probability that there will be enough available profit to compensate for the losses. To assess the probability, estimations and assumptions were used based on the respective budgets for 2023 and 2024, as well as projections for the subsequent four years, based on prudent extrapolations by management.

The Board of Director's decision to propose to the General Meeting of Shareholders on 8 May 2024 to distribute a gross dividend of 1.05 euro per share entitled to dividend over 2023, does not have any tax implications for the company.



21. Inventories

(in K euro)	2022	2023
Trade goods	346	275
Raw materials and consumables	3 707	3 640
Work in progress	11	6
Total gross carrying amount	4 065	3 921
Trade goods		
Raw materials and consumables	-109	-172
Total write-downs (-)	-109	-173
Carrying amount	3 956	3 748

The cost of inventories is allocated using the FIFO method for the inventories of the naYan segment on the one hand, and, on the other, through the weighted average cost method for the inventories of the smartphoto segment.

Inventories decreased by 208K euro to 3 748K euro in the 2023 financial year.

Write-downs and impairment losses on inventories

2022 financial year

(in K euro)	Trade goods	Raw materials and consumables	Total
At end of previous year		-131	-131
Recognised in the statement of profit or loss		22	22
At end of current period		-109	-109

2023 financial year

(in K euro)	Trade goods	Raw materials and consumables	Total
At end of previous year		-109	-109
Recognised in the statement of profit or loss		-64	-64
At end of current period		-172	-173

In 2022, a reversal of write-downs and impairment losses of 22K euro was recognised through the profit/loss (-) from operating activities, compared to an increase of -64K euro in 2023.

No inventories were pledged as security for liabilities.

22. Current trade and other receivables

(in K euro)	2022	2023
Trade receivables, gross	5 453	5 248
Other receivables, gross	1 801	1 615
Accruals and deferrals	339	336
Gross carrying amount	7 593	7 200
Accumulated write-downs on bad and doubtful trade receivables (-)	-1 194	-895
Accumulated write-downs on bad and doubtful other receivables (-)	-346	-387
Carrying amount	6 052	5 918

Write-downs on doubtful trade and other receivables

2022 financial year

(in K euro)	Trade receivables	Other receivables	Total
At end of previous year	-1 121	-318	-1 440
Recognised in the statement of profit or loss	-331	-28	-359
Utilisations	289		289
Effect of exchange rate changes	-31		-31
At end of current period	-1 194	-346	-1 540

2023 financial year

(in K euro)	Trade receivables	Other receivables	Total
At end of previous year	-1 194	-346	-1 540
Recognised in the statement of profit or loss	-4	-41	-45
Utilisations	344		344
Effect of exchange rate changes	-40		-40
At end of current period	-895	-387	-1 282

The current part of the trade and other receivables has decreased from 6 052K euro as at 31 December 2022 to 5 918K euro as at 31 December 2023, i.e. a decrease of 134K euro. The movement mainly consists of, on the one hand, an increase of the trade receivables of 95K euro and, on the other hand, a decrease of the other receivables of 227K euro, and a decrease of the accruals and deferrals of 2K euro.

In 2022 the net other receivables, accruals and deferrals of 3 878K euro consist of the following elements: (i) 139K euro receivables relating to value-added taxes; (ii) a receivable on the seller of naYan NV, reduced to 194K euro related to an indemnification, as stated in the sale-purchase agreement, where the seller has committed to indemnify and compensate the buyer for the amount due related to pending VAT regularisations with respect to naYan NV in the period prior to the acquisition date; (iii) 383K euro cash guarantees; (iv) 739K euro other receivables; and (v) 339K euro deferred expenses and accrued income.

In 2023 the net other receivables, accruals and deferrals of 1 565K euro consist of the following elements: (i) 164K euro receivables relating to value-added taxes; (ii) a receivable on the seller of naYan NV, reduced to 93K euro related to an indemnification, as stated in the sale-purchase agreement, where the seller has committed to indemnify and compensate the buyer for the amount due related to pending VAT regularisations with respect to naYan NV in the period prior to the acquisition date; (iii) 418K euro guarantees; (iv) 553K euro other receivables; and (v) 336K euro deferred expenses and accrued income.

An amount of -331K euro of the accumulated write-downs on doubtful trade receivables was recognised in profit/loss (-) from operating activities in 2022, compared to -4K euro in 2023.

23. Cash and cash equivalents

(in K euro)	2022	2023
Term deposits		16 500
Immediately available bank account balances and cash	24 143	8 679
Total	24 143	25 179

The cash and cash equivalents increased from 24 143K euro in the 2022 financial year to 25 179K euro in the 2023 financial year. The cash and cash equivalents include term deposits convertible into cash within 3 months, immediately available bank deposits, and cash.

See also the statement of cash flows on page 102 of this annual report.

24. Current tax assets

This heading mainly refers to income tax assets in certain entities of the consolidation scope, and should be considered jointly with the current tax liabilities under the heading 'Equity and liabilities'. The current tax assets amount to 211K euro in the 2023 financial year, compared to 88K euro in the 2022 financial year.

25. Total equity

See also the statement of changes in equity on page 100 and 101.

