

PRESS RELEASE – Regulated information

Wetteren, 22 August 2024 – 7.00 p.m.

smartphoto group - Euronext Brussels: SMAR

HALF-YEARLY RESULTS 2024

Smartphoto achieves quasi-stable revenue and invests in further growth

- Revenue over the first 6 months of 2024 decreased slightly by 0.8%, and evolved from 30 031K euro last year to 29 780K euro as at 30 June 2024.
- Smartphoto experienced a decline in revenue (-2.5%) due to the decreasing popularity of Communion, while naYan recorded a revenue increase driven by new customers (+2.2%).
- Stagnating turnover, increasing costs and further investments in extra recruitments at naYan to support growth, led to a decrease in EBITDA from 3 273K euro over the first half of 2023, to 2 356K euro as at 30 June 2024 (-28.0%).
- Due to the acquisition of TopFanZ, net cash decreased, on an annual basis, from 4 586K euro to 3 279K euro as at 30 June 2024.
- Despite the uncertain general economic outlook, smartphoto group expects, for the second year half, a stabilisation of revenue and EBITDA.

Key figures

Unaudited figures, prepared in accordance with IFRS

	(in K euro)	June 2023	June 2024	Δ in %
Revenue		30 031	29 780	-0.8%
Profit/loss (-) from operating activities (EBIT)		1 345	380	-71.8%
Depreciation, amortisation, write-downs, impairment and provisions from operating activities		1 928	1 977	2.5%
Profit/loss (-) from operating activities, corrected for depreciation, amortisation, write-downs, impairment and provisions (EBITDA)		3 273	2 356	-28.0%
Financial result		-53	97	283.2%
Profit/loss (-) before taxes (EBT)		1 292	477	-63.1%
Income taxes expense (-)/income		-1	-14	1431.1%
Profit/loss (-) for the period		1 291	463	-64.2%

	(in K euro)	June 2023	December 2023	June 2024	Δ in % June 2023- June 2024
Total assets		66 849	81 383	68 401	2.3%
Cash and cash equivalents		10 105	25 179	9 674	-4.3%
Gross financial debt (-)		-5 519	-5 495	-6 395	15.9%
Net financial debt (-)/Net cash		4 586	19 683	3 279	-28.5%
Total equity		44 943	49 294	45 403	1.0%
Solvency ratio		67.2%	60.6%	66.4%	-1.3%
Current ratio		123.6%	133.7%	125.7%	1.7%

The acquisition of fanshops.be BV (TopFanZ) (refer to the press release of 31 May 2024) is, according to IFRS 3 Business Combinations, recognised in the consolidated figures as from the acquisition date.

For further information, reference is made to Note 1 Business combinations, in the 2024 Half-yearly financial report.

Explanatory notes

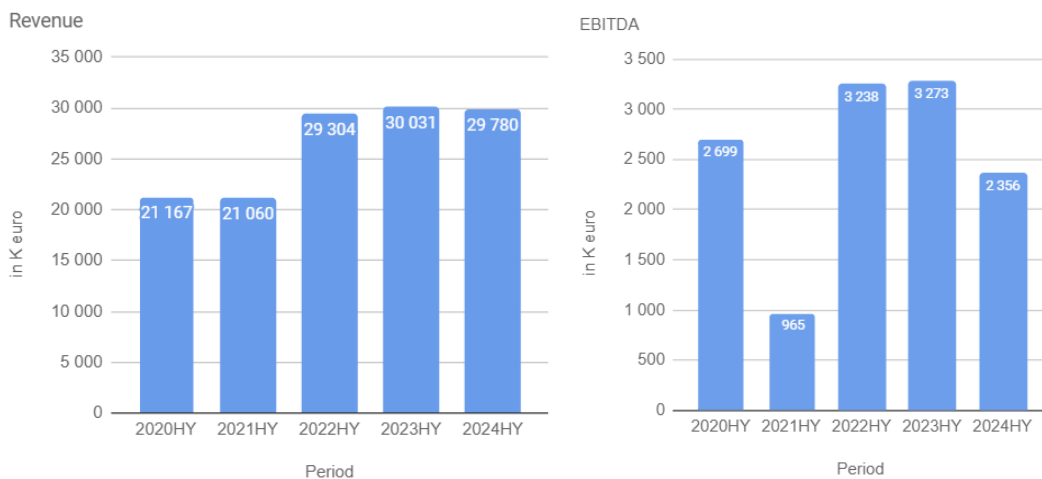
Over the first 6 months of 2024, revenue of smartphoto group, the innovative e-commerce group from Wetteren, amounts to 29 780K euro, compared to 30 031K euro over the first 6 months of previous year. This slight decrease of 0.8% is the result of, on the one hand, a 2.5% revenue decline in the smartphoto segment, primarily due to the decreasing popularity of Communion, along with other factors such as generally challenging economic conditions. On the other hand, naYan achieved a 2.2% increase in revenue, mainly driven by the acquisition of new customers.