Total equity in 2022

- (1) As at 31 December 2022, the capital amounts to 41 381K euro, and is represented by a total of 3 941 950 shares.
The capital and the total number of shares remained unchanged in 2022.
- (2) The change in the reserves and retained earnings/accumulated losses (-) includes the net profit of the financial year in the amount of 5 490K euro, and the dividend payment of -2 421K euro with respect to the 2021 financial year.
- (3) Of the total number of shares, the group owns 300 210 (7.6%) as at 31 December 2022. In the 2022 financial year, 110 182 treasury shares were purchased, consisting of: (i) the purchase of 60 551 treasury shares in the period from 1 January 2022 to 4 May 2022 following the execution of the share purchase programme with start date 17 September 2020, of which 28 109 shares were purchased through block trades, and (ii) the purchase of 49 631 treasury shares in the period from 17 June 2022 to 30 December 2022, following the execution of the share purchase programme with start date 17 June 2022, of which 10 459 shares were purchased through block trades.
These transactions were carried out on the regulated market Euronext Brussels, in accordance with the discretionary mandate assigned by the Board of Directors to KBC Securities.
The total number of treasury shares is held by smartphoto group NV.
In accordance with IFRS, these shares are measured at cost price. An amount of 6 663K euro is deducted from equity.
- (4) The changes in the exchange differences result from the euro conversion of the equity, compared to the exchange rate at the end of the reporting period, with an impact on the other comprehensive income in the amount of -98K euro.

Total equity in 2023

- (1) As at 31 December 2023, the capital amounts to 41 381K euro, and is represented by a total of 3 941 950 shares.
The capital and the total number of shares remained unchanged in 2023.
- (2) The change in the reserves and retained earnings/accumulated losses (-) includes the net profit of the financial year in the amount of 6 928K euro, and the dividend payment of -3 609K euro.
- (3) Of the total number of shares, the group owns 391 543 treasury shares (9.9%) as at 31 December 2023. In the 2023 financial year, 91 333 treasury shares were purchased, consisting of: (i) the purchase of 51 629 treasury shares in the period from 6 March 2023 to 5 October 2023 following the execution of the share purchase programme with start date 6 March 2023, of which 33 942 shares were purchased through block trades, and (ii) the purchase of 39 704 treasury shares in the period from 20 October 2023 to 29 December 2023, following the execution of the share purchase programme with start date 19 October 2023, of which 31 000 shares were purchased through block trades.

These transactions were carried out on the regulated market Euronext Brussels, in accordance with the discretionary mandate assigned by the Board of Directors to KBC Securities.

The total number of treasury shares is held by smartphoto group NV.

In accordance with IFRS, these shares are measured at cost price. An amount of 9 292K euro is deducted from equity.

- (4) As at 31 December 2023, -111K euro is recognised in other comprehensive income related to the remeasurement of the net defined benefit liability (asset). This amount consists of a remeasurement loss of 137K euro and the related deferred taxes of 25K euro.
- (5) The changes in the exchange differences result from the euro conversion of the equity, compared to the exchange rate at the end of the reporting period, with an impact on the other comprehensive income in the amount of 89K euro.

Calculation of the profit/loss (-) per share in 2022

Number of shares	
Total number of shares	3 941 950
Weighted average number of shares (ordinary and dilutive)	3 941 950
Weighted average number of shares entitled to dividend ⁽¹⁾	3 696 547

⁽¹⁾ The weighted average number of treasury shares purchased in 2022 amounts to 55 375. The calculation is as follows: the total number of outstanding days is multiplied by the number of treasury shares purchased, and divided by 365. The total weighted average number of shares entitled to dividend amounts to 3 696 547.

Profit/loss (-) for the period	Profit or loss	Profit or loss and other comprehensive income
Attributable to equity holders of the parent (in K euro)	5 490	5 392
Per share based on the total amount of shares (in euro)	1.3927	1.3680
Per share based on the weighted average amount of shares (ordinary and dilutive) (in euro)	1.3927	1.3680
Per share based on the weighted average amount of shares entitled to dividend (in euro)	1.4852	1.4588

Calculation of the profit/loss (-) per share in 2023

Number of shares	
Total number of shares	3 941 950
Weighted average number of shares (ordinary and dilutive)	3 941 950
Weighted average number of shares entitled to dividend ⁽¹⁾	3 602 218

⁽¹⁾ The weighted average number of treasury shares purchased in 2023 amounts to 39 522. The calculation is as follows: the total number of outstanding days is multiplied by the number of treasury shares purchased, and divided by 365. The total weighted average number of shares entitled to dividend amounts to 3 602 218.

Profit/loss (-) for the period	Profit or loss	Profit or loss and other comprehensive income
Attributable to equity holders of the parent (in K euro)	6 928	6 905
Per share based on the total amount of shares (in euro)	1.7575	1.7517
Per share based on the weighted average amount of shares (ordinary and dilutive) (in euro)	1.7575	1.7517
Per share based on the weighted average amount of shares entitled to dividend (in euro)	1.9232	1.9169



26. Current and non-current interest-bearing financial liabilities

The interest-bearing financial liabilities amount to 1 888K euro as at the end of 2023, compared to 2 363K euro as at the end of 2022.

Breakdown between current and non-current in 2022

(in K euro)	2022							Total
	Up to 1 year	2024	2025	2026	2027	2028	More than 5 years	
Interest-bearing financial liabilities								
Secured bank loans	476	478	481	456	158	158	158	2 363
Total interest-bearing borrowings according to their maturity	476	478	481	456	158	158	158	2 363

In 2022, the current and non-current interest-bearing financial liabilities amount to 2 363K euro, or a decrease of 473K euro. This decrease is the result of the capital repayments during the financial year.

An amount of 158K euro is repaid related to the fixed interest rate loan, acquired in 2019 in respect of the acquisition of the real estate company Aultmore NV, contracted with BNP Paribas Fortis Bank, with a residual maturity of 7 years; and an amount of 316K euro is repaid

Breakdown between current and non-current in 2023

(in K euro)	2023							Total
	Up to 1 year	2025	2026	2027	2028	2029	More than 5 years	
Interest-bearing financial liabilities								
Secured bank loans	478	481	456	158	158	158		1 888
Total interest-bearing borrowings according to their maturity	478	481	456	158	158	158		1 888

In 2023, the current and non-current interest-bearing financial liabilities amount to 1 888K euro, a decrease of 475K euro. This decrease is the result of the capital repayments during the financial year.

An amount of 158K euro is repaid related to the fixed interest rate loan, acquired in 2019 in respect of the acquisition of the real estate company Aultmore NV, contracted with BNP Paribas Fortis Bank, with a residual maturity of 6 years; and an amount of 318K euro is repaid

related to the fixed interest rate loan, agreed on in 2019 with KBC Bank, with a residual maturity of 4 years.

In 2022 the secured bank loans for an outstanding amount of 2 363K euro were guaranteed by mortgages on land and buildings, of which the registration amount is 12 109K euro. The carrying amount of the respective land and buildings is 12 825K euro.

related to the fixed interest rate loan, agreed on in 2019 with KBC Bank, with a residual maturity of 3 years.

In 2023 the secured bank loans for an outstanding amount of 1 888K euro were guaranteed by mortgages on land and buildings, of which the registration amount is 12 109K euro. The carrying amount of the respective land and buildings is 12 624K euro.

27. Current and non-current lease liabilities

Note to the lease liabilities of 2022

(in K euro)	2022							Total
	Up to 1 year	2024	2025	2026	2027	2028	More than 5 years	
Lease liabilities								
Land and buildings	403	380	378	387	300	246	575	2 670
Furniture, fixtures and vehicles	279	199	152	72				702
Total lease liabilities according to their maturity	682	579	530	459	300	246	575	3 372

The total current and non-current lease liabilities amount to 3 372K euro in 2022, which is an increase of 2 409K euro. This increase is due to, on the one hand the increase of the lease liabilities on buildings of 2 589K euro, mainly relating to the new agreement on the Pratteln building (Switzerland) and the renewed agreement on the Ardoois building (Belgium), and the

increase of the lease liabilities on vehicles for an amount of 563K euro through investments and modifications due to the extension of existing lease obligations, and, on the other hand, the payments during the year for an amount of 743K euro.

Note to the lease liabilities of 2023

(in K euro)	2023							Total
	Up to 1 year	2025	2026	2027	2028	2029	More than 5 years	
Lease liabilities								
Land and buildings	444	442	453	359	295	289	352	2 634
Furniture, fixtures and vehicles	354	309	224	72	15			973
Total lease liabilities according to their maturity	798	751	677	431	310	289	352	3 607

The total current and non-current lease liabilities amount to 3 607K euro in 2023, which is an increase of 235K euro. This net increase is due to, on the one hand (i) the increase of the lease liabilities on buildings of 367K euro, mainly relating to the new agreement on the Malmö building (Sweden) and to the increase of the lease payments due to the indexation of existing

agreements; (ii) the increase of lease liabilities on vehicles for an amount of 658K euro; (iii) the effect of translation differences of 29K euro; (iv) the payments during the year for an amount of 808K euro; and (v) the decrease of liabilities because of early termination of lease agreements for 10K euro.

Disclosures in accordance with IFRS 16.53 (c)-(d)-(e)

(in K euro)	2022	2023
Short term leases	268	176
Leases for which the underlying asset is of low value	54	69
Total lease-related expenses classified under the profit or loss (-) from operating activities	322	246

(in K euro)	2022	2023
Total lease-related expenses classified under the profit or loss (-) from operating activities	322	246
Up to one year	30	58
Between one and five years	54	104

Variable lease payments are recognised in the statement of profit or loss.

Note related to 2022

The payments related to short term leases and the payments for leases for which the underlying asset is of low value, are classified under the profit or loss from operating activities for an amount of 322K euro.

Note related to 2023

The payments related to short term leases and the payments for leases for which the underlying asset is of low value, are classified under the profit or loss from operating activities for an amount of 246K euro.

Leases not yet commenced to which the group is committed.

The future non-current lease liabilities regarding Furniture, fixtures and vehicles amount to 770K euro, and the future current lease liabilities amount to 105K euro.

Extension options

Extension options are included in the lease liabilities as it is reasonably certain this option will be exercised.

Leasing as a lessor

There are no contractual rentals from leases to be received, either at more than one year, nor at less than one year.



28. Current and non-current employee benefit liabilities

The current employee benefit liabilities amount to 3 179K euro for the 2023 financial year, compared to 3 099K euro in 2022. The current employee benefit liabilities mainly comprise the payable wages and salaries, as well as the corresponding social security contributions, payroll withholding tax and provisions for holiday pay.

The non-current employee benefit liabilities amount to 716K euro in the 2023 financial year, compared to 594K euro in the 2022 financial year. These liabilities increased by 122K euro.

The non-current employee benefit liabilities include the following liabilities:

- (i) the post-employment benefits relating to Spector Verwaltung GmbH - German company that actively took part in the wholesale photofinishing activities until 2001 – concerning the pension liabilities for 7 already retired former employees at an advanced age. Based on the annual actuarial calculations, this pension liability amounts to 231K euro in 2023, compared to 246K euro in 2022;
- (ii) early retirement provisions in the various underlying entities. In 2023 there was a reversal of 1K euro, and the outstanding liability amounts to 0.4K euro. These early retirements were recognised as a liability and recorded as costs incurred when the company committed to terminating the employment contract of the relevant employees before the usual retirement age;
- (iii) pension liabilities related to smartphoto AG. Based on the actuarial calculation, these pension liabilities amount to 484K euro at the end of 2023, compared to 347K euro in 2022.