In the first half of the year, the product range of personalised products and gifts within the smartphoto segment was further expanded. Among others, the category of 'Embroidered products' was further expanded. In addition to towel sets, bath ponchos, backpacks, or toiletry bags, aprons and sweaters for both children and adults can now also be personalised with a name and/or text. When selecting new products, sustainability remains a key focus. For example, several of the new items are made from wood, such as the wooden keychain, the vase with a wooden stand, and the wooden tapas board. The expansion of products will continue in the second half of the year.

Within the B2B segment, revenue experienced a positive evolution (+5.2%). This increase was achieved through organic growth via naYan (+2.2%) on the one hand, mainly due to the attraction of new customers, as well as growth from the existing customer portfolio; and on the other hand through TopFanZ, whose figures contribute for 1 month.

Stagnating turnover, increasing costs of materials, personnel and logistics, and further investments in extra recruitments at naYan to support growth, resulted in a decline in EBITDA from 3 273K euro for the first half of 2024 to 2 356K euro as at 30 June 2024 (-28.0%).

TopFanZ is recognised in the consolidated figures as from the acquisition date at 31 May 2024; and thus contributes to revenue and result for 1 month.



On 27 June 2024, smartphoto received for the third time in a row the VOKA Charter Sustainable Business (VCDO). With the award of the 2024 Sustainability Certificate Laureate in recognition of the sustainability efforts made over the past year, smartphoto claims the certificate of 'Pioneer Sustainable Enterprise'.

More information on smartphoto group's sustainability policy can be found on the corporate website www.smartphotogroup.com, under the ESG section.



Financial result

The financial result improved by 150K euro from -53K euro as at 30 June 2023 to a positive result of 97K euro as at 30 June 2024. This improvement is mainly due to the increase of financial income from cash investments for 135K euro, the positive impact of foreign exchange gains/losses of 21K euro, the increase in financial costs resulting from interest-bearing financial liabilities and lease liabilities of 12K euro, and the decrease of other financial costs of 6K euro.

Income taxes

Income taxes expense (-)/income amounted to -1K euro over the first 6 months of 2023, compared to -14K euro as at 30 June 2024. This increase in income taxes of 13K euro consists mainly of a net increase in deferred taxes.

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

As at 30 June 2024, net profit amounts to 463K euro, compared to a net profit of 1 291K euro as at 30 June 2023. This evolution of the result with -829K euro over the first 6 months of 2024 compared to a year earlier, is mainly explained by:

- a decrease of profit/loss (-) from operating activities (-965K euro);
- a positive evolution of the financial result (+150K euro); and,
- a negative impact of the income taxes expense (-)/income (-13K euro).

The other comprehensive income after taxes amounts to -137K euro as at 30 June 2024, and relates to translation differences.