Share option plans

There are no outstanding share options as at 31 December 2023.

Warrant plans

There are no outstanding warrants as at 31 December 2023.

Post-employment benefits

Defined benefit plans

Explanatory note regarding the Belgian pension plans

In Belgium, the pension plan contributions depend on the employee's function level. The employer's contributions to the group insurance are based on a fixed percentage of the employee's wage. Insurance companies in Belgium guarantee an interest rate between 3.25% and 4.75% until 31 December 2014, depending on the retirement date.

For all new subscribers and for all contribution increases, the interest rate is 1.75% to 2.25% as of 1 January 2015, 0.50% to 1.50% as of 1 July 2015 and 0.25% to 0.75% as of 2016. When calculating the liability, the guaranteed minimum return until the end of the reporting period is taken into account.

The assets of these plans are held at the insurance companies. The contributions are recorded as a liability in the statement of profit or loss under the heading Employee liabilities.

Belgian law was updated on 18 December 2015. This resulted in a change of the calculation of the legally guaranteed minimum return of the 'Fixed contribution' pension schemes. The guaranteed interest rate was 3.25% on the employer's contributions, and 3.75% on the employee's contributions. This guaranteed return was retained until the end of 2015.

As of 2016, the amount of the legally guaranteed return is no longer determined by law, but is recalculated every year by the FSMA based on a formula. The interest rate to calculate the guaranteed return is linked to the 10-year interest on state loans (the so-called Linear Bonds or OLOs with a 10-year term). If the interest on state loans drops, the legally guaranteed return will also be reduced. Conversely, the guaranteed return will be higher when the interest on state loans is increased. However, the guaranteed return must be at least 1.75% and should not be higher than 3.75%. The interest rate for next year is determined every year on the 1st of January and can therefore vary from year to year. From 2016 to 2023, the legally guaranteed return was 1.75%.

Due to these minimum return requirements for the defined contribution plans in Belgium, there is a legal requirement to pay future contributions if the insurance company does not have sufficient assets. As a result, IAS 19 determines that Belgian pension plans should be classified and accounted for as defined benefit plans, because a specific minimum return is guaranteed.

The group applied the 'Intrinsic value method' for the 2022 and 2023 financial years. This method consists of calculating the minimum guaranteed reserve for each member separately, taking into account an interest rate and mathematical reserve, both at the end of the reporting period. If the guaranteed maximum reserve is higher than the mathematical reserve, a deficit is created. This alternative method shall be applied temporarily until the IASB takes up a final position.

For the Belgian pension plans, the sum of the maximum of the guaranteed minimums reserves and the mathematical reserves amount to 3 340K euro at the end of 2023, compared to 3 080K euro at the end of 2022. The sum of the mathematical reserves amount to 3 327K euro at the end of 2023, compared to 3 068K euro at the end of 2022. The deficit/(surplus) regarding the Belgian pension plans amounts to 14K euro at the end of 2023, compared to 12K euro at the end of 2022, and is not material.

The quantitative notes are listed in the table below.

(in K euro)	2022	2023
Sum guaranteed minimum reserves	2 591	2 820
Sum of the maximum guaranteed minimum reserves and the mathematical reserves	3 080	3 340
Sum mathematical reserves	3 068	3 327
Deficit (-)/surplus	-12	-14

Explanatory note regarding the Swiss pension plans

Similar to Belgium, employers in Switzerland are obliged to provide a minimum pension plan for their staff. The contributions paid by the employer and the employee are determined as a fixed percentage of the insured wages. The employer must join a pension fund to meet the legal requirements. The pension fund must at least pay out the legally required pension benefits. In this regard, smartphoto AG has entered into an agreement with 'VZ Vorsorgelösung für Firmen'.

The Mercer Schweiz AG agency made an actuarial calculation for the post-employment benefits of smartphoto AG in 2023. A 1.65% discount rate was taken into account for this actuarial calculation.

The gross pension liability amount to 3 248K euro at the end of 2023, compared to 2 783K euro at the end of 2022; the fair value of the plan assets amount to 2 7654K euro at the end of 2023, compared to 2 437K euro at the end of 2022. Per 31 December 2023, the defined benefit liabilities exceed the fair value of the plan assets by 484K euro, compared to 347K euro per 31 december 2022; this increase was recognised via the profit or loss (-) from operating activities for an amount of -20K euro, and via the other comprehensive income for an amount of 158K euro.

	2022	2023
Discount rate	2.00%	1.65%
Percentage pay rise	2.0%	2.0%
Pension increase rate	0%	0%
Number of employees	15	18
Average remaining years of service	n/a	n/a
Duration of the plan liabilities	14.9	15.3

Defined contribution plans

Explanatory note regarding pension plans in the Netherlands

The pension liability in the Netherlands is a so-called 'Available contribution scheme'. Employers are not liable for deficits in the provision of pension liabilities and/or fund reserves, either directly by means of additional payments or indirectly through future premium increases.

Movements in the non-current employee benefit liabilities recognised in the statement of financial position

(in K euro)	2022	2023
At end of previous year	584	594
Increase/decrease (-) of liability recognised in profit or loss (-)	-6	94
Effect of exchange rate changes	16	27
At end of current period	594	716

29. Provisions

The provisions amount to 93K euro for the 2023 financial year and mainly include provisions related to the pending VAT regularisations regarding naYan NV, with respect to the period prior to the acquisition date. At acquisition date, this provision amounted to 1 108K euro. With regard to these amounts, possibly due, which were estimated as accurately as possible based on the available assessment criteria and information, the seller has committed to indemnify and compensate the buyer, as stated in the sale-purchase agreement. As a result of this indemnity, a receivable against the seller of 1 108K euro as at 31 December 2021 was recorded under the current other receivables. This receivable was withdrawn in the 2022 and 2023 financial year in proportion to the settlement of the VAT regularisations, and amounts to 93K euro as at 31 December 2023.

30. Deferred tax liabilities

Movements in temporary differences throughout the period

(in K euro)	2022				
	At end of previous year	Recognised in profit or loss	Recognised in other comprehensive income	Other changes	At end of current period
Property, plant and equipment/Revaluation surplus	2 023	-19			2 005
Intangible assets	134	-4			130
Tax impact on translation differences	48				48
	2 205	-22			2 183

The deferred tax liabilities decreased from 2 205K euro as at 31 December 2021 to 2 183K euro as at 31 December 2022. This decrease of 22K euro is due to the decrease of taxable temporary differences on property, plant and equipment and intangible assets for -22K euro, recognised in profit or loss.

(in K euro)	2023				
	At end of previous year	Recognised in profit or loss	Recognised in other comprehensive income	Other changes	At end of current period
Property, plant and equipment/Revaluation surplus	2 005	-38		-1 147	820
Intangible assets	130	-9		-112	10
Tax impact on translation differences	48		-1	-46	1
	2 183	-47	-1	-1 304	831

The deferred tax liabilities decreased from 2 183K euro as at 31 December 2022 to 831K euro as at 31 December 2023. This decrease of 1 352K euro is due to the decrease of taxable temporary differences on property, plant and equipment and intangible assets for -47K euro, recognised in profit or loss; the deferred tax liabilities on translation differences for -1K euro, recognised via other comprehensive income, and the decrease of 1 304K euro related to the netting of deferred tax assets and liabilities.

31. Current trade and other payables

(in K euro)	2022	2023
Trade payables	14 623	14 205
Prepayments received on contracts in progress	586	373
Dividends payable	121	121
Debentures & matured coupons	341	341
Other amounts payable	1 533	49
Accrual and deferrals	670	295
Payables related to VAT	4 335	6 116
Total	22 208	21 499

In 2023, the current trade and other payables decreased by 709K euro. This movement is mainly due to (i) a decrease of trade payables of 418K euro; (ii) the decrease in advances received on orders of 213K euro; (iii) a decrease of the other trade payables of 1 484K euro; (iv) a decrease of accruals and deferrals in the amount of 374K euro, and (v) an increase of the value-added tax related debt in the amount of 1 781K euro.

The strong decrease in other amounts payable comprise, amongst others, the current portion of the outstanding balance of the purchase price relating to the acquisition of naYan NV for an amount of 750K euro, which was paid at 30 September 2023.

32. Current tax liabilities

The current tax liabilities for the 2023 financial year amount to 276K euro, compared to 322K euro in 2022. This amount is expected to be paid to the tax authorities based on the tax rates applicable at the end of the reporting period.

33. Remuneration of the Statutory Auditor and the members of its network

Remuneration of the Statutory Auditor and the members of its network for the 2022 financial year

Grant Thornton Bedrijfsrevisoren CVBA, represented by Mr Danny De Jonge, was appointed as Statutory Auditor of smartphoto group NV, for a period of 3 years, until the Annual General Meeting of Shareholders on 10 May 2023.

Fee for the mandate of Statutory Auditor in 2022: 32K euro. Fees for the audit of the subsidiaries performed by the Statutory Auditor and its network: 89K euro. Remuneration related to extraordinary activities or special assignments carried out by the Statutory Auditor and its network: 13K euro in 2022. These activities mainly included the review of the ESEF reporting.

Remuneration of the Statutory Auditor and the members of its network for the 2023 financial year

The Annual General Meeting of Shareholders on 10 May 2023 appointed Deloitte Bedrijfsrevisoren BV, represented by Mrs Charlotte Vanrobaeys, as Statutory auditor of smartphoto group NV for a period of three years, until the Annual General Meeting of Shareholders on 13 May 2026.

Fee for the mandate of Statutory Auditor in 2023: 68K euro.

Fees for the audit of the subsidiaries performed by the Statutory Auditor and its network: 95K euro.

Remuneration related to extraordinary activities or special assignments carried out by the Statutory Auditor and its network: 9K euro. These activities included tax-related services.

34. Risk factors

More information regarding risk management is included in the corporate governance statement on page 30 and following.

Credit risk

An overview of the due dates and the write-downs recognised in relation to the trade and other receivables is presented in the tables below.