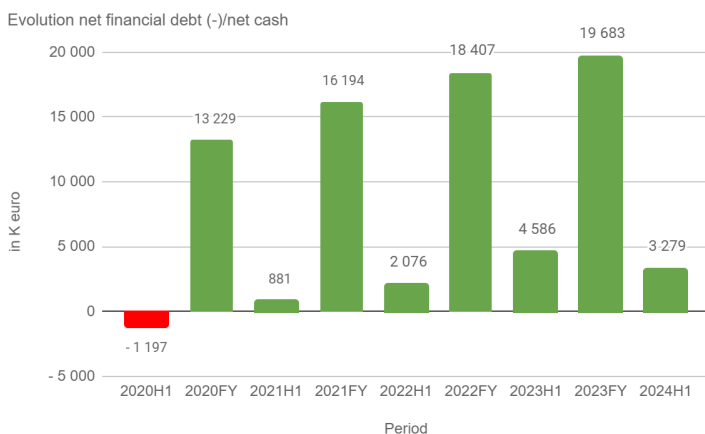
The profit or loss and other comprehensive income amount to 325K euro as at 30 June 2024, compared to 1 196K euro as at 30 June 2023, a decrease of 871K euro.

Statement of financial position

The balance sheet total as at 30 June 2024 amounts to 68 401K euro, compared to 81 383K euro as at 31 December 2023. This decrease of 12 983K euro is mainly explained by the following elements:

- A decrease in the net carrying amount of **property, plant and equipment** of 156K euro. This decrease is mainly due to, on the one hand, investments of 538K euro, primarily related to investments in production machines and acquisitions through business combinations, due to the acquisition of TopFanZ for an amount of 138K euro. On the other hand, the depreciation amounts to 826K euro over the first 6 months of 2024.

- An increase in the net carrying amount of the **right-of-use assets** of 788K euro. The investments amount to 770K euro and relate to vehicles. The acquisitions through business combinations, due to the acquisition of TopFanZ, amount to 493K euro, and mainly relate to the building in Halen. On the other hand, the depreciation amounts to 453K euro over the first half of 2024. Furthermore, there was a negative impact from sales and disposals of 2K euro, and a negative impact of exchange rate differences of 19K euro.
- An increase in goodwill following the acquisition of TopFanZ.
In accordance with IFRS 3, the identifiable assets acquired and the liabilities assumed of TopFanZ were recognised separately from goodwill and measured at fair value at the acquisition date. The amount by which the consideration transferred exceeds the net balance of the identifiable assets acquired and liabilities assumed is recognised as goodwill and amounts to 1 675K euro.
- An increase in the net carrying amount of **intangible assets** of 314K euro, due to on the one hand: (i) the investments of 811K euro, of which 807K euro was generated internally. These internally generated intangible assets mainly relate to investments to improve the web platform and associated management tools; and (ii) the acquisitions through business combinations, following the acquisition of TopFanZ, for an amount of 204K euro. On the other hand, the depreciation over the first 6 months of 2024 amounts to 701K euro.
- An increase in **inventory** of 430K euro to 3 526K euro as at 30 June 2024, compared to the inventory level as at 30 June 2023 of 3 526K euro. This increase is almost entirely due to the acquisition of TopFanZ.
- A decrease in the **current and non-current trade and other receivables** of 1 236K euro in the period from 31 December 2023 to 30 June 2024. This decrease is, among others, due to the seasonal nature of the business; offset by the increase in trade and other receivables following the acquisition of TopFanZ.
- Due to the acquisition of TopFanZ, **net cash** decreased on an annual basis from 4 586K euro as at 30 June 2023, to 3 279K euro as at 30 June 2024, or a decrease of 1 308K euro.



Compared to 31 December 2023 (cash surplus of 19 683K euro), net cash decreased by 16 404K euro in the first 6 months of 2024.

This decrease is due to the seasonal effect, with sales traditionally characterised by a seasonal peak in the last quarter of the year, which applies to both the smartphoto and the B2B segment. In addition, the acquisition of TopFanZ also contributes to this decline.