2022								
(in K euro)	Gross current trade receivables	Write-downs on trade receivables	Net current trade receivables	Other current receivables	Current accruals and deferrals	Total current trade and other receivables	Other non-current receivables	Total other non-current receivables
Not due	3 645	-122	3 523	1 455	339	5 317	96	96
Less than 30 days	641	-53	588			588		
Between 30 and 59 days	54	-20	34			34		
Between 60 and 89 days	48	-21	27			27		
Between 90 and 179 days	116	-69	47			47		
Between 180 and 359 days	229	-216	13			13		
More than 359 days	719	-694	25			25		
	5 453	-1 194	4 258	1 455	339	6 052	96	96

2023								
(in K euro)	Gross current trade receivables	Write-downs on trade receivables	Net current trade receivables	Other current receivables	Current accruals and deferrals	Total current trade and other receivables	Other non-current receivables	Total other non-current receivables
Not due	3 227	-31	3 196	1 229	336	4 761	111	111
Less than 30 days	893	-21	872			872		
Between 30 and 59 days	249	-9	239			239		
Between 60 and 89 days	6	-3	3			3		
Between 90 and 179 days	9	-8						
Between 180 and 359 days	110	-105	5			5		
More than 359 days	756	-718	37			37		
	5 248	- 895	4 353	1 229	336	5 918	111	111

The majority of the smartphoto group's activities is conducted by means of 'remote sales' to end consumers. This implies exposure to non-collectability of many, relatively small, trade receivables. Since for its e-commerce activities the majority of orders are paid directly through online payments, where the order is only confirmed after approval by the payment organisation, this risk is very limited. Due to the partnership with Klarna, the customer is still offered the possibility of post-payment, and the group also minimises risks through the

risk management services, including fraud prevention and credit checks. For the part where payments are collected by bank transfer, adequate debtor management is in place.

For other trade receivables, credit limits and payment deadlines are defined for each customer. When these deadlines are exceeded, dunning procedures are initiated, and deliveries to customers are blocked.

There is no significant concentration of risk as at 31 December 2022 and 2023.

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.

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.

An overview of the accumulated write-downs of the other financial assets and of the trade and other receivables can be found in the tables below:

2022 financial year

2022			
(in K euro)	Other financial assets	Trade receivables	Other receivables
At end of previous year	-1 738	-1 122	-318
Additions (-), reversals		-331	
Utilisation		289	
Translation differences		-31	
Other changes			-28
At end of current period	-1 738	-1 194	-346

There are no changes in the other financial assets, compared to the 2021 financial year. The write-downs on the other receivables amount to -28K euro.

Regarding the trade receivables, write-downs are recognised in 2022 via the profit/loss (-) from operating activities for an amount of 331K euro (see note 8). The other movements relate to utilisations of 289K euro and -31K euro due to the effect of translation differences.

2023 financial year

2023			
(in K euro)	Other financial assets	Trade receivables	Other receivables
At end of previous year	-1 738	-1 194	- 346
Additions (-), reversals		-4	
Utilisation		344	
Translation differences		-40	
Other changes			-42
At end of current period	-1 738	- 895	-388

There are no changes in the other financial assets, compared to the 2022 financial year. The write-downs on the other receivables amount to -42K euro.

Regarding the trade receivables, write-downs are recognised in 2023 via the profit/loss (-) from operating activities for an amount of 4K euro (see note 8). The other movements relate to utilisations of 344K euro and -40K euro due to the effect of translation differences.

Liquidity risk

The net cash increased from a cash surplus of 18 407K euro at the end of 2022 to a cash surplus of 19 683K euro at the end of 2023.

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

2022									
(in K euro)	Carrying amount	Contractual cash flows including finance costs	Up to 1 year	2024	2025	2026	2027	2028	More than 5 years
Interest-bearing financial liabilities									
Secured bank loans	2 363	2 583	536	528	521	486	178	171	163
Lease liabilities									
Land & buildings	2 670	2 893	459	427	416	416	322	262	591
Furniture, fixtures & vehicles	702	702	279	199	152	72			
Trade and other payables	22 208	22 208	22 208						
Total	27 944	28 386	23 482	1 154	1 089	975	501	432	754

2023									
(in K euro)	Carrying amount	Contractual cash flows including finance costs	Up to 1 year	2025	2026	2027	2028	2029	More than 5 years
Interest-bearing financial liabilities									
Secured bank loans	1 888	2 047	528	521	486	178	171	163	
Lease liabilities									
Land & buildings	2 634	2 839	501	490	489	386	314	301	358
Furniture, fixtures & vehicles	973	973	354	304	228	72	15		
Trade and other payables	21 499	21 499	21 499						
Total	26 995	27 359	22 884	1 314	1 203	636	500	464	358

Based on the prognoses of the cash flow 'Liquidity forecast', the subsidiaries of the group will be able to meet their financial obligations in 2024. The group disposes of undrawn credit lines for an amount of 5 852K euro in the 2023 financial year, compared to 5 837K euro in 2022.

In 2022, the exchange rate fluctuations in the Swiss franc were covered by forward contracts. In 2023, the group did not rely on financial instruments to hedge currency and/or interest rate risks.

Because the credit agreements with KBC Bank and BNP Paribas Fortis Bank (see 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 31 December 2022 and 2023 there were no bank overdrafts. The cash and cash equivalents are invested free of risks.

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 Swiss franc, the Norwegian krone, the Danish krone, the British pound and the US dollar.

For the 2023 financial year, 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.

Sensitivity analysis for exchange rate risk

An increase/decrease of the euro/non-euro currencies by +10% or -10% (reference rate= average rate for 2022) would have an impact on the profit/loss (-) before tax of -157K euro or 192K euro respectively as at 31 December 2022. An increase/decrease by +10% or -10% (reference rate= closing rate for 2022) would have an impact on the carrying value of -15K euro or 101K euro respectively as at 31 December 2022.

An increase/decrease of the euro/non-euro currencies by +10% or -10% (reference rate= average rate for 2023) would have an impact on the profit/loss (-) before tax of -165K euro or 202K euro respectively as at 31 December 2023. An increase/decrease by +10% or -10% (reference rate= closing rate for 2023) would have an impact on the carrying value of 45K euro or -55K euro respectively as at 31 December 2023.