- A decrease in **total equity** of 3 891K euro in the period from 31 December 2023 to 30 June 2024. This decrease is mainly explained by:
 - on the one hand, the realised profit over the first 6 months of 2024 (463K euro); and
 - on the other hand, the payment of the dividend for 2023 in the month of May 2024 (3 714K euro), the purchase of treasury shares in the period from 1 January 2024 to 30 June 2024 (502K euro), and the negative impact of conversion differences (137K euro).

On 13 May 2024, a new share buy-back programme with starting date on 14 May 2024 was announced. This buy-back programme has a maximum value of 1 500K euro in treasury shares and ends on 31 December 2025, or earlier, when the target value of treasury shares is acquired. With this new programme, smartphoto group further aims to use the free cash flow partly to increase the pool of treasury shares as an investment, as well as to enable the financing of possible future acquisitions.

As at 30 June 2024 smartphoto group NV holds 409 375 treasury shares, or 10.39% of the total number of shares issued (3 941 950).

- An increase in the **current and non-current interest-bearing financial liabilities** of 103K euro over the first 6 months of 2024, on the one hand as a result of the repayment of the loans relating to the acquisition of Aultmore NV in the context of the purchase of the additional production building in 2019. On the other hand, interest-bearing financial liabilities increased as a result of the acquisition of TopFanZ.
- A net increase in the **current and non-current lease liabilities** with 796K euro from 3 607K euro as at 31 December 2023 to 4 403K euro as at 30 June 2024. This net increase is the result, on the one hand, of the repayment of current lease liabilities and, on the other, of entering into new lease agreements concerning vehicles, and the lease agreements related to the acquisitions from business combinations, following the acquisition of TopFanZ.
- An increase in the **non-current trade and other payables** for an amount of 1 097K euro, being the discounted value of the additional consideration to which the seller of TopFanZ is still entitled on top of the initial purchase price.
- A decrease in the **current trade and other payables** by 10 718K euro in the period of 31 December 2023 to 30 June 2024. This decrease is mainly due to the seasonal nature of the business; offset by the increase in current trade and other liabilities following the acquisition of TopFanZ.

The financial statements and explanatory notes in accordance with IFRS, are included in the "[Half-yearly financial report 2024](#)", available on the website www.smartphotogroup.com.

Outlook 2024⁽¹⁾

Despite the uncertain general economic outlook, smartphoto expects a stabilisation of both operating income and EBITDA in the second half of 2024.

For smartphoto, this will include focusing on innovation in the marketing approach and faster delivery times. NaYan will further focus on growth by acquiring new customers for its 'E-commerce as a Service' (EaaS). TopFanZ will also continue to focus on growth through geographical expansion and expansion of its product range.

Definitions

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

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

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

EBT= Profit/loss (-) before taxes.

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

Cash surplus= Net financial debt (-)/net cash= Total cash and cash equivalents less current and non-current interest-bearing financial liabilities and lease liabilities.

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

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

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

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

About smartphoto group

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

Additionally, smartphoto group, through naYan, active in B2B e-commerce, is one of the market leaders in e-commerce distribution. NaYan is a full-service e-commerce office which helps ambitious brands worldwide grow online, with proven expertise in e-commerce, digital marketing, customer experience and sales through marketplaces (www.nayan.be).

Through TopFanZ, smartphoto group is also the market leader in Belgium in merchandising products and services in the sports and entertainment sector, ranging from product sourcing, support in e-commerce activities and logistics, to full-service partnerships, including marketing advice (www.topfanz.com).

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

Financial calendar

3 February 2025 ⁽²⁾	after trading hours	2024 Trading update
4 March 2025 ⁽²⁾	after trading hours	2024 Annual results
14 May 2025	at 2 p.m.	Annual General Meeting of Shareholders
26 August 2025 ⁽²⁾	after trading hours	Half-year results and half-yearly financial report 2025

For additional information

Stef De corte*, CEO
smartphoto group NV
Kwatrechtsteenweg 160
B- 9230 Wetteren
Tel. +32.9.365.99.10
E-mail: corporate@smartphoto.com - Internet: www.smartphotogroup.com

* Permanent representative of Acortis BV

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

⁽²⁾ Indicative dates

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