Equity structure

The group optimises its equity structure, the combination of liabilities and equity. The most important objective of the equity structure is to obtain the best possible shareholder value, while simultaneously retaining the requisite financial flexibility to implement strategic projects. Maintaining a fundamentally healthy financial structure is essential.

When analysing the equity structure, the IFRS classification for the distinction between equity and liabilities is used.

Fair value

For financial assets and liabilities not recognised at fair value, the carrying amount approximates the fair value.

35. Subsequent events

Since the closing of the 2023 financial year, no events have occurred that could have a significant impact on the company's results.

36. Related parties

Except for transactions between the consolidated companies, which are eliminated through the consolidation, and compensation granted to key management personnel, for which we refer to the remuneration report, the transactions and outstanding balances of other related parties are negligible, for both 2022 and 2023.

Companies belonging to the group

Name and address	VAT - or national number	Share in the capital (in %)
AULTMORE NV Vantegemstraat 21, 9230 Wetteren, Belgium	BE 0888.480.111	100.00
DBM-COLOR NV Kwatrechtsteenweg 160, 9230 Wetteren, Belgium	BE 0402.247.617	100.00
FILMOBEL NV Kwatrechtsteenweg 160, 9230 Wetteren, Belgium	BE 0408.058.709	100.00
FRUCON INTERNATIONAL INC. 3914 Sweeten Creek Rd. Chapel Hill NC 27514, United States of America	1057419	100.00
NAYAN NV Pittensestraat 58D, 8850 Ardoie, Belgium	BE 0806.661.106	100.00
PROMO CONCEPT INVESTMENT BV Kwatrechtsteenweg 158, 9230 Wetteren, Belgium	0423.852.188	100.00
SMARTPHOTO AG Salinenstrasse 59, 4133 Pratteln, Switzerland	CHE-100.365.169	100.00
SMARTPHOTO NEDERLAND BV Beursstraat 1A, 7551 HP Hengelo, the Netherlands	NL 821156469B01	100.00
SMARTPHOTO NORDIC AB Kalendegatan 10F, 211 35 Malmö, Sweden	SE 556334-8100	100.00





Subsidiaries not included in the consolidation

Name and address	VAT - or national number	Share in the capital (in %) ⁽¹⁾
FLT s.r.l. ⁽²⁾ Viale Andrea Doria 17, 20124 Milan, Italy	IT 13146200152	49.00
SPECTOR VERWALTUNG GmbH ⁽²⁾ Müßmattstrasse 49, 79618 Rheinfelden, Germany	214 116 20551	100.00

⁽¹⁾ Share in the capital of these companies, held by companies included in the consolidation and by persons acting in their own name but on behalf of these companies.

⁽²⁾ FLT srl is the Italian lab, operating in the photofinishing market, over which the group has no longer joint control effective as from the fourth quarter of 2008. This participation is accounted for in accordance with IFRS 10 as a financial asset. This participation was fully written down. As from December 30, 2020, the company is put into liquidation, but has not been dissolved up to now. Spector Verwaltung GmbH is an inactive company that operated in the wholesale photofinishing market until 2001.



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2023 STATUTORY
ANNUAL ACCOUNTS

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Balance sheet after profit allocation

ASSETS (in euro)	2022	2023
FIXED ASSETS	72 501 517	70 542 857
Intangible fixed assets	9 662 445	8 585 493
Tangible fixed assets	474 035	395 898
Land and buildings	398 477	340 544
Plant, machinery and equipment	75 558	55 354
Financial fixed assets	62 365 037	61 561 466
Affiliated companies	62 365 037	61 561 466
Participating interests	49 265 037	49 261 466
Amounts receivable	13 100 000	12 300 000
CURRENT ASSETS	22 558 316	26 606 880
Amounts receivable within one year	2 970 198	2 788 101
Trade debtors	1 907 251	1 823 789
Other amounts receivable	1 062 947	964 312
Current investments	6 666 627	21 794 788
Own shares	6 663 430	9 291 591
Other investments and deposits	3 197	12 503 197
Cash at bank and in hand	12 780 373	1 899 026
Deferred charges and accrued income	141 118	124 965
TOTAL ASSETS	95 059 833	97 149 737

EQUITY AND LIABILITIES (in euro)	2022	2023
EQUITY	68 334 860	70 328 631
Capital	41 381 403	41 381 403
Issued capital	41 381 403	41 381 403
Reserves	13 592 823	16 181 224
Reserves not available	10 801 571	13 429 732
Legal reserve	4 138 141	4 138 141
Purchase of own shares	6 663 430	9 291 591
Untaxed reserves	2 791 252	2 751 492
Accumulated profits/losses (-)	13 360 634	12 766 004
AMOUNTS PAYABLE	26 724 973	26 821 106
Amounts payable after more than one year	1 042 549	692 871
Financial liabilities	1 042 549	692 871
Financial debts	942 666	621 987
Other debts	99 883	70 884
Amounts payable within one year	25 618 077	25 992 930
Current portion of amounts payable after more than one year falling due within one year	318 108	320 678
Financial debt		283
Financial institutions		283
Trade debts	8 144 821	7 702 811
Suppliers	8 144 821	7 702 811
Taxes, remuneration and social security	1 979 886	2 116 783
Taxes	861 015	948 910
Remuneration and social security	1 118 871	1 167 873
Other amounts payable	15 175 262	15 852 375
Accruals and deferred income	64 347	135 305
TOTAL LIABILITIES	95 059 833	97 149 737

Profit and loss account

(in euro)	2022	2023
Operating income	37 545 113	37 871 853
Turnover	35 924 354	35 702 572
Produced fixed assets	830 715	1 618 737
Other operating income	790 044	550 544
Operating charges	-36 140 264	-36 353 082
Goods for resale, raw materials and consumables	-17 260 744	-16 385 162
Purchases	-17 260 744	-16 385 162
Services and other goods	-9 634 040	-10 633 266
Remuneration, social security and pensions	-5 853 770	-6 330 768
Amortisations of and other amounts written down on formation expenses, intangible and tangible fixed assets	-2 831 627	-2 800 732
Amounts written down on stocks, contracts in progress and trade debtors: additions(-)/write-backs	139 477	179 590
Other operating charges	-467 581	-382 744
Non-recurring operating charges	-231 979	
Operating profit/loss (-)	1 404 849	1 518 771
Financial income	4 186 220	6 812 905
Recurring financial income	4 186 220	6 812 905
Income from financial fixed assets	3 453 136	5 779 870
Income from current assets	722 199	1 016 427
Other financial income	10 885	16 608
Non-recurring financial income	-1 794 676	-2 558 826
Recurring financial charges	-294 676	-558 826
Debt charges	-162 729	-396 903
Amounts written down on current assets other than stocks, contracts in progress and trade debtors: additions (-)/write-backs	-27 951	-40 616
Other financial charges	-103 996	-121 307
Non-recurring financial charges	-1 500 000	-2 000 000
Profit/loss (-) for the period before taxes	3 796 393	5 772 850
Income taxes on the result	-35 705	-64 919
Taxes	-45 199	-64 919
Adjustments of income taxes and write-back of tax provisions	9 494	
Profit/loss (-) for the period	3 760 688	5 707 931
Transfer from untaxed reserves	39 760	39 760
Profit/loss (-) for the period available for appropriation	3 800 448	5 747 691

Appropriation account

(in euro)	2022	2023
Profit/loss (-) to be appropriated	20 254 223	19 108 325
Profit/loss (-) of the period available for appropriation	3 800 448	5 747 691
Profit/loss (-) of the preceding period brought forward	16 453 775	13 360 634
Appropriations to equity	3 284 167	2 628 161
To other reserves	3 284 167	2 628 161
Profit/loss (-) to be carried forward	13 360 634	12 766 004
Profit to be distributed	3 609 422	3 714 160
Compensation for contributions	3 609 422	3 714 160

Shareholder structure of the company as at 31 December 2023

Shareholders with a percentage $\geq 3\%$ of the total number of shares

	Most recent notification	% of total ⁽¹⁾ (number of shares)	Number of shares	% of total ⁽²⁾
CONSORTIUM MIDELCO NV, CECAN INVEST NV, ISARICK NV and Philippe Vlerick c/o Doorniksewijk 49, B-8500 Kortrijk	29/06/2023	20.04% (789 970)	789 970	20.04%
- MIDELCO NV		12.78%	503 830	12.78%
- CECAN INVEST NV		6.85%	269 864	6.85%
- 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	16.05% (570 000)	720 945	18.29%
- SHOPINVEST NV			719 000	18.24%
- Etienne Kaesteker			1 945	0.05%
ALYCHLO NV and controlling person Lembergsesteenweg 19, B-9820 Merelbeke	27/05/2020	15.01% (591 551)	629 801	15.98%
- ALYCHLO NV		14.98%	628 901	15.95%
- Marc Coucke		0.02%	900	0.02%
SMARTPHOTO GROUP NV Kwatrechtsteeweg 160, B-9230 Wetteren	31/01/2022	5.04% (198 641)	391 543	9.93%
PARTFIM SA Avenue Montjoie 167 bus 9, B-1180 Brussel	02/06/2020	3.59% (141 500)	141 500	3.59%

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

⁽²⁾ Current % of shares held of the current total number of shares, being 3 941 950 shares.





Statement of capital

(in euro)	Amounts	Number of shares
CAPITAL		
Issued capital		
• At the end of the previous period	41 381 403	
• At the end of the period	41 381 403	
Structure of the capital		
Different categories of shares		
Ordinary shares without nominal value	41 381 403	3 941 950
• Registered shares		1 510 261
• Dematerialised shares		2 431 689
TREASURY SHARES		
• Held by the company itself	9 291 591	391 543
AUTHORISED CAPITAL, NOT ISSUED	41 381 403	

Note to the abridged version of the statutory annual accounts

According to Articles 3:16 and 3:17 of the Belgian Companies and Associations Code, this annual report includes only an abridged version of the separate financial statements of smartphoto group NV.

The annual report, statutory annual accounts of smartphoto group NV and the Statutory Auditor's Report will be deposited at the National Bank of Belgium.

The Statutory Auditor's Report includes an opinion on the true and fair view of the financial statements and provides an unqualified opinion.

The complete version of the statutory annual accounts and accompanying reports can be found on the website www.smartphotogroup.com and are available on request and free of charge.

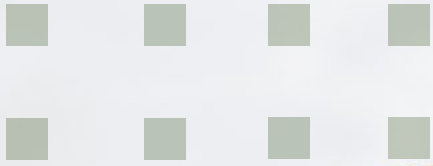


For the best



Happy Mother's Day

Love, Emma



ORGANISATION CHART

ORGANISATION CHART

Fully consolidated subsidiaries

Smartphoto group NV holds directly or indirectly, through the companies included in the consolidation, 100% of the shares of these subsidiaries.

